

entities. Of the remaining operators, 36 are small, based on available data, and 44 others were presumed to be small because no information about them was available on the Internet. In sum, 80 operators on the Gulf of Mexico OCS may be considered to be small.

The above breakdown describes the OCS sector of the natural gas and hazardous liquid industry as a whole and provides the wider context in which to examine the actual community that would be affected by the rule.

Of the 150 production operators in the Gulf of Mexico, only 35 would be directly affected by the rule. Of these 35 operators, 11 are considered to be "small." There are about ten producer pipeline operators on the Pacific OCS that may be affected by the rule, and four of these are considered to be small. Of the small operators affected by the rule, almost all are represented by Standard Industrial Classification (SIC) Code 1311, which represents crude petroleum and natural gas producers.

The larger operators affected by the rule mostly fall into either SIC Code 1311 (crude petroleum and natural gas producers) or SIC Code 2911, (petroleum refining). Companies operating on the OCS and that fall into SIC Code 2911 tend to be the very large integrated natural gas and hazardous liquid companies.

Two of the larger operators in the Gulf of Mexico that have production pipelines are represented under SIC Code 4922 (natural gas transmission) and by SIC Code 4924 (natural gas distribution). These classifications mean that the operators in question normally operate as pipeline companies, and we anticipate that these two operators will choose to remain under RSPA/OPS regulation. Pipeline companies are considered "small" if they have fewer than 1,500 employees, but both of these operators would be considered "large" under the 1,500-employee criterion.

Natural gas and hazardous liquid production and transportation companies are classified under SIC Codes by the Census Bureau. The Small Business Administration further classifies "small businesses" in the various offshore sectors as follows: (1) Oil and gas producers that have fewer than 500 employees; (2) liquid pipeline companies that have fewer than 1,500 employees; (3) natural gas pipeline companies that have gross annual receipts of \$25 million or less; and (4) offshore oil and gas field exploration service or production service companies that have gross annual receipts of \$5 million or less. There are many companies on the OCS that are "small businesses" by these definitions.

However, the technology necessary for conducting offshore oil and gas exploration and development activities is very complex and costly, and most entities that engage in offshore activities have financial resources disproportionate to their numbers of employees and well beyond what would normally be considered "small business." These entities customarily conduct their operations by contracting with offshore drilling or service companies, and therefore, tend to have few employees in relation to their financial resources.

There are up to 150 designated operators of leases and 75 operators of transmission pipelines on the OCS (both large and small operators), and the economic impacts on the oil and gas production and transmission companies directly affected would be minor. All costs imposed by the rule would be small compared to the normal operating and maintenance expenses experienced by offshore pipeline operators. Direct costs to industry for the entire rule total less than \$14,000 for the first year. This rule would not impose any new restrictions on small pipeline service companies or manufacturers, nor will it cause changes in their business practices.

We conclude that the rule would not have a significant economic impact on a substantial number of small entities. Therefore, I certify, pursuant to section 605 of the Regulatory Flexibility Act (5 U.S.C. 605), that this final rule will not have a significant economic impact on a substantial number of small entities.

D. Executive Order 13084

This rule has been analyzed in accordance with the principles and criteria contained in Executive Order 13084 ("Consultation and Coordination with Indian Tribal Governments"). Because this rule affects the Federally managed OCS and does not affect the communities of the Indian tribal governments or impose any direct compliance costs, the funding and consultation requirements of Executive Order 13084 do not apply.

E. Executive Order 13132

This rule has been analyzed in accordance with the principles and criteria contained in Executive Order 13132 ("Federalism"). This rule does not propose any regulation that:

(1) Has substantial direct effects on the States, the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government;

(2) Imposes substantial direct compliance costs on States and local governments; or

(3) Preempts state law.

Therefore, the consultation and funding requirements of Executive Order 13132 (64 FR 43255; August 10, 1999) do not apply.

F. Unfunded Mandates

This rule would not impose unfunded mandates under the Unfunded Mandates Reform Act of 1995. It would not result in costs of over \$100 million to either State, local, or tribal governments, in the aggregate, or to the private sector, and is the least burdensome alternative that achieves the objectives.

G. Paperwork Reduction Act

This rule does not contain information collection requirements estimated to affect more than ten respondents per year.

H. National Environmental Policy Act

We have analyzed this action for purposes of the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*) and determined that this rule would not significantly affect the quality of the human environment. The Environmental Assessment of this proposal is available for review in the docket.

List of Subjects

49 CFR Part 191

Gas, Pipeline safety, Reporting and recordkeeping requirements.

49 CFR Part 192

Hazardous liquid, Natural gas, Pipeline safety, Pipelines, Reporting and recordkeeping requirements.

49 CFR Part 195

Ammonia, Carbon dioxide, Petroleum, Pipeline safety, Reporting and recordkeeping requirements.

■ For the reasons described in this final rule, RSPA/OPS is amending Title 49, Parts 191, 192 and 195, Code of Federal Regulations, as follow:

PART 191—TRANSPORTATION OF NATURAL AND OTHER GAS BY PIPELINE; ANNUAL REPORTS, INCIDENT REPORTS, AND SAFETY-RELATED CONDITION REPORTS

■ 1. The authority citation for part 191 continues to read as follows:

Authority: 49 U.S.C. 5121, 60102, 60103, 60104, 60108, 60117, 60118, 60124; and 49 CFR 1.53.

■ 2. Amend § 191.1 by revising paragraph (b) to read as follows: