

a total weight of 20 tons, and incorporate comprehensive VTL work practices that are similar to those developed by ICHCA. The changes that OSHA is proposing to make are expected to benefit the regulated community by increasing productivity for those who choose to make use of VTLs. In order to make use of VTLs, the affected employers will need to incur some additional costs. However, this action does not constitute a "significant regulatory action" for the purposes of Executive Order (EO) 12866. That is, this proposal does not impose costs or have benefits to the regulated community in excess of \$100 million.

Only those employers who choose to use VTLs will incur costs and realize productivity gains. If employers decide that VTLs will be beneficial to their operations, then the costs imposed by the regulation result from the following activities: (1) Ensuring that the cranes used for VTLs have LIDs; (2) developing

and implementing plans for handling and transporting VTLs in a terminal; (3) notifying the crane operator through a cargo plan of the location and characteristics of all VTL units being handled; (4) ensuring that damaged and defective liftlocks are separated from operating liftlocks; and (5) ensuring that all liftlocks used to make up a VTL at a terminal are the same certified liftlocks that are on the vessel onto which the VTLs will be loaded.

Industrial Profile

According to a Dun & Bradstreet's 2002 Report (D&B, 2002), the total number of establishments and employees potentially affected by the proposal are grouped in NAICS 488310 (Port & Harbor Operations), NAICS 483111 (Deep Sea Freight Transportation), and NAICS 483113 (Coastal & Great Lakes Freight Transportation). The last two are the NAICS codes governing shippers of goods by water, and the first is the

NAICS code (OMB, 1997) for establishments engaged in loading and unloading ships (see Table 1).

The Agency estimates that only a portion of the establishments in the affected industries will be able to or choose to adopt the option this proposal makes available (see Table 2). OSHA estimates that the affected establishments will be the larger employers that will choose to incur the costs associated with performing VTLs (certifying liftlocks (for ship owners only), ensuring that cranes have load indicating devices, ensuring damaged liftlocks do not get mixed with operating liftlocks, ensuring that the crane operator is aware of the VTL locations and characteristics, and developing a plan for transporting VTLs in the terminal). Stevedoring establishments (in NAICS 488310) with more than 100 employees are most likely to encounter situations where they could usefully perform VTLs.

TABLE 1.—INDUSTRIAL PROFILE FOR THE PROPOSED STANDARD

	NAICS 488310 Port & Harbor Oper- ations	NAICS 483111 Deep Sea Freight Transportation	NAICS 483113 Coastal & Great Lakes Freight Trans- portation	Total all affected sectors
Establishments	212	507	301	1,020
Employees	6,037	15,663	8,393	30,093
Revenues	\$643,203,331	\$15,455,878,053	\$4,270,754,490	\$20,369,835,874
Profits (7%)	\$45,024,233	\$1,081,911,464	\$298,952,814	\$1,425,888,511
Establishments w/<20 Employees	179	379	223	781
Employees in Establishments with <20 Employees	850	2,152	223	3,225
Revenues Per Establishment	\$571,677	\$3,802,768	\$3,023,502
Profits Per Establishment	\$40,017	\$266,194	\$211,645
Establishments w/100 to 499 Employees	5	36	15	56
Employees in Establishments with 100 to 499 Em- ployees	1,052	6,575	3,293	10,920
Revenues Per Establishment	\$77,808,832	\$155,591,006	\$39,740,515
Profits Per Establishment	\$5,446,618	\$10,891,370	\$2,781,836
Establishments w/>500 Employees	3	5	2	10
Employees in Establishments with >500 Employ- ees	3,231	3,388	1,400	8,019
Revenues Per Establishment	\$33,305,333	\$301,600,000	\$357,800,000
Profits Per Establishment	\$2,331,373	\$21,112,000	\$25,046,000

Source: Office of Regulatory Analysis.

Profit rates taken from *Robert Morris Associates*, 1998–1999 (RMA, 1998).

Employees, establishments, and revenues taken from Dunn & Bradstreet, 2002.

Owners of the ships that transport containers (in NAICS 483111 and 483113), and have more than 100 employees, may ship containers organized for VTLs. OSHA assumes that smaller shipping lines will not choose to incur the expense of loading or unloading containers via VTLs which includes the costs of certifying liftlocks.

Only those companies operating in major ports will engage in transporting containers using VTLs. Thus, the Agency assumes, for the purposes of this preliminary estimate, that all of the establishments in NAICS 488310, 483111, and 483113 with greater than 100 employees will choose to incorporate VTLs into their workplaces.

The resulting number and characteristics of establishments likely to adopt VTLs are shown in Table 2. However, nothing prevents others from using VTLs. The Agency seeks comment on these estimates concerning the number and kinds of establishment likely to adopt VTLs.