

ensure that the appropriate elements of the AMS Plan are implemented. We have changed the approval level to the Area Commander, because the Area Commander is the approval authority for the AMS Plan, not the District Commander. However, we have kept the initial review at the District Commander level in order to highlight any regional resource issues. Once we obtain sufficient experience with AMS Plan implementation, we will review the annual requirement and, if warranted, may consider revising the exercise frequency. However, to remain in compliance with our international obligations, should we deem a change to this annual frequency to be appropriate in the future, we must propose the change internationally.

#### *Additional Changes*

In addition, the part heading in this part has been amended to align with all the part headings within this subchapter. We have also corrected the Table of Contents for the entry for § 103.410, which was missing the word "Assessment."

#### **Regulatory Assessment**

This final rule is a "significant regulatory action" under section 3(f) of Executive Order 12866, Regulatory Planning and Review. The Office of Management and Budget has reviewed it under that Order. It requires an assessment of potential costs and benefits under section 6(a)(3) of that Order. It is significant under the regulatory policies and procedures of the Department of Homeland Security. A final assessment is available in the docket as indicated under **ADDRESSES**. We did not receive specific comments on the regulatory assessment for part 103. A discussion of general comments on the regulatory assessment for subchapter H can be found in the preamble of the final rule for part 101, under "Regulatory Assessment."

#### **Cost Assessment**

This rule will affect stakeholders in 47 COTP zones containing 361 ports. The regulatory assessment and analysis documentation (*see* USCG-2003-14733) details estimated costs to public and private stakeholders and does not include costs to the Coast Guard.

Because the changes in this final rule do not affect the original cost estimates presented in the temporary interim rule (68 FR 39287) (part 103), the costs remain unchanged.

The total cost estimate of the rule, as it pertains to area maritime security, is present value \$477 million (2003–2012, 7 percent discount rate). The initial cost of the startup period (June 2003–December 2003) for establishing AMS Committees and creating AMS Plans is estimated to be \$120 million (non-discounted) for all areas. Following the startup period, the first year of implementation (2004), consisting of monthly AMS Committee meetings and AMS Plan exercises and drills for all areas, is estimated to be \$106 million (non-discounted). After the first year of implementation, the annual cost of quarterly AMS Committee meetings and AMS Plan exercises and drills for all areas is estimated to be \$46 million (non-discounted). The startup period cost associated with creating AMS Committees and AMS Plans for each area is the primary cost driver of the rule. Both the startup and implementation year period (2003–2004) combined is nearly half of the total 10-year present value cost estimate, making initial development, planning, and testing the primary costs of Area Maritime Security.

This rule will require all COTPs to establish security committees, plans, training drills, and exercises for their areas, with the participation of port stakeholders in their areas. The above costs to stakeholders will be paperwork, travel, and communication costs associated with participation in AMS Plan implementation.

We estimate 1,203,200 hours of paperwork and other associated planning activities during 2003, the initial period of security meetings and development. In 2004, the first year of implementation, we estimate the value will fall slightly to 1,090,400 hours of paperwork and other related information and communication activities related to monthly AMS Committee meetings. In subsequent years, we estimate the hours will fall to 488,800 hours annually associated with AMS Committee meetings, AMS Plan revisions, and information exercises and drills.

#### **Benefit Assessment**

This final rule is one of six final rules that implement national maritime security initiatives concerning general provisions, Area Maritime Security, vessels, facilities, Outer Continental Shelf (OCS) facilities, and the Automatic Identification System (AIS). The Coast Guard used the National Risk Assessment Tool (N-RAT) to assess benefits that would result from increased security for vessels, facilities, OCS facilities, and areas. The N-RAT considers threat, vulnerability, and consequences for several maritime entities in various security-related scenarios. For a more detailed discussion on the N-RAT and how we employed this tool, refer to "Applicability of National Maritime Security Initiatives" in the temporary interim rule titled "Implementation of National Maritime Security Initiatives" (68 FR 39243) (part 101). For this benefit assessment, the Coast Guard used a team to calculate a risk score for each entity and scenario before and after the implementation of required security measures. The difference in before and after scores indicated the benefit of the proposed action.

We recognized that the final rules are a "family" of rules that will reinforce and support one another in their implementation. We have ensured, however, that risk reduction that is credited in one rule is not also credited in another. For a more detailed discussion on the benefit assessment and how we addressed the potential to double-count the risk reduced, refer to "Benefit Assessment" in the temporary interim rule titled "Implementation of National Maritime Security Initiatives" (68 FR 39274) (part 101).

We determined annual risk points reduced for each of the six final rules using the N-RAT. The benefits are apportioned among the Vessel, Facility, OCS Facility, AMS, and AIS requirements. As shown in Table 1, the implementation of AMS security for the affected population reduces 135,202 risk points annually through 2012. The benefits attributable for part 101, General Provisions, were not considered separately since it is an overarching section for all the parts.

TABLE 1.—ANNUAL RISK POINTS REDUCED BY THE FINAL RULES

Maritime entity	Annual risk points reduced by rule				
	Vessel security	Facility security	OCS facility security	AMS	AIS
Vessels .....	778,633	3,385	3,385	3,385	1,317