

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered whether this final rule would have a significant economic impact on a substantial number of small entities. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

We found that the facilities (part 105), vessels (part 104), and AIS rules may have a significant impact on a substantial number of small entities.

However, we were able to certify no significant economic impact on a substantial number of small entities for the Area Maritime Security (part 103) and OCS facility security (part 106) rules. A complete small entity analysis may be found in the “Cost Assessment and Final Regulatory Flexibility Analysis” for these rules.

We received comments regarding small entities; these comments are discussed within the “Discussion of Comments and Changes” section of this final rule.

U.S. Flag SOLAS Vessels.

We estimated that 88 companies that own U.S. flag SOLAS vessels will be

affected by the final rule. We researched these companies and found revenue data for 32 of them (36 percent). The revenue impacts for these vessels are presented in Table 3. In this analysis, we considered the impacts to small businesses during the first year of implementation, when companies will be conducting assessments, developing security plans, and purchasing equipment. We also considered annual revenue impacts following the first year, when companies will have the assessments and plans complete, but will need to conduct quarterly drilling.

TABLE 3.—ESTIMATED REVENUE IMPACTS FOR SMALL BUSINESSES THAT OWN U.S. FLAG SOLAS VESSELS

Percent impact on annual revenue	Initial		Annual	
	Number of small entities with known revenue data	Percent of small entities with known revenue data	Number of small entities with known revenue data	Percent of small entities with known revenue data
0–3	8	25	8	25
3–5	3	9	3	9
5–10	1	3	4	13
10–20	6	19	4	13
20–30	4	13	3	9
30–40	1	3	2	6
40–50	3	9	2	6
> 50	6	19	6	19
Total	32	100	32	100

We assume that the remaining 56 entities that did not have revenue data are very small businesses. We assume that the final rule may have a significant economic impact on these businesses.

Domestic Vessels

We estimated that 1,683 companies that own domestic vessels will be

affected by the final rule. We researched these companies and found revenue data for 822 of them (49 percent). The revenue impacts for these vessels are presented in Table 4. As with U.S. flag SOLAS vessels, we considered the impacts to small businesses during the first year of implementation, when

companies will be conducting assessments, developing security plans, and purchasing equipment. We also considered annual revenue impacts following the first year, when companies will have the assessments and plans complete, but will need to conduct quarterly drilling.

TABLE 4.—ESTIMATED REVENUE IMPACTS FOR SMALL BUSINESSES THAT OWN DOMESTIC VESSELS

Percent impact on annual revenue	Initial		Annual	
	Number of small entities with known revenue data	Percent of small entities with known revenue data	Number of small entities with known revenue data	Percent of small entities with known revenue data
0–3	366	45	393	48
3–5	86	10	87	11
5–10	171	21	170	21
10–20	85	10	64	8
20–30	34	4	37	5
30–40	19	2	16	2
40–50	9	1	16	2
> 50	52	6	39	5
Total	822	100	822	100

We assumed that the remaining 861 entities that did not have revenue data

are very small businesses. We assumed

that the final rule may have a significant economic impact on these businesses.