

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

Maritime entity	Annual risk points reduced by final rule				
	Vessel security	Facility security	OCS facility security	AMS	AIS
Total .....	781,285	473,659	13,288	135,202	1,422

Once we determined the annual risk points reduced, we discounted these estimates to their present value (7 percent discount rate, 2003–2012) so that they could be compared to the costs. We presented the cost

effectiveness, or dollars per risk point reduced, in two ways: first, we compared the first-year cost and first-year benefit because first-year cost is the highest in our assessment as companies develop security plans and purchase

equipment. Second, we compared the 10-year present value cost and the 10-year present value benefit. The results of our assessment are presented in Table 2.

TABLE 2.—FIRST-YEAR AND 10-YEAR PRESENT VALUE COST AND BENEFIT OF THE FINAL RULES

Item	Final rule				
	Vessel security	Facility security	OCS facility security	AMS	AIS*
First-Year Cost (millions) .....	\$218	\$1,125	\$3	\$120	\$30
First-Year Benefit .....	781,285	473,659	13,288	135,202	1,422
First-Year Cost Effectiveness (\$/Risk Point Reduced) .....	279	2,375	205	890	21,224
10-Year Present Value Cost (millions) .....	1,368	5,399	37	477	26
10-Year Present Value Benefit .....	5,871,540	3,559,655	99,863	1,016,074	10,687
10-Year Present Value Cost Effectiveness (\$/Risk Point Reduced) .....	233	1,517	368	469	2,427

\* Cost less monetized safety benefit.

### 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 have reviewed this final rule for potential economic impacts on small entities. A Final Regulatory Flexibility Analysis discussing the impact of this final rule on small entities is available in the docket where indicated under ADDRESSES.

Our assessment (copy available in the docket) concludes that implementing this final rule may have a significant economic impact on a substantial number of small entities.

There are approximately 1,200 companies that own facilities that will be affected by the final rule. We researched these companies, and found revenue and business size data for 581 of them (48 percent). Of the 581, we determined that 296 are small entities according to Small Business Administration standards.

The cost of the final rule to each facility is dependent on the security measures already in place at each facility and on the relevant risk to a maritime transportation security incident. The final rule calls for specific security measures to be in place at each affected facility. We realize, however, that most facilities already have implemented security measures that may satisfy the requirements of this rule. For example, we note that every facility will develop a Facility Security Assessment and a Facility Security Plan, but not all of them may need to install or upgrade fences or lighting equipment.

For this reason, we analyzed the small entities under two scenarios, a higher cost and lower cost scenarios. The higher cost scenario uses an estimated initial cost of \$1,942,500 and its corresponding annual cost of \$742,700. The higher cost scenario assumed extensive capital improvements will be undertaken by the facilities in addition to the cost of complying with the minimum requirements (assigning Facility Security Officers, drafting Facility Security Assessments, drafting Facility Security Plans, conducting training, performing drills, and completing Declarations of Security). The lower cost scenario used an initial cost of \$133,500 and annual cost of

\$156,800 for complying with the minimum requirements in the final rule.

In the higher cost scenario, we estimated that the annual revenues of 94 percent of the small entities may be impacted initially by more than 5 percent, while the annual revenues of 80 percent of the small entities may be impacted annually by more than 5 percent. In the lower cost scenario, we found that the annual revenues of 57 percent of the small entities may be impacted initially and annually by more than 5 percent.

### Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we offered to assist small entities in understanding the rule so that they could better evaluate its effects on them and participate in the rulemaking. We provided small entities with a name, phone number, and e-mail address to contact if they had questions concerning the provisions of the final rules or options for compliance.

We have placed Small Business Compliance Guides in the dockets for the Area Maritime, Vessel, and Facility Security and the AIS rules. These Compliance Guides will explain the applicability of the regulations, as well as the actions small businesses will be