SUPPLEMENTARY INFORMATION:

FOR FURTHER INFORMATION CONTACT:

Todd.A.Haviland@uscg.mil, or fax 202–372–1914.

The Coast Guard is advancing the effective date for the 2015 final rule which published on February 26, 2015, adjusting rates for pilotage services on the Great Lakes in accordance with a full ratemaking procedure. The rate adjustments made by the February 2015 final rule are unchanged, but instead of being effective on August 1, 2015, the rates will take effect June 2, 2015. This ratemaking rule promotes the Coast Guard’s strategic goal of maritime safety.

DATES: The effective date for the final rule published February 26, 2015 (80 FR 10365), is changed from August 1, 2015, to June 2, 2015.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or email Mr. Todd Haviland, Director, Great Lakes Pilotage, Commandant (CG–WWM–2), Coast Guard; telephone 202–372–2037, email Todd.A.Haviland@uscg.mil, or fax 202–372–1914.

SUPPLEMENTARY INFORMATION:

Table of Contents for Preamble

I. Abbreviations
II. Regulatory History
III. Background
IV. 2014 Litigation
V. Good Cause
VI. Regulatory Analyses
   A. Regulatory Planning and Review
   B. Small Entities
   C. Assistance for Small Entities
   D. Collection of Information
   E. Federalism

I. Abbreviations

CFR Code of Federal Regulations
E.O. Executive Order
FR Federal Register
MISLE Marine Information for Safety and Law Enforcement
NAICS North American Industry Classification System
NPRM Notice of proposed rulemaking
OMB Office of Management and Budget
§ Section symbol

II. Regulatory History

On September 4, 2014, we published a notice of proposed rulemaking (NPRM) titled “Great Lakes Pilotage Rates—2015 Annual Review and Adjustment” in the Federal Register.1

On December 1, 2014, we published revenue audits of the pilot associations and reopened the public comment period in the Federal Register.2

III. Background

The vessels affected by this ratemaking are those engaged in foreign trade upon the U.S. waters of the Great Lakes. United States and Canadian “lakers,”4 which account for most commercial shipping on the Great Lakes, are not affected.5 For further background information, please see the February 26, 2015 final rule at 80 FR 10365 at 10366. For further information summarizing the February final rule, see pages 10368 through 10383 of that document.

The basis of this rule is the Great Lakes Pilotage Act of 1960 (“the Act”) (46 U.S.C. Chapter 93), which requires U.S. vessels operating “on register”6 and foreign vessels to use U.S. or Canadian registered pilots while transiting the U.S. waters of the St. Lawrence Seaway and the Great Lakes system.7 The Act requires the Secretary to “prescribe by regulation rates and charges for pilotage services, giving consideration to the public interest and the costs of providing the services.”8 Rates must be established or reviewed and adjusted each year, not later than March 1. Base rates must be established by a full ratemaking at least once every 5 years, and in years when base rates are not established, they must be reviewed and, if necessary, adjusted.9 The Secretary’s duties and authority under the Act have been delegated to the Coast Guard.10 Coast Guard regulations implementing the Act appear in parts 401 through 404 of Title 46, Code of Federal Regulations (CFR). Procedures for use in establishing base rates appear in 46 CFR part 404, appendix A, and procedures for annual review and adjustment of existing base rates appear in 46 CFR part 404, appendix C.

This final rule advances the effective date of the 2015 final rule published on February 26, 2015, which established new base pilotage rates, using the methodology found in 46 CFR part 404, appendix A.

IV. 2014 Litigation

The Coast Guard published its “Great Lakes Pilotage Rates—2014 Annual Review and Adjustment” final rule on March 4, 2014. Rates set in that rule took effect on August 1, 2014, and have remained in effect since then.11 Shortly after publication, the three Great Lakes pilot associations filed suit12 under the Administrative Procedure Act (APA),13 challenging the manner in which the Coast Guard applied American Maritime Officers Union wage and benefit data. Under the Coast Guard ratemaking methodology, that data significantly affects rate adjustments. On March 27, 2015, the court issued a memorandum opinion holding that the Coast Guard

---

1 79 FR 52560 (Sept. 4, 2014).
3 80 FR 10365 (Feb. 26, 2015).
4 A “laker” is a commercial cargo vessel especially designed for and generally limited to use on the Great Lakes.
6 “On register” means that the vessel’s certificate of documentation has been endorsed with a registry endorsement, and therefore, may be employed in foreign trade or trade with Guam, American Samoa, Wake, Midway, or Kingman Reef, 46 U.S.C. 12105, 46 CFR 67.17.
9 Id.
13 S U.S.C. 551 et seq.
had not properly applied the union data, and was therefore arbitrary and capricious in setting the 2014 rates, which consequently were set lower than they should have been. The court ordered the parties to brief the appropriate remedy, recognizing that the normal remedy of vacating and remanding the 2014 rule would be counterproductive because the 2013 rates are lower than the rates set in the 2014 rule. Given that the usual remedies are impractical, the parties have discussed a remedy that advances the effective date for 2015 rates set in our 2015 final rule.\(^{14}\)

V. Good Cause

The Coast Guard is advancing the August 1, 2015 effective date of the 2015 final rule without following the usual APA procedures for prior notice and public opportunity to comment, and for thirty days to elapse between publication of a rule and the effective date of that rule. Under 5 U.S.C. 553(b)(3)(B) and 5 U.S.C. 553(d), the Coast Guard finds that it has good cause to depart from these procedures because to follow those procedures would be impracticable and contrary to public interest.

Standard APA procedures would require publishing a notice of proposed rulemaking, taking and considering public comments on that notice, publishing a second document actually advancing the effective date, and then waiting thirty days before that advancement could take effect. However, effective implementation of the remedy depends on acting as soon as practicable to advance the current August 1, 2015 effective date for the 2015 rates. The effectiveness of the remedy is reduced by each day that advancement of the effective date is delayed, thereby leaving the 2014 rates invalidated by the court in place and reducing the additional compensation that the pilots receive from advancement. Delay in order to follow standard APA notice-and-comment rulemaking procedures is therefore impracticable, because any delay would largely, if not wholly, defeat the remedy’s purpose.\(^{15}\)

Delaying the implementation of this rule to follow standard APA notice-and-comment rulemaking procedures is also contrary to public interest. The Coast Guard is statutorily required to set Great Lakes pilotage rates “giving consideration to the public interest and the costs of providing services.”\(^{16}\) The Coast Guard’s goal in setting pilotage rates is to serve the public interest in assuring “safe, efficient, and reliable” pilotage service on the Great Lakes.\(^{17}\) The court has accepted the pilot associations’ argument that the 2014 rates inadequately compensate them for the cost of providing service. Inadequate compensation reduces the funds that the plaintiff pilot associations need to provide safe, efficient, and reliable pilotage, because it weakens their ability to operate, attract and retain qualified pilots, and maintain pilot boats and other infrastructure, all of which are essential to providing current and future pilotage services. The intended effect of the remedy of advancing the effective date of the 2015 rates is to mitigate the impact of the inadequate compensation provided by the invalidated 2014 rates. Therefore any delay in implementing the remedy, diminishes the Coast Guard’s ability to mitigate the inadequate compensation of the 2014 rates and would harm the public interest in assuring safe, efficient, and reliable pilotage.\(^{18}\)

VI. Regulatory Analyses

We developed this rule after considering numerous statutes and E.O.s related to rulemaking. Below we summarize our analyses based on these statutes or E.O.s.

A. Regulatory Planning and Review

Executive Orders 12866, Regulatory Planning and Review, and 13563, Improving Regulation and Regulatory Review, direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

This rule is not a significant regulatory action under section 3(f) of E.O. 12866 as supplemented by E.O. 13563. The Office of Management and Budget (OMB) has not reviewed it under E.O. 12866.

Below is our analysis of the costs and benefits of the rule; this analysis assists in ascertaining the probable impacts of this rule on industry. The Coast Guard is advancing the effective date for the February 26, 2015 final rule adjusting rates for pilotage services on the Great Lakes in accordance with a full ratemaking procedure. The rate adjustments made by the February 2015 final rule are unchanged, but instead of taking effect on August 1, 2015, the rates will take effect June 2, 2015. We estimate that shippers will experience an increase in payments of approximately $283,761 across all three districts as a result of this rulemaking.

A regulatory assessment follows.

The Coast Guard is advancing the effective date of the final rule published on February 26, 2015, which established new base 2015 pilotage rates. This action leads to an increase in the cost per unit of service to shippers in all three districts for the additional period that the 2015 rates will be in effect. The calculations of the rates in the 2014 ratemaking\(^{19}\) and the 2015 ratemaking\(^{20}\) remain unchanged. The shippers affected by these rate adjustments are those owners and operators of domestic vessels operating on register (employed in foreign trade) and owners and operators of foreign vessels on a route within the Great Lakes system. These owners and operators must have pilots or pilotage service as required by 46 U.S.C. 9302. There is no minimum tonnage limit or exemption for these vessels. The statute applies only to commercial vessels and not to recreational vessels.

Owners and operators of other vessels that are not affected by this final rule, such as recreational boats and vessels operating only within the Great Lakes system, may elect to purchase pilotage services. However, this election is voluntary and does not affect our calculation of the rate and is not a part of our estimated national cost to shippers.\(^{21}\)
We used 2011–2013 vessel arrival data from the Coast Guard’s Marine Information for Safety and Law Enforcement (MISLE) system to estimate the average annual number of vessels affected by the rate adjustment. Using that period, we found that approximately 114 different vessels journeyed into the Great Lakes system annually. These vessels entered the Great Lakes by transiting at least one of the three pilotage districts before leaving the Great Lakes system. These vessels often made more than one distinct stop, docking, loading, and unloading at facilities in Great Lakes ports. Of the total trips for the 114 vessels, there were approximately 353 annual U.S. port arrivals before the vessels left the Great Lakes system, based on 2011–2013 vessel data from MISLE.

We estimate the additional impact (cost increases) of the rate adjustment in this rule to be the difference between the 2014 and 2015 pilotage rates, multiplied by the additional bridge hours resulting from advancing the 2015 rate effective date. For this analysis, we assumed the earliest practicable effective date the 2015 rates could be advanced to is June 1, 2015. This would add an additional two months of bridge hours from the August 1, 2015 effective date set in the February 26, 2015 final rule. Table 1 details the additional cost increases by area and district as a result of this rulemaking.

<table>
<thead>
<tr>
<th>Area</th>
<th>2014 Pilotage Rate 21</th>
<th>2015 Pilotage Rate 22</th>
<th>2014 Total Bridge Hours 23</th>
<th>Difference in 2014 and 2015 Rates</th>
<th>Additional Bridge Hours (June and July 2015) 24</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area 1</td>
<td>$472.50</td>
<td>$519.74</td>
<td>5,116</td>
<td>$47.24</td>
<td>1,137</td>
<td>$53,707</td>
</tr>
<tr>
<td>Area 2</td>
<td>291.96</td>
<td>321.15</td>
<td>5,429</td>
<td>29.19</td>
<td>1,206</td>
<td>35,216</td>
</tr>
<tr>
<td>Total, District One</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88,923</td>
</tr>
<tr>
<td>Area 4</td>
<td>210.40</td>
<td>231.44</td>
<td>5,814</td>
<td>21.04</td>
<td>1,322</td>
<td>27,184</td>
</tr>
<tr>
<td>Area 5</td>
<td>521.64</td>
<td>573.80</td>
<td>5,052</td>
<td>52.16</td>
<td>1,123</td>
<td>58,558</td>
</tr>
<tr>
<td>Total, District Two</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85,742</td>
</tr>
<tr>
<td>Area 6</td>
<td>204.95</td>
<td>225.45</td>
<td>9,611</td>
<td>20.50</td>
<td>2,136</td>
<td>43,783</td>
</tr>
<tr>
<td>Area 7</td>
<td>495.01</td>
<td>544.52</td>
<td>3,023</td>
<td>49.51</td>
<td>672</td>
<td>33,260</td>
</tr>
<tr>
<td>Area 8</td>
<td>191.34</td>
<td>210.47</td>
<td>7,540</td>
<td>19.13</td>
<td>1,676</td>
<td>32,053</td>
</tr>
<tr>
<td>Total, District Three</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>108,097</td>
</tr>
<tr>
<td>System Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>283,761</td>
</tr>
</tbody>
</table>

*Some values may not total due to rounding.

We estimate that shippers will experience an increase in payments of approximately $283,761 across all three districts as a result of this rulemaking. The resulting increase in costs is the change in payments from shippers to pilots from advancing the effective date of the 2015 rates. This figure is equivalent to the total additional payments that shippers would incur for pilotage services. This figure, however, is dependent on a June 1, 2015 effective date for the rulemaking. Any delays in the effective date will result in a lower cost impact to the shippers.

To calculate an exact cost per vessel is difficult because of the variation in vessel types, routes, port arrivals, commodity carriage, time of season, conditions during navigation, and preferences for the extent of pilotage services on designated and undesignated portions of the Great Lakes system. Some owners and operators would pay more and some would pay less, depending on the distance and the number of port arrivals of their vessels’ trips.

This rulemaking provides the pilots with additional compensation that will partially offset revenue losses due to the lower 2014 rates, during the months when those rates would otherwise remain in effect. This rulemaking helps assure safe, efficient, and reliable pilotage by increasing the pilot compensation that is artificially low due to the 2014 rates invalidated by the court.

B. Small Entities

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601–612), rules that are exempt from APA notice and comment requirements are also exempt from the Regulatory Flexibility Act requirements when the agency for good cause finds that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest. As discussed previously, Coast Guard for good cause finds that notice and comment are impracticable and contrary to public interest.

Consequently, no regulatory flexibility analysis is required.

C. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory EnforcementFairness Act of 1996 (Pub. L. 104–121), we offered to assist small entities in understanding this rule so that they can better evaluate its effects on them and participate in the rulemaking. The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency’s responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1–888–REG–FAIR (1–888–734–3247).

D. Collection of Information

This rule calls for no new collection of information under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501–3520. This rule does not change the burden in the collection currently approved by the OMB under Control...
E. Federalism

A rule has implications for federalism under E.O. 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that order and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in E.O. 13132. Our analysis is explained below. Congress directed the Coast Guard to establish “rates and charges for pilotage services.” 46 U.S.C. 9303(f). This regulation is issued pursuant to that statute and is preemptive of state law as specified in 46 U.S.C. 9306. Under 46 U.S.C. 9306, a “State or political subdivision of a State may not regulate or impose any requirement on pilotage on the Great Lakes.”

As a result, States or local governments are expressly prohibited from regulating within this category. Therefore, this rule is consistent with the principles of federalism and preemption requirements in E.O. 13132.

Dated: May 20, 2015.

Gary C. Rasicot,
Director, Marine Transportation Systems,
U.S. Coast Guard.

FOR FURTHER INFORMATION CONTACT: Sanford Williams, Wireline Competition Bureau, Competition Policy Division, (202) 418–1580, or send an email to sanford.williams@fcc.gov.


I. Order

1. In this Order, we adopt several recommendations of the NANC, a federal advisory committee for telephone number administration, pertaining to LNP. The Communications Act defines number portability as “the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another. This means that customers have the ability to keep their telephone numbers if they change service providers, with a few exceptions. This process is called telephone number “porting.” These recommendations all involve changes to the LNP “provisioning flows” and are intended to improve the telephone number porting process. Telephone number porting is accomplished by the old and new service providers working together and following a uniform set of flow charts, referred to as the “LNP provisioning flows.” These flows consist of diagrams and accompanying narratives which explain the processes service providers follow in specific porting scenarios. The recommendations addressed in this Order are changes to the narratives that accompany the diagrams.

2. These improvements include revising existing processes for cancelling a number port request, clarifying the timeline for re-using disconnected ported numbers, and stopping new service providers from prematurely activating ports. Also in this Order, we clarify that notwithstanding the NANC’s preference for area code overlays over area code splits, the states still have the option to choose the best means of implementing area code relief for their citizens.


II. Background

3. In May 2010, the Commission adopted various provisioning flows in its LNP Standard Fields Order. However, the Commission recognized that industry developments would likely require changes to these flows. It also acknowledged that “the NANC is best situated to monitor the continued effectiveness of the provisioning process flows, and make recommendations when changes are needed.” Thus, the Commission decided that the provisioning flows adopted in that order would remain in effect until the Commission approves revised provisioning flows based on recommendations from the NANC. The Commission delegated authority to the Chief of the Wireline Competition Bureau (Bureau) to approve such recommended revisions and directed the NANC to make the revised provisioning flows, once approved, available to the public on the NANC Web site.

4. Flows for Cancellations and Disconnections. On January 2, 2013, the NANC submitted a letter to the Bureau recommending revisions to the provisioning flows for port cancellations, termed by the NANC as the “Cancel Flows.” These flows apply when a customer asks a new service provider to port his or her number, and then subsequently decides to cancel that request and remain with his or her current provider. The customer must notify one of the providers of the cancellation. The NANC recommended three revisions to these flows. The first revision clarifies the responsibilities of the current and new service providers. It states that if the customer contacts the current provider, that provider may choose to advise the customer to call the new provider to cancel the port request. If the customer contacts the new provider, that provider must cancel the port. The second revision states that if the current provider decides to cancel the port request, it must obtain verifiable authority from the customer, such as a Letter of Authorization, dated after the initial port request. The new provider must then process the