

Dated: June 23, 2016.

**Jeffrey A. Koses,**

*Office of Acquisition Policy, Senior Procurement Executive, General Services Administration.*

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## DEPARTMENT OF TRANSPORTATION

### Pipeline and Hazardous Materials Safety Administration

#### 49 CFR Parts 107 and 171

[Docket No. PHMSA-2016-0041 (HM-258D)]

RIN 2137-AF23

#### Hazardous Materials: Revision of Maximum and Minimum Civil Penalties

**AGENCY:** Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

**ACTION:** Interim final rule.

**SUMMARY:** PHMSA is revising the maximum and minimum civil penalties for a knowing violation of the Federal hazardous material transportation law or a regulation, order, special permit, or approval issued under that law. The “Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015” (the 2015 Act), which amended the Federal Civil Penalties, Inflation Adjustment Act of 1990 (the Inflation Adjustment Act), requires Agencies to update their civil monetary penalties through interim final rulemaking. The maximum civil penalty for a knowing violation is now \$77,114, except for violations that result in death, serious illness, or severe injury to any person or substantial destruction of property, for which the maximum civil penalty is \$179,933. In addition, the minimum civil penalty amount for a violation relating to training is now \$463.

**DATES:** *Effective Date:* August 1, 2016.

**FOR FURTHER INFORMATION CONTACT:**

Laura Ulmer or Shawn Wolsey, Office of Chief Counsel, (202) 366-4400, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, 1200 New Jersey Avenue SE., Washington, DC 20590-0001.

**SUPPLEMENTARY INFORMATION:**

#### I. Civil Penalty Amendments

Section 701 of the “Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015” (the 2015 Act) (Pub. L. 114-74, 129 Stat. 599 [November 2, 2015]), which amended the Federal Civil Penalties, Inflation

Adjustment Act of 1990 (the Inflation Adjustment Act) (Pub. L. 101-410), requires that the Agency make an initial catch up adjustment with subsequent annual adjustments to the maximum and minimum civil penalties set forth in 49 U.S.C. 5123(a) for a knowing violation of the Federal hazardous material transportation law or a regulation, order, special permit, or approval issued under that law. These changes to the maximum and minimum civil penalty amounts apply to violations assessed on or after the effective date, August 1, 2016.

The Office of Management and Budget’s (OMB) “Memorandum for the Heads of Executive Departments and Agencies, Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015,” M16-06, provides guidance on how to update agencies’ civil penalties pursuant to the 2015 Act. For the catch up adjustment, the calculation uses multipliers to adjust the civil monetary penalties, or the minimum and maximum penalties, based on the year the penalty was established or last adjusted by statute or regulation other than under the Inflation Adjustment Act. The Agency or Department would then use the multiplier, based on the Consumer Price Index for October 2015 provided in a table in that guidance document, and multiply it by the current penalty. Congress passed the Moving Ahead for Progress in the 21st Century Act (MAP-21) in 2012, which amended the maximum penalty for a knowing violation of the Federal hazardous material safety law, regulation, order, special permit, or approval to \$75,000, and to \$175,000 for a person who knowingly violates the Federal hazardous material transportation law or a regulation, order, special permit, or approval issued under that law that results in death, serious illness, or severe injury to any person or substantial destruction of the property. MAP-21 also added a \$450 minimum for a training violation. The multiplier for 2012, which was the last year these civil monetary penalties were amended by statute or regulation other than under the Inflation Adjustment Act, from the guidance document is 1.02819. After making the adjustment, all penalty levels must be rounded to the nearest dollar, but no penalty level may be increased by more than 150 percent of corresponding penalty levels in effect on November 2, 2015.

Accordingly, PHMSA is revising the references to the maximum and minimum civil penalty amounts in its regulations to reflect the changes required by the 2015 Act. In 49 CFR

107.329, Appendix A to subpart D of 49 CFR part 107, and 49 CFR 171.1 are:

- Revising the maximum civil penalty from \$75,000 to \$77,114 for a person who knowingly violates the Federal hazardous material transportation law or a regulation, order, special permit, or approval issued under that law.
- Revising the maximum civil penalty from \$175,000 to \$179,933 for a person who knowingly violates the Federal hazardous material transportation law or a regulation, order, special permit, or approval issued under that law that results in death, serious illness, or severe injury to any person or substantial destruction of the property.
- Revising the minimum penalty amount from \$450 to \$463 for a violation related to training.

As required by the 2015 Act, PHMSA is making these catch up adjustments through an interim final rule. PHMSA is not providing a notice of proposed rulemaking or an opportunity for public comment. The catch up adjustments required by the 2015 Act are statutorily required ministerial acts, for which PHMSA has no discretion, and as a result public comment is unnecessary. As such, notice and comment procedures are “impracticable, unnecessary, or contrary to the public interest” within the meaning of the Administrative Procedure Act. 5 U.S.C. 553(b)(3)(B).

#### II. Rulemaking Analyses and Notices

##### A. Statutory/Legal Authority for This Rulemaking

This interim final rule is published under the authority of the Federal hazardous materials transportation law (49 U.S.C. 5101 *et seq.*). Section 5123(a) of that law provides civil penalties for knowing violations of Federal hazardous material transportation law or a regulation, order, special permit, or approval issued under that law. This rule revises the references in PHMSA’s regulations by (1) revising the maximum penalty amount for a knowing violation and a knowing violation resulting in death, serious illness, or severe injury to any person or substantial destruction of property to \$77,114 and \$179,933, respectively, and (2) revising the minimum penalty amount to \$463 for a violation related to training.

##### B. Executive Order 12866, Executive Order 13563, and DOT Regulatory Policies and Procedures

This interim final rule has been evaluated in accordance with existing policies and procedures and determined to be non-significant under Executive Orders 12866 and 13563. However,

consistent with OMB memorandum M-16-06, this interim final rule was reviewed by OMB in order to make a significance determination.

Further, this rule is not a significant regulatory action under the Regulatory Policies and Procedures of the DOT, 44 FR 11034; Feb. 26, 1979. It is a ministerial act for which the agency has no discretion. The economic impact of the interim final rule is minimal to the extent that preparation of a regulatory evaluation is not warranted. Given the low number of penalty actions within the scope of this interim final rule, the impacts will be very limited.

This interim final rule is being undertaken to address our statutory requirements. This rule imposes no new costs upon persons conducting hazardous materials operations in compliance with the requirements of the HMR. Those entities not in compliance with the requirements of the HMR may experience an increased cost based on the penalties levied against them for non-compliance; however, this is an avoidable, variable cost and thus is not considered in any evaluation of the significance of this regulatory action. Moreover, as the cost is an inflationary adjustment and the magnitude of the increase is minimal, since these penalties were recently enacted, reflected costs are nominal. The amendments in this rule could provide safety benefits (*i.e.*, larger penalties deterring knowing violators). Overall, it is anticipated this rulemaking would have minimal real costs and benefits.

#### C. Executive Order 13132

This interim final rule has been analyzed in accordance with the principles and criteria contained in Executive Order 13132 (“Federalism”). This rule does not impose any regulation having substantial direct effects on the states, the relationship between the national government and the states, or the distribution of power and responsibilities among the various levels of government. Therefore, the consultation and funding requirements of Executive Order 13132 do not apply.

#### D. Executive Order 13175

This interim final rule has been analyzed in accordance with the principles and criteria contained in Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments). Because this interim final rule does not have adverse tribal implications and does not impose direct compliance costs, the funding and consultation requirements of Executive Order 13175 do not apply, and, a tribal

summary impact statement is not required.

#### E. Regulatory Flexibility Act, Executive Order 13272, and DOT Procedures and Policies

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601–611) requires each agency to analyze regulations and assess their impact on small businesses and other small entities to determine whether the rule is expected to have a significant impact on a substantial number of small entities. The provisions of this rule apply specifically to all businesses transporting hazardous material. Therefore, PHMSA certifies this rule would not have a significant economic impact on a substantial number of small entities.

In addition, PHMSA has determined the RFA does not apply to this rulemaking. The 2015 Act requires PHMSA to publish an interim final rule and does not require PHMSA to complete notice and comment procedures under the APA. The Small Business Administration’s *A Guide for Government Agencies: How to Comply with the Regulatory Flexibility Act* (2003), provides that:

If, under the APA or any rule of general applicability governing Federal grants to state and local governments, the agency is required to publish a general notice of proposed rulemaking (NPRM), the RFA must be considered [citing 5 U.S.C. 604(a)] . . . . If an NPRM is not required, the RFA does not apply.

Therefore, because the 2015 Act does not require an NPRM for this rulemaking, the RFA does not apply.

#### F. Paperwork Reduction Act

There are no new information requirements in this interim final rule.

#### G. Regulation Identifier Number (RIN)

A regulation identifier number (RIN) is assigned to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in spring and fall of each year. The RIN contained in the heading of this document can be used to cross-reference this action with the Unified Agenda.

#### H. Unfunded Mandates Reform Act of 1995

This interim final rule does not impose unfunded mandates under the Unfunded Mandates Reform Act of 1995. It does not result in costs of \$141.3 million or more, in the aggregate, to any of the following: State, local, or Native American tribal governments, or to the private sector.

## I. Environmental Assessment

The National Environmental Policy Act of 1969 (NEPA), as amended (42 U.S.C. 4321–4375), requires Federal agencies to consider the consequences of major Federal actions and prepare a detailed statement on actions significantly affecting the quality of the human environment. When developing potential regulatory requirements, PHMSA evaluates those requirements to consider the environmental impact of each amendment. Specifically, PHMSA evaluates the: Risk of release and resulting environmental impact; risk to human safety, including any risk to first responders; longevity of the packaging; and if the proposed regulation would be carried out in a defined geographic area, the resources, especially any sensitive areas, and how they could be impacted by any proposed regulations. These amendments would be generally applicable and not be carried out in a defined geographic area. Civil penalties may act as a deterrent to those violating the HMR, and, this can have a negligible positive environmental impact as a result of increased compliance with the HMR. Based on the above discussion PHMSA concludes there are no significant environmental impacts associated with this interim final rule.

#### J. Privacy Act

Anyone is able to search the electronic form of all comments received by any of our dockets using the name of the individual submitting the comments (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT’s complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (Volume 65, Number 70; Pages 19477–78) which may be viewed at <http://www.gpo.gov/fdsys/pkg/FR-2000-04-11/pdf/00-8505.pdf>.

#### K. Executive Order 13609 and International Trade Analysis

Under Executive Order 13609, agencies must consider whether the impacts associated with significant variations between domestic and international regulatory approaches are unnecessary or may impair the ability of American business to export and compete internationally. In meeting shared challenges involving health, safety, labor, security, environmental, and other issues, international regulatory cooperation can identify approaches that are at least as protective as those that are or would be adopted in the absence of such cooperation. International regulatory cooperation can

also reduce, eliminate, or prevent unnecessary differences in regulatory requirements.

Similarly, the Trade Agreements Act of 1979 (Pub. L. 96-39), as amended by the Uruguay Round Agreements Act (Pub. L. 103-465), prohibits Federal agencies from establishing any standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. For purposes of these requirements, Federal agencies may participate in the establishment of international standards, so long as the standards have a legitimate domestic objective, such as providing for safety, and do not operate to exclude imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards.

PHMSA participates in the establishment of international standards in order to protect the safety of the American public, and we have assessed the effects of the interim final rule to ensure that it does not cause unnecessary obstacles to foreign trade. Accordingly, this rulemaking is consistent with Executive Order 13609 and PHMSA's obligations.

**List of Subjects**

*49 CFR Part 107*

Administrative practices and procedure, Hazardous materials transportation, Packaging and containers, Penalties, Reporting and recordkeeping requirements.

*49 CFR Part 171*

General information, Regulations, and Definitions.

In consideration of the foregoing, 49 CFR Chapter I is amended as follows:

**PART 107—HAZARDOUS MATERIALS PROGRAM PROCEDURES**

■ 1. The authority citation for part 107 is revised to read as follows:

**Authority:** 49 U.S.C. 5101-5128, 44701; Pub. L. 101-410 section 4; Pub. L. 104-121, sections 212-213; Pub. L. 104-134, section 31001; Pub. L. 114-74 section 4 (28 U.S.C. 2461 note); 49 CFR 1.81 and 1.97.

■ 2. Revise § 107.329 to read as follows:

**§ 107.329 Maximum penalties.**

(a) A person who knowingly violates a requirement of the Federal hazardous material transportation law, an order issued thereunder, this subchapter, subchapter C of the chapter, or a special permit or approval issued under this subchapter applicable to the transportation of hazardous materials or

the causing of them to be transported or shipped is liable for a civil penalty of not more than \$77,114 for each violation, except the maximum civil penalty is \$179,933 if the violation results in death, serious illness or severe injury to any person or substantial destruction of property. There is no minimum civil penalty, except for a minimum civil penalty of \$463 for violations relating to training. When the violation is a continuing one, each day of the violation constitutes a separate offense.

(b) A person who knowingly violates a requirement of the Federal hazardous material transportation law, an order issued thereunder, this subchapter, subchapter C of the chapter, or a special permit or approval issued under this subchapter applicable to the design, manufacture, fabrication, inspection, marking, maintenance, reconditioning, repair or testing of a package, container, or packaging component which is represented, marked, certified, or sold by that person as qualified for use in the transportation of hazardous materials in commerce is liable for a civil penalty of not more than \$77,114 for each violation, except the maximum civil penalty is \$179,933 if the violation results in death, serious illness or severe injury to any person or substantial destruction of property. There is no minimum civil penalty, except for a minimum civil penalty of \$463 for violations relating to training.

■ 3. In Appendix A to subpart D of part 107, Section II.B. ("Penalty Increases for Multiple Counts"), the first sentence of the second paragraph is revised to read as follows:

**Appendix A to Subpart D of Part 107—Guidelines for Civil Penalties**

\* \* \* \* \*

Under the Federal hazmat law, 49 U.S.C. 5123(a), each violation of the HMR and each day of a continuing violation (except for violations relating to packaging manufacture or qualification) is subject to a civil penalty of up to \$77,114 or \$179,933 for a violation occurring on or after August 1, 2016.

\* \* \* \* \*

**PART 171—GENERAL INFORMATION, REGULATIONS, AND DEFINITIONS**

■ 4. The authority citation for part 171 is revised to read as follows:

**Authority:** 49 U.S.C. 5101-5128, 44701; Pub. L. 101-410 section 4; Pub. L. 104-134, section 31001; Pub. L. 114-74 section 4 (28 U.S.C. 2461 note); 49 CFR 1.81 and 1.97.

■ 5. In § 171.1, paragraph (g) is revised to read as follows:

**§ 171.1 Applicability of Hazardous Materials Regulations (HMR) to persons and functions.**

\* \* \* \* \*

(g) *Penalties for noncompliance.* Each person who knowingly violates a requirement of the Federal hazardous material transportation law, an order issued under Federal hazardous material transportation law, subchapter A of this chapter, or a special permit or approval issued under subchapter A or C of this chapter is liable for a civil penalty of not more than \$77,114 for each violation, except the maximum civil penalty is \$179,933 if the violation results in death, serious illness or severe injury to any person or substantial destruction of property. There is no minimum civil penalty, except for a minimum civil penalty of \$463 for a violation relating to training.

Issued in Washington, DC, on June 14, 2016 under authority delegated in 49 CFR part 1.97.

**Marie Therese Dominguez,**

*Administrator, Pipeline and Hazardous Materials Safety Administration.*

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**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Part 223**

[Docket No. 1206013326-6497-03]

**RIN 0648-XA984**

**Endangered and Threatened Wildlife and Plants: Final Listing Determination on the Proposal To List the Nassau Grouper as Threatened Under the Endangered Species Act**

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Final rule; request for information.

**SUMMARY:** We, NMFS, are publishing this final rule to implement our determination to list the Nassau grouper (*Epinephelus striatus*) as threatened under the Endangered Species Act of 1973, as amended (ESA). We have completed a status review of the Nassau grouper in response to a petition submitted by WildEarth Guardians. After reviewing the best scientific and commercial data available, including the status review and comments received on the proposed rule, we have determined that the Nassau grouper