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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 127

[Docket No. USCG-2019-0444]
RIN 1625-AC52

Operational Risk Assessments for Waterfront Facilities Handling Liquefied Natural Gas as Fuel, and Updates to Industry Standards

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to amend its regulations concerning waterfront facilities handling liquefied natural gas (LNG) and liquefied hazardous gas (LHG). The proposed rule would make the following three changes. First, the proposed rule would revise the Coast Guard's existing regulations to allow waterfront facilities handling LNG as fuel to conduct an operational risk assessment instead of a waterway suitability assessment (WSA) without first obtaining Captain of the Port approval. Second, the proposed rule would revise existing regulations to update incorporated technical standards to reflect the most recent published editions. Third, for waterfront facilities handling LNG that must comply with the WSA requirements, the proposed rule would require these facilities to provide information to the Coast Guard regarding the nation of registry for vessels transporting natural gas that are

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reasonably anticipated to be servicing the facilities, and the nationality or citizenship of officers and crew serving on board those vessels.

DATES: Comments and related material must be received by the Coast Guard on or before December 4, 2020.

ADDRESSES: You may submit comments identified by docket number USCG-2019-0444 using the Federal eRulemaking Portal at http://www.regulations.gov. See the ``Public Participation and Request for

Comments'' portion of the SUPPLEMENTARY INFORMATION section for further instructions on submitting comments.

Collection of information. Submit written comments and recommendations for the proposed information collection discussed in section VIII.D of this preamble within 30 days of publication of this notice to the Coast Guard's online docket and to the Office of Information and Regulatory Affairs (OIRA) in the White House Office of Management and Budget. For submission to OIRA use www.reginfo.gov/public/do/PRAMain. To find this particular information collection
select ``Currently under Review'' or use the search function.

Viewing material proposed for incorporation by reference. Make arrangements to view this material by calling the person identified in the FOR FURTHER INFORMATION CONTACT section of this document. Copies of the material are also available as indicated in the ``Incorporated by Reference'' in Sec. 127.003 in the proposed regulatory text.

FOR FURTHER INFORMATION CONTACT: For information about this document call or email Mr. Ken Smith, Project Manager, Coast Guard, Vessel and Facility Operating Standards Division, Commandant (CG-OES-2); telephone 202-372-1413, email Ken.A.Smith@uscg.mil.

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I. Public Participation and Request for Comments

The Coast Guard views public participation as essential to effective rulemaking, and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

We encourage you to submit comments through the Federal eRulemaking Portal at http://www.regulations.gov. If you cannot submit your material by using http://www.regulations.gov, contact the person in the FOR FURTHER INFORMATION CONTACT section of this proposed rule for alternate instructions. Documents mentioned as being available in the docket, and all public comments, will be available in our online docket at http://www.regulations.gov and can be viewed by following that website's instructions. Additionally, if you visit the online docket and sign up for email alerts, you will be notified when comments are posted or if a final rule is published.

We accept anonymous comments. All comments received will be posted without change to http://www.regulations.gov and will include any personal information you have provided. For more about privacy and submissions in response to this document, see DHS's eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

We do not plan to hold a public meeting but will consider doing so if our consideration of public comments indicates a meeting would be helpful. We would issue a separate Federal Register notice to announce the date, time, and location of such a meeting.

II. Abbreviations

ANSI American National Standards Institute
API American Petroleum Institute
ASME American Society of Mechanical Engineers
BLS U.S. Bureau of Labor Statistics
COI Collection of Information
CFR Code of Federal Regulations
CG-OES Coast Guard, Office of Operating and Environmental Standards
COTP Captain of the Port
DNV GL Det Norske Veritas Germanischer Lloyd
ECA Emission Control Area
FR Federal Register
FERC Federal Energy Regulatory Commission
GSA General Services Administration
HAZID Hazard Identification
IBR Incorporated by reference
ICR Information collection request
IEC International Electrotechnical Commission
ISO International Organization for Standardization
LOI Letter of Intent
LOR Letter of Recommendation
LHG Liquefied hazardous gas
LNG Liquefied natural gas
MARPOL International Convention for the Prevention of Pollution from Ships
MISLE Marine Information for Safety and Law Enforcement
NFPA National Fire Protection Association
OMB Office of Management and Budget
ORA Operational risk assessment
PWSA Ports and Waterways Safety Authorities
SBA Small Business Administration
SME Subject Matter Expert
Sec. Section
U.S.C. United States Code
WSA Waterway suitability assessment

III. Executive Summary

The purpose of this proposed rule is to amend the regulations concerning waterfront facilities handling liquefied natural gas (LNG) and liquefied hazardous gas (LHG) in 33 CFR part 127. The proposed rule would make the following three changes.

First, the proposed rule would add new Sec. 127.008 to allow waterfront facilities handling LNG as fuel (LNG fuel facilities \1\) to conduct an operational risk assessment (ORA) instead of a waterway suitability assessment (WSA), without first obtaining Captain of the Port (COTP) approval. By allowing LNG fuel facilities to use an ORA in lieu of a WSA without submitting an alternative request and meeting with the COTP, the proposed rule would reduce the regulatory burden on LNG fuel facilities by reducing the scope of the analysis and the amount of information facility owners would have to submit to the Coast Guard. Currently, there are three existing LNG fuel facilities. The Coast Guard anticipates 1 new LNG fuel facility would become operational every year in the next 10 years. Reducing the regulatory burden could result in lower

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fuel costs, and thereby increase the maritime industry's level of interest in converting or constructing vessels to use LNG as a marine fuel to comply with stricter emissions standards and realize economic advantages.\2\

\1\ We propose to add a new definition for LNG fuel facility to mean a waterfront facility that handles LNG for the sole purpose of providing LNG from shore-based structures to vessels for use as a marine fuel, and that does not transfer LNG to or receive LNG from vessels capable of carrying LNG in bulk as cargo.

\2\ See the report by the Congressional Research Service, titled ``LNG as a Maritime Fuel: Prospects and Policy'' (dated February 5, 2019) at https://fas.org/sgp/crs/misc/R45488.pdf.

Second, the proposed rule would update the technical standards already incorporated by reference in part 127 to reflect the most recent published editions of these standards. We have determined that modified, expanded, and new LNG fuel facilities, waterfront facilities handling LNG, and waterfront facilities handling LHG are built to the most recent industry standards available at the time of modification, expansion, or construction and not the outdated standards currently codified in 46 CFR part 127. Therefore, owners and operators would not incur any cost to meet the updated standards. The Coast Guard anticipates these updated industry standards would apply to one new LNG fuel facility, two new waterfront facilities handling LNG, and three new waterfront facilities handling LHG per year in the next 10 years.

Third, for waterfront facilities handling LNG that must comply with the WSA requirements in Sec. 127.007, the proposed rule would require these facilities to provide information to the Coast Guard at the time the WSA is submitted regarding the nation of registry for vessels transporting natural gas that are reasonably anticipated to be servicing the facilities and the nationality of citizenship of officers and crew serving on board those vessels. We are proposing this change

to assist us in meeting our obligation under Sec. 304(c)(2) of the Coast Guard and Maritime Transportation Act of 2006 (Pub. L. 109-241). This statute requires the Coast Guard, when operating as a contributing agency in the Federal Energy Regulatory Commission (FERC) shoreside licensing process for an onshore or near-shore LNG terminal, to provide this information to FERC. The Coast Guard anticipates two waterfront facilities handling LNG that must submit a WSA would be affected annually by this proposed change.

Eliminating the requirement to submit an alternative request and meet with the COTP to obtain approval before conducting an ORA in lieu of a WSA would result in cost savings to the LNG fuel facility owner. This change is deregulatory under Executive Orders 13771 and 13777, with annualized cost savings to both industry and the government of approximately $16,843 using a 7-percent discount rate.

IV. Basis and Purpose

The Ports and Waterways Safety Authorities (PWSA) (46 U.S.C. chapter 700), authorizes the Secretary of the department in which the Coast Guard is operating to take certain actions to advance port, harbor, and coastal facility safety and security. Specifically, sections 70011 and 70034 of Title 46 of the United States Code (U.S.C.) authorize the Secretary to promulgate regulations to establish standards for the handling, loading, unloading, storage, stowage, and movement of hazardous materials on a vessel and waterfront facility on or along U.S. navigable waters as necessary to protect the vessel, structure, water, or shore area. The Secretary has delegated this authority to the Commandant of the Coast Guard (DHS Delegation 0170.1(II)(70)). The purpose of the proposed rule is to revise existing regulations for the assessment of LNG fuel facilities by reducing unnecessary requirements; update technical standards applicable to waterfront facilities handling LNG and LHG; and implement a statutory provision for waterfront facilities handling LNG that must complete a WSA.

V. Background

A. International Maritime Organization (IMO) Emissions Standards and LNG as a Marine Fuel

The IMO International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI,\3\ first adopted in 1997, limits the main air pollutants contained in ships exhaust gas, including sulfur oxides and nitrous oxides, and prohibits deliberate emissions of ozone depleting substances. MARPOL Annex VI also provides for the establishment of Emissions Control Areas (ECAs), which are waters close to coastlines where more stringent emissions controls may be imposed. Under MARPOL Annex VI, the North American ECA came into force on August 1, 2012. A possible option for vessel operators to meet the more stringent fuel oil sulfur content standards of the ECA is to install LNG-fueled engines, because such engines emit only trace amounts of sulfur.

\3\ MARPOL Annex VI has been incorporated into U.S. law by the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.)

In order to comply with these stricter IMO emissions standards and realize economic advantages associated with the increasing LNG supply, there has been a growing interest by the maritime industry in converting existing vessels and constructing new vessels to use LNG as a marine fuel. The maritime industry is also considering a variety of methods for supplying LNG to vessels for use as a marine fuel, including delivery from vessels (such as barges and small tank vessels) or from shore-based structures on waterfront facilities handling LNG (such as storage tanks, mobile tank trucks, and rail cars).

B. Existing Regulations for Waterfront Facilities Handling LNG

Existing regulations for waterfront facilities handling LNG are contained in 33 CFR part 127. Although originally written to address large quantities of LNG that are imported or exported as cargo at large storage facilities,\4\ 33 CFR part 127, by virtue of the definition of a waterfront facility handling LNG,\5\ also applies to LNG transferred between vessels and shore-based structures including tank trucks and rail cars for use as fuel. Part 127 outlines requirements pertaining to general information, general design, equipment, operations, maintenance, firefighting, and security.

\4\ See final rule, titled ``Liquefied Natural Gas Waterfront Facilities'' (53 FR 3370, dated February 5, 1988).

\5\ 33 CFR 127.005.

Section 127.007 contains the Letter of Intent (LOI) and WSA requirements, including the Preliminary WSA and Follow-on WSA requirements. The WSA examines the risk of transporting large volumes of LNG through connected waterways and the transfer of LNG to or from waterfront facilities handling LNG. The Coast Guard developed the WSA requirement to address safety and security risks potentially presented by LNG carriers traveling to or from waterfront facilities handling LNG.\6\

\6\ See final rule, titled, ``Revision of LNG and LHG Waterfront Facility General Requirements'' (75 FR 29420, dated May 26, 2010).

The facility owner or operator submits the LOI and WSA documents to the Coast Guard. The LOI must contain: (1) The name, address, and telephone number of the owner and operator; (2) the name, address, and telephone number of the Federal, State, or local agency having jurisdiction for siting, construction, and operation; (3) the name, address, and telephone number of the facility; (4) the physical location of the facility; (5) a description of the facility; (6) the LNG vessels' characteristics and the frequency of LNG shipments to or from the facility; and (7) charts showing waterway channels and identifying commercial, industrial, environmentally sensitive,

and residential areas in and adjacent to the waterway used by the LNG

vessels en route to the facility, within at least 25 kilometers (15.5 miles) of the facility (33 CFR 127.007(c)).

The Preliminary WSA must contain an analysis of the following topics: (1) Port characterization; (2) characterization of the LNG facility and the LNG tank vessel route; (3) risk assessments for maritime safety and security; (4) risk management strategies; and (5) resource needs for maritime safety, security, and response. It must also contain a section listing recommended risk mitigation measures and conclusions (33 CFR 127.007(f)(2)).

This information gives the COTP the opportunity to identify any issues or factors that might have been overlooked when considering the various potential safety and security impacts the LNG marine traffic may have on the port and associated waterways. It also provides an opportunity for the project sponsor and the COTP to identify the stakeholders at the port who should be consulted when developing the Follow-on WSA. The Follow-on WSA provides a complete analysis of the topics outlined in the Preliminary WSA and identifies credible security threats and navigational safety hazards for the LNG marine traffic, along with appropriate risk management strategies and the resources needed to carry them out. The information obtained in the LOI and WSA enables the Coast Guard to provide specific recommendations, in a Letter of Recommendation (LOR) described in Sec. 127.009, as to the suitability of the waterway for LNG marine traffic to the Federal, State, or local government agencies having jurisdiction for siting, construction, and operation.

C. Alternative Coast Guard Procedures

Coast Guard regulations in Sec. 127.017 allow facility operators to request alternative procedures to those in Sec. 127.007 if the alternative provides at least the same degree of safety provided by the regulations. An owner or operator seeking to use an alternative procedure should identify the ``gaps'' where requirements cannot be met or are not appropriate and should explain what alternatives the Coast Guard should consider instead. Whenever possible, owners and operators should reference existing standards, practices, and procedures to help substantiate the request.\7\

\7\ See CG-OES Policy Letter No. 02-15, ``Guidance Related to Vessels and Waterfront Facilities Conducting LNG Marine Fuel Transfer (Bunkering) Operations.'' This document is available at https://www.dco.uscg.mil/Portals/9/DCO%20Documents/5p/5ps/Operating%20and%20Environmental%20Standards/OES-2/Policy%20Letters/CG%20OES%20Policy%20Letter%2002-15%20signature%20with%20Enclosures.pdf?ver=2017-07-21-124107-000.
See also 80 FR 10131 (Feb. 25, 2015) (notice of availability).

Prior to the construction of three LNG fuel facilities, the Coast Guard met with the facility owners to discuss Federal regulations that would apply to their projects. During those discussions, the owners indicated that it was inappropriate for their projects to conduct a WSA under Sec. 127.007 because their intended operations did not include use of the waterway. Unlike waterfront facilities handling LNG that receive large quantities of LNG that are imported or exported as cargo on large tankships on the waterway, their LNG fuel facilities would

receive LNG from shore-based sources using tank trucks. Instead of conducting a WSA for their projects, they requested to conduct an ORA focused specifically on their intended operations.

Based on information provided by these facility owners that: (1) LNG would not be delivered to the facility by a vessel on the waterway; (2) incidents involving LNG would be limited to the location of the facility; (3) the quantity of LNG stored at the facility would be relatively small compared to larger waterfront facilities handling LNG that import or export LNG as cargo; and (4) the quantity of LNG stored on vessels as fuel would not pose as much of a safety concern to the port as larger tankships that transport LNG to larger waterfront facilities handling LNG to be imported or exported as cargo, the Coast Guard agreed that COTPs could allow the use of ORAs as an alternative to WSAs under Sec. 127.017.

Since ORAs and WSAs follow similar procedures for assessing risk, the Coast Guard is proposing to modify the scope of assessments to be conducted for LNG fuel facilities to focus on operations solely taking place at the facilities, provided that LNG is not delivered to the facilities by LNG tank vessels. If an LNG fuel facility would receive LNG by vessel, an assessment of the waterway--that is, a WSA--would need to be carried out to determine the impact of the proposed operations on the port and waterway.

VI. Discussion of Proposed Rule

Under this proposed rule, prospective applicants seeking authorization to build, modify, or reactivate an inactive LNG fuel facility would be allowed to submit an LOI and an ORA to the Coast Guard, which would enable us to provide specific recommendations, in a LOR described in Sec. 127.009, to agencies having jurisdiction. Eliminating the requirement to submit an alternative request and meet with the COTP to obtain approval before conducting an ORA in lieu of a WSA would eliminate unnecessary paperwork associated with analysis of a waterway not being used by the facility and provide regulatory certainty for future LNG fuel facility project proponents.

By eliminating unnecessary paperwork and reducing the regulatory burden on facility owners and operators, the Coast Guard is promoting the goals of Executive Orders 13771 and 13777. Reducing the regulatory burden and increasing cost savings could increase the maritime industry's level of interest in converting existing vessels and constructing new vessels that use LNG as a marine fuel to comply with stricter emissions standards.

For waterfront facilities handling LNG that must conduct a WSA under proposed Sec. 127.007, the proposed rule would require these facilities to submit to the Coast Guard, at the time the WSA and LOI are submitted, information on the nation of registry for, and the nationality or citizenship of officers and crew serving on board, vessels transporting LNG that are reasonably anticipated to be servicing those facilities. This proposed change would implement the statutory mandate in section 304(c)(2) of the Coast Guard and Maritime Transportation Act of 2006 (Pub. L. 109-241) requiring the Coast Guard to provide this information to FERC when the Coast Guard is operating as a contributing agency in the FERC shoreside licensing process for an onshore or near-shore LNG terminal. This is the most efficient way to comply with the statutory requirement that we provide this information to FERC.

The proposed rule would also update the technical standards found

in the existing regulations that would be applicable to waterfront facilities handling LNG and LHG.

We provide a section-by-section description in the following paragraphs of our proposed amendments to 33 CFR part 127, subparts A through C, in section number order with topical headings.

Subpart A--General

Proposed Revisions to Authorities Listed for Part 127

The Coast Guard proposes to amend the authority citation for this Part by removing 33 U.S.C. 1231 and adding, in its place, 46 U.S.C. 70034. This reflects the changes made by the Coast Guard

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Authorization Act of 2018,\8\ which re-codified the Ports and Waterways Safety Program into Title 46 of the U.S.C. The Coast Guard also proposes to add 46 U.S.C. 70011 to the list of existing statutory authorities for this Part, to make it clear that 46 U.S.C. 70011 (previously 33 U.S.C. 1225) authorizes the Coast Guard to take such action as is necessary to (1) prevent damage to, or the destruction of, any bridge or other structure on or in the navigable waters of the United States, or any land structure or shore area immediately adjacent to such waters; and (2) protect the navigable waters and the resources therein from harm resulting from vessel or structure damage, destruction, or loss. Authorized actions under this section include, among other things, establish standards for the handling, loading, unloading, storage, stowage, and movement of hazardous materials on a vessel or structure on or along U.S. navigable waters, as necessary to prevent damage to, or the destruction of, any bridge or other structure on or in the navigable waters of the United States, or any land structure or shore area immediately adjacent to such waters; and protect the navigable waters and the resources therein from harm resulting from vessel or structure damage, destruction, or loss.

\8\ See Public Law 115-282, December 4, 2018, 132 Stat 4192.

Proposed Revisions to Sec. 127.001 Applicability

The Coast Guard proposes to remove the word, ``existing'' from paragraphs (a) and (c) because the term as it is currently defined in Sec. 127.005 does not cover waterfront facilities handling LNG constructed after 1988. This is a problem because if it is not removed, paragraphs (a) and (c) would only apply to new waterfront facilities handling LNG and waterfront facilities handling LNG that were built before 1988. In order to ensure paragraphs (a) and (c) apply to all LNG facilities, the Coast Guard proposes to remove the term ``existing.''

The Coast Guard also proposes to amend paragraph (c) by removing a reference to Sec. 127.701, which contains security requirements for the marine transfer area for LNG of inactive facilities. These security requirements are now contained in 33 CFR part 105, subpart B, and apply to facilities subject to part 127. The reference to Sec. 127.701 is duplicative and no longer needed.

A new paragraph (f) is proposed to clarify the standards approved for incorporation by reference in Sec. 127.003 only apply to facilities constructed, expanded, or modified under a contract awarded

after the implementation date of the final rule. As used in this section, we consider ``constructed'' to mean construction of a new facility, ``expanded'' to mean changes to a facility that was previously constructed that results in an increase in the storage capacity or operations at the facility and ``modified'' to mean changes made to a facility that was previously constructed that does not result in increased storage capacity or operations (e.g., the addition of a sprinkler system in an area where one did not previously exist). A facility being expanded or modified would only need to apply the applicable new standards that are involved in the action to expand or modify the facility. All other facilities, unless expanded or modified in accordance with part 127, would be required to meet previously applicable standards but may request to apply later editions of the standards in accordance with Sec. 127.017.

Proposed Revisions to Sec. 127.003 Incorporation by Reference

The Coast Guard proposes to amend this section by updating the technical standards to reflect the most recent published editions of the standards. We encourage the use of these updated standards because they reflect the best available technologies, practices, and procedures that are recommended by consensus bodies and other groups with experience in the industry. However, only waterfront facilities handling LNG and LHG constructed, expanded, or modified under a contract awarded after the implementation date of the final rule would be required to meet the applicable requirements outlined in the most recent editions of these standards. Existing facilities may voluntarily request authorization to apply the updated standards, but they will only be required to apply the standards that applied to them prior to the implementation date of the final rule.

The following is the list of the standards we propose to update:

American Petroleum Institute (API) standard, API Recommended Practice 2003, Protection Against Ignitions Arising Out of Static, Lightning and Stray Currents, Eighth Edition, September 2015. This standard presents the current state of knowledge and technology in the fields of static electricity and stray currents applicable to the prevention of hydrocarbon ignition in the petroleum industry, and it is based on both scientific research and practical experience. The 2015 edition builds on the technically sound work presented in prior editions. It emphasizes the need to maintain awareness and the continuing need to develop and use sound procedures for controlling hazards and minimizing the possible static ignition risks associated with handling hydrocarbons.

American Society of Mechanical Engineers (ASME) standard, ASME B16.5-2017, Pipe Flanges and Flanged Fittings, NPS \1/2\ through NPS 24 Metric/Inch Standard, November 20, 2017. This standard covers pressure-temperature ratings, materials, dimensions, tolerances, marking, testing, and methods of designating openings for pipe flanges and flanged fittings. The 2017 edition adds the use of size NPS 22, and updates materials and working pressures. The current regulations reference a 1988 edition of the standard, including 1992 addenda and errata. But the current regulations use the term ``ANSI'' rather than ``ASME.'' We propose to correctly identify the current name of the standard.

ASME B31.3-2018, Process Piping, ASME Code for Pressure Piping, B31, August 30, 2019. This standard contains requirements for piping typically found in petroleum refineries; chemical, pharmaceutical, textile, paper, semiconductor, and cryogenic plants; and related processing plants and terminals. It covers materials and

components, design, fabrication, assembly, erection, examination, inspection, and testing of piping. The 2018 edition standardizes the use of SI metric units for some purposes and U.S. Customary units for others, and provides a table for conversion of units.

ASTM standard, ASTM F 1121-87 (Reapproved 2015), Standard Specification for International Shore Connections for Marine Fire Applications, approved May 1, 2015. This standard covers the specifications for the design and manufacture of international shore connections to be used with marine firefighting systems during an emergency when a stricken ship has a system failure. This standard has continued to be reapproved since development and has not changed. We are merely incorporating the most recent published edition of this standard.

International Electrotechnical Commission (IEC), IEC 60079-29-1, Edition 2.0, Explosive Atmospheres--Part 29-1: Gas Detectors--Performance Requirements of Detectors for Flammable Gases, July 2016. This standard specifies general requirements for construction, testing, and performance and describes the test methods that apply to portable, transportable, and fixed apparatus for the detection and measurement of flammable gas or vapor concentrations with air. This standard superseded

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ANSI S12.13, Part I, Performance Requirements, Combustible Gas Detectors (1986 Edition), which is currently incorporated by reference in the regulations.

National Fire Protection Agency (NFPA) 10, Standard for Portable Fire Extinguishers, 2018 Edition, effective April 21, 2017. This standard applies to the selection, installation, inspection, maintenance, recharging, and testing of portable extinguishing equipment and Class D extinguishing agents. The 2018 edition includes clarifications on electronic monitoring, obsolete extinguishers, extinguishers in areas containing oxidizers, extinguisher signs, and mounting equipment and cabinets.

NFPA 30, Flammable and Combustible Liquids Code, 2018 Edition, effective September 6, 2017. This standard applies to the storage, handling, and use of flammable and combustible liquids, including waste liquids. The 2018 edition incorporates essential safety updates and references to current UL standards, as well as completely revised requirements for general purpose warehouses.

NFPA 51B, Standard for Fire Prevention During Welding, Cutting and Other Hot Work, 2019 Edition, effective July 15, 2019. This standard covers provisions to prevent injury, loss of life, and loss of property from fire or explosion as a result of hot work. In the 2019 edition, the scope was modified to clarify that the standard is intended to be used for preventing injuries and not just loss of life during hot work operations. The purpose was also revised to clarify that the standard provides requirements for everyone involved in hot work operations.

NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), 2019 Edition, effective November 25, 2018. This standard provides minimum fire protection, safety, and related requirements for the location, design, construction, security, operation, and maintenance of LNG plants. The 2019 edition presents a reorganization of the requirements for plant siting and layout to facilitate better focus and implementation of the

requirements contained in the standard. This edition also includes new requirements under which a single-wall ASME container with supplementary design and fabrication requirements can be safely implemented for storage at small-scale LNG facilities.

NFPA 70, National Electrical Code, 2017 Edition, effective August 24, 2016. The provisions of this standard apply to the design, modification, construction, inspection, maintenance, and testing of electrical systems, installations and equipment. The 2017 edition addresses the advancement of privately-owned wind and solar power generation and distribution equipment, including coverage of higher voltage systems that were once only the utilities' domain.

NFPA 251, Standard Methods of Tests of Fire Resistance of Building Construction and Materials, 2006 Edition, effective August 18, 2005. This standard provides methods of fire tests applicable to assemblies of masonry units and to composite assemblies of structural materials for buildings, including bearing and other walls, partitions, columns, girders, beams, slabs, and composite slab and beam assemblies for floors and roofs. This standard also applies to other assemblies and structural units that constitute permanent integral parts of a finished building. The time temperature curve of NFPA 251 referenced in the definition of fire endurance rating in Sec. 127.005 has not changed. We are merely incorporating the most recent published edition of NFPA 251.

The Coast Guard is also proposing to add three new standards to the list of technical standards incorporated by reference in Sec. 127.003 to provide requirements to LNG fuel facilities on conducting ORAs. The proposed new standards are--

Det Norske Veritas Germanischer Lloyd (DNV GL), Recommended Practice, DNVGL-RP-G105, Development and Operation of Liquefied Natural Gas Bunkering Facilities, October 2015 Edition. This standard provides guidance to the industry on development, organizational, technical, functional, and operational issues in order to ensure global compatibility and secure a high level of safety, integrity, and reliability for LNG bunkering (fueling) facilities.

International Organization for Standardization (ISO), ISO/TS 18683:2015(E), Guidelines for Systems and Installations for Supply of LNG as Fuel to Ships, First Edition, 15 January 2015. This standard gives guidance on the minimum requirements for the design and operation of the LNG bunkering (fueling) facility, including the interface between the LNG supply facilities and receiving ship.

ISO/TS 28460:2010(E), Petroleum and Natural Gas Industries--Installation and Equipment for Liquefied Natural Gas--Ship-to-Shore Interface and Port Operations, First Edition, 15 December 2010. This standard specifies the requirements for ship, terminal, and port service providers to ensure the safe transit of an LNG carrier through the port area and the safe and efficient transfer of its cargo.

The Coast Guard also proposes to amend the introductory text to Sec. 127.003 by adding a reference at the end of the paragraph to refer to Sec. 127.017 for alternative compliance methods. We propose this change to clarify that later editions of the standards listed in Sec. 127.003 could be considered as an acceptable alternative if they can be shown to provide a degree of protection, safety, or performance equal to or better than the standard we recognize and prior approval is obtained by the COTP.

Proposed Revisions to Sec. 127.005 Definitions

The Coast Guard proposes to amend Sec. 127.005 by adding a new definition for ``LNG fuel facility'' and by revising the existing

definitions for ``Facility'' and ``Fire endurance rating.'' We are proposing to add the definition for ``LNG fuel facility'' to describe waterfront facilities that handle LNG for the sole purpose of providing LNG from shore-based structures to vessels for use as a marine fuel, and that does not transfer LNG to or receive LNG from vessels capable of carrying LNG in bulk as cargo. We are proposing to revise the definition of ``facility'' to specify it includes LNG fuel facilities. The proposed revised definition of ``fire endurance rating'' is being amended to reference the 2006 edition of NPFA 251; however, the time-temperature curve referenced in the 2006 edition of NFPA 251 remains the same as in the current incorporated by reference 1990 edition.

Proposed Revisions to Sec. 127.007 Letter of Intent and Waterway Suitability Assessment for Waterfront Facilities Handling LNG or LHG

The proposed rule would amend paragraphs (a), (b), and (e) by removing the word ``existing'' from each paragraph because the term--as it is currently defined in Sec. 127.005--does not cover waterfront facilities handling LNG and LHG constructed after 1988 and 1996, respectively. By removing the word, ``existing'' from paragraphs (a), (b), and (e) it clarifies that the LOI and WSA requirements apply to the new construction or expansion of any LNG or LHG facility that would result in an increase in the size and/or frequency of LNG or LHG marine traffic on the waterway.

The proposed rule would redesignate existing paragraphs (g) and (h), as paragraphs (h) and (i). We would also add a new paragraph (g) to require an owner or operator intending to build a new LNG facility to submit the WSA no later than the date that the owner or

operator files a pre-filing request with FERC under 18 CFR 153 or 157, and include the nation of registry for, and the nationality or citizenship of officers and crew serving on board, vessels transporting natural gas that are reasonably anticipated to be servicing the LNG facility. We are proposing this change to assist us in meeting our obligation under Sec. 304(c)(2) of the Coast Guard and Maritime Transportation Act of 2006 (Pub. L. 109-241), which requires the Coast Guard, when operating as a contributing agency in the FERC shoreside licensing process for an onshore or near-shore LNG terminal, to provide this information to FERC.

Finally, in this section the Coast Guard proposes to add a new paragraph (j) to clarify that an owner or operator intending to build an LNG fuel facility, modify an LNG fuel facility, or reactivate an inactive LNG fuel facility, may comply with the new requirements proposed in Sec. 127.008 in lieu of the requirements in Sec. 127.007.

Proposed Addition of Sec. 127.008 Letter of Intent and Operational Risk Assessment for LNG Fuel Facilities

The Coast Guard proposes to add this new section, which would contain the LOI and new ORA submission requirements for owners or operators of LNG fuel facilities. Since an LNG fuel facility would not receive LNG from vessels, it is not associated with LNG tank vessel traffic for which the WSA is designed. Instead, an analysis of the safety and security of the marine transfer operation is appropriate. ORAs are suitable for evaluating and identifying risks and mitigation measures for situations involving quantities and delivery methods of LNG that are much smaller than those associated with large quantities of LNG that are imported or exported as cargo at large storage facilities. In the event that an LNG fuel facility would receive LNG by

vessel using the waterway, a WSA would need to be carried out to determine the impact of the proposed operations on the port and waterway. The Coast Guard anticipates this proposed new section would help lead to reduced costs for LNG fuel facilities because owners or operators would no longer have to submit an alternative request and meet with the COTP to obtain approval before conducting an ORA in lieu of a WSA.

Proposed new paragraph (a) would require an owner or operator seeking to build an LNG fuel facility, modify the construction of any LNG fuel facility, or reactivate an inactive LNG fuel facility electing to complete an ORA in lieu of a WSA to submit an LOI to the Coast Guard at least 1 year before LNG transfer operations begin. We propose to allow an owner or operator the option of completing an ORA in lieu of a WSA. This approach would give owners and operators the ability to make appropriate business decisions in order to maintain flexibility for future operations without compromising marine safety. An owner or operator of an LNG fuel facility may initially provide LNG from shore-based structures to vessels for use as a marine fuel from LNG transported to the facility via a tank truck or rail car. This type of operation would require completion of an ORA only. However, at a future time the same facility may elect to receive LNG from vessels using the waterway, which would then require completion of a WSA to ensure potential impacts on the waterway due to increased LNG vessel traffic are fully assessed.

Proposed new paragraph (b) would require the LOI to contain the requirements listed in existing Sec. 127.007(c)(1) through (c)(5), as follows: (1) The name, address, and telephone number of the owner and operator; (2) the name, address, and telephone number of the agency having jurisdiction for siting, construction, and operation; (3) the name, address, and telephone number of the facility; (4) the physical location of the facility; and (5) a description of the facility. If there is any change in the information provided in the LOI, or if no LNG fuel transfer operations are scheduled within the next 12 months, proposed new paragraph (c) would require the owner or operator to notify the Coast Guard in writing within 15 days of discovering this information.

Proposed new paragraph (d)(1) would establish that the ORA must be carried out in accordance with Chapter 7 of ISO 18683:2015(E) and Appendix D of DNVGL-RP-G105, or Chapter 19 of NFPA 59A. The Coast Guard selected these standards because the ISO standard and the DNVGL-RP were created specifically to address LNG fuel facilities and are complementary of each other (e.g., DNVGL-RP refers to ISO 18683). NFPA 59A was selected because it is the primary standard associated with how LNG facilities are built and operated in the United States. This paragraph would also allow an owner or operator of an LNG fuel facility the ability to seek authorization by the Coast Guard to use another voluntary consensus standard for risk assessment acceptable to the Coast Guard. The proposed ORA would also have to consider possible factors affecting the ship/shore interface and port operations described in Section 6 of ISO 28460:2010(E), according to proposed new paragraph (d)(2). The standards referenced in proposed new paragraphs (d)(1) and (d)(2) contain requirements relative to conducting risk assessments that are focused on providing LNG as fuel (bunkering operations).

Proposed Revisions to Sec. 127.009 Letter of Recommendation

The Coast Guard proposes to amend this section to accommodate an LOR based on an ORA. After the COTP receives the information and

analysis under the LOI and ORA requirements in Sec. 127.008, the COTP will issue a LOR as to the operational safety and security of the LNG fuel facility to the Federal, State, or local government agencies having jurisdiction for siting, construction, and operation of the facility and send a copy to the owner or operator of the proposed LNG fuel facility. Currently, a LOR is issued after the COTP receives the information and analysis under the LOI and WSA requirements in Sec. 127.007. The proposed amendment would add the issuance of a LOR when the Coast Guard receives the information and analysis under proposed new Sec. 127.008.

Proposed Revisions to Sec. 127.015 Appeals

The Coast Guard proposes to revise paragraph (c)(1) to update the mailing address for submitting appeals of District Commander rulings related to actions taken by Coast Guard officials under part 127. We also propose to revise paragraphs (c)(1) and (d) to reflect a name change for the office where appeals should be sent.

Proposed Revisions to Sec. 127.017 Alternatives

We propose to amend paragraph (a) to clarify that the COTP may consider alternative compliance methods. Newer editions of a standard we incorporate by reference in Sec. 127.003 could be considered as acceptable alternatives if they could be shown to provide a degree of protection, safety, or performance equal to or better than the incorporated standard.

Proposed Revisions to Sec. 127.019 Operations Manual and Emergency Manual: Procedures for Examination

We proposed to delete the word ``existing'' from paragraph (b) to clarify that all waterfront facilities handling LNG and LHG--regardless of when they were constructed--must submit the information required in Sec. 127.019.

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Subpart B--Waterfront Facilities Handling Liquefied Natural Gas

Proposed Revisions to Sec. 127.101 Design and Construction: General

The Coast Guard proposes to amend this section to reflect the correct section references in the 2019 edition of NFPA 59A, which is proposed to replace the 1994 edition. The standards referenced involve plant siting and layout, piping systems and components, instrumentation and electrical services, transfer systems for LNG, refrigerants, other flammable fluids, and seismic design of LNG plants.

Proposed Revisions to Sec. 127.107 Electrical Power Systems

The Coast Guard proposes to amend paragraph (a) to add the text ``(incorporated by reference, see Sec. 127.003)'' to direct the reader to more details about the material incorporated by reference. Additionally, the Coast Guard proposes to amend paragraph (c) to reflect the correct section references as contained in the 2017 edition of the standard. This change is needed to ensure that auxiliary generators and other sources of power comply with the latest edition of NFPA 70, as indicated in Section 700.12 of this standard.

Proposed Revisions to Sec. 127.201 Sensing and Alarm Systems

The Coast Guard proposes to amend paragraphs (b)(2) and (c)(2) by referencing section 16.4 of the 2019 edition of NFPA 59A. We also propose amending paragraph (c)(1) by referencing section 500.5(B)(1) of the 2017 edition of NFPA 70, which defines a Class 1, Division 1 location. The current regulations reference section 9-4 in the 1994 edition of NFPA 59A and section 500-5(a) in the 1993 edition of NFPA 70.

Proposed Revisions to Sec. 127.313 Bulk Storage

The Coast Guard proposes to amend paragraph (b) by referencing the 2018 edition of NFPA 30. The current regulations reference Chapter 4 of the 1993 edition, which pertains to the storage of containers and portable tanks. The standard has been updated over the years, and information that was once part of Chapter 4 has been relocated to different chapters throughout the standard. Accordingly, we can no longer reference a specific chapter and propose to adopt the standard in total.

Proposed Revisions to Sec. 127.405 Repairs

The Coast Guard proposes to amend paragraphs (a)(1) and (b) by referencing the 2019 edition of NFPA 59A. In paragraph (b) we also propose to reference the 2019 edition of NFPA 51B. The current regulations reference the 1994 edition of NFPA 59A and the 1994 edition of NFPA 51B. Section 10.4.3 of NFPA 59A and NFPA 51B relate to repairs and identify specific requirements for welding and brazing.

Proposed Revisions to Sec. 127.603 Portable Fire Extinguishers

The Coast Guard proposes to amend paragraph (a) by updating NFPA 59A to the 2019 edition and NFPA 10 to the 2018 edition. The current regulations reference the 1994 edition of NFPA 10. Section 16.6.1 of NFPA 59A and Chapter 6 of NFPA 10 relate to portable fire extinguishers and identify specific requirements for portable and wheeled fire extinguishers.

Proposed Revisions to Sec. 127.611 International Shore Connection

In this section, the Coast Guard proposes to change ``ASTM F 1121'' to ``ASTM F 1121-87'' to reference the standard by its correct designation and to reference the 2015 edition of this standard. The standard ASTM F 1121-87 provides specifications for international shore connections used in marine fire applications.

Proposed Removal of Sec. 127.701 Security on Existing Facilities; Sec. 127.703 Access to the Marine Transfer Area for LNG; Sec. 127.705 Security Systems; Sec. 127.707 Security Personnel; Sec. 127.709 Protective Enclosures; and Sec. 127.711 Communications

The Coast Guard proposes to remove these sections from the CFR. These regulations are no longer needed because facilities regulated under part 127 are required to comply with the maritime security regulations for facilities contained in 33 CFR part 105. See 33 CFR 105.105(a)(1). Therefore, it is no longer necessary to have security regulations for facilities in part 127.

Subpart C--Waterfront Facilities Handling Liquefied Hazardous Gas

Proposed Revisions to Sec. 127.1101 Piping Systems

In paragraph (a), the Coast Guard proposes to change ``ASME B31.3'' to ``ASME B.31.3-2018'' to reference the standard by its correct designation and to reference the 2018 edition of this standard instead of the 1993 edition. This standard pertains to process piping and contains requirements for piping typically found in petroleum refineries, including chemical, pharmaceutical, textile, paper, semiconductor, cryogenic plants, and related processing plants and terminals. We also propose to reference Sec. 127.003 with respect to the reference to API Recommended Practice 2003 (API RP 2003) in paragraph (h). This standard, as updated in 2015, outlines requirements for protection against ignitions arising out of static, lightning, and stray currents.

Proposed Revisions to Sec. 127.1102 Transfer Hoses and Loading Arms

In paragraph (a)(4)(ii), the Coast Guard proposes to change American National Standards Institute (ANSI) standard ``ANSI B16.5'' to ``ASME B16.5-2017'' to reference the standard by its correct

designation and to reference the 2017 edition of the standard. This standard outlines design specifications for pipe flanges and flanged fittings. The current regulations reference a 1988 edition of the standard, but now uses the term ``ANSI'' rather than ``ASME.''

Proposed Revisions to Sec. 127.1103 Piers and Wharves and Sec. 127.1105 Layout and Spacing of Marine Transfer Area for LHG

The Coast Guard proposes to remove the word ``existing'' from these sections to clarify that the regulations in Sec. Sec. 127.1103 and 127.1105 apply to new construction in the marine transfer area on all LHG facilities and not just to ``existing'' LHG facilities.

Proposed Revisions to Sec. 127.1203 Gas Detection

In paragraph (a), the Coast Guard proposes to change ``ANSI S12.13, Part I'' to ``IEC 60079-29-1'' to reference the name of the standard by which the original ANSI standard is now known. The current regulations reference the 1986 edition of ANSI S.12.13, Part I. We propose to incorporate by reference the July 2016 edition of IEC 60079-29-1, which pertains to performance requirements of detectors for flammable gases.

Proposed Revisions to Sec. 127.1313 Storage of Hazardous Materials

The Coast Guard proposes to amend paragraph (b) by referencing the 2018 edition of NFPA 30. The current regulations reference Chapter 4 of the 1993 edition, which pertains to the storage of containers and portable tanks. The standard has been updated over the years, and information that was once part of Chapter 4 has been relocated to different chapters throughout the standard. Accordingly, we can no longer reference a specific chapter and intend to adopt the standard in total.

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Proposed Revisions to Sec. 127.1501 General

The Coast Guard proposes to remove the word ``existing'' to clarify that Sec. 127.1501 applies to new construction on all LHG facilities and not just to ``existing'' LHG facilities.

Proposed Revisions to Sec. 127.1511 International Shore Connection

In this section, the Coast Guard proposes to change ``ASTM F 1121'' to ``ASTM F 1121-87'' to reference the standard by its correct designation and to reference the 2015 edition of this standard. The standard ASTM F 1121-87 provides specifications for international shore connections used in marine fire applications.

Technical Changes

In the following sections, we propose to remove the word ``shall,'' and replace it with the word ``must'' to more clearly convey these sections contain requirements: Sec. Sec. 127.011, 127.019, 127.301, 127.309, 127.311, 127.313, 127.315, 127.317, 127.319, 127.321, 127.401, 127.403, 127.405, 127.407, 127.409, 127.613, 127.615, 127.617, 127.1207, 127.1301, 127.1302, 127.1309, 127.1311, 127.1313, 127.1315, 127.1317, 127.1319, 127.1321, 127.1325, 127.1401, 127.1403, 127.1405, 127.1407, 127.1409, 127.1601, 127.1603, and 127.1605. Additionally, in Sec. Sec. 127.005, 127.101, 127.107, 127.201, 127.313, 127.405, 127.603, 127.611, 127.1101, 127.1102, 127.1107, 127.1203, 127.1313, 127.1405, and 127.1503, we propose to add the text ``(incorporated by reference, see Sec. 127.003)'' to direct the reader to more details about the materials incorporated by reference in the ``Incorporation by reference'' section contained in Sec. 127.003. In Sec. 127.107, we propose to delete ``National Electrical Code'' and insert ``NFPA'' in its place to reflect the correct name of NFPA 70.

VII. Incorporation by Reference

Material proposed for incorporation by reference appears in Sec. 127.003. For information about how to view this material, see the ADDRESSES section of this preamble. Copies of the material are available from the sources listed in Sec. 127.003. Before publishing a binding rule, we will submit this material to the Director of the Federal Register for approval of the incorporation by reference.

VIII. Regulatory Analyses

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. Executive Order 13771 (Reducing Regulation and Controlling Regulatory Costs) directs agencies to reduce regulation and control regulatory costs and provides that ``for every one new regulation issued, at least two prior regulations be identified for elimination, and that the cost of planned regulations be prudently managed and controlled through a budgeting process.''

The Office of Management and Budget (OMB) has not designated this proposed rule a significant regulatory action under section 3(f) of Executive Order 12866. Accordingly, OMB has not reviewed it. DHS considers this rule to be an Executive Order 13771 deregulatory action. See the OMB Memorandum titled ``Guidance Implementing Executive Order 13771, titled `Reducing Regulation and Controlling Regulatory Costs''' (April 5, 2017). Details on the estimated cost savings of this proposed rule can be found in the rule's regulatory analysis below.

We performed our regulatory analysis for this proposed rule based on the Coast Guard's PWSA authority to address safety and security issues raised by the increased use of LNG by maritime vessels. The Coast Guard is proposing to:

- Modify current regulations to allow LNG fuel facilities that do not receive LNG from vessels to conduct an ORA instead of the WSA without first obtaining COTP approval per existing Sec. 127.007;
- Update the technical standards currently referenced in 33 CFR part 127 to reflect the most recent published editions;
- Amend the existing regulations by removing the word ``shall'' and replacing it with the word ``must''; and
- Require a waterfront facility handling LNG that must submit a WSA and LOI (LNG import/export facility) \9\ to provide information to the Coast Guard on the nation of registry for, and the nationality or citizenship of officers and crew serving on board, vessels transporting natural gas that are reasonably anticipated to be servicing that facility if that information is known at the time the facilities submit the documents to the COTP.

\9\ For the purpose of simplification, in this Regulatory Analysis we refer to a waterfront facility handling LNG that must

submit a WSA as an ``LNG import/export facility'' because current U.S. LNG operations involve only the import or export of LNG as cargo.

Table 1 of this analysis provides a summary of the affected population, cost savings, no cost changes, and unquantified benefits of this proposed rule. The Coast Guard estimates an annualized cost savings to industry of $16,157 (with a 7-percent discount rate), and an annualized cost savings to the government of $690 (with a 7-percent discount rate), for a total annualized cost savings of $16,847 in 2018 dollars, using a 7-percent discount rate.

Table 1--Summary of the Impacts of the Proposed Rule

Category	Summary
Applicability	[check] New LNG import/export facilities. [check] New LNG Fuel Facilities. [check] New LHG Facilities.
Affected Population	[check] 20 new LNG import/export facilities over the 10-year analysis period. [check] 10 new LNG Fuel Facilities over the 10-year analysis period. [check] 30 new LHG facilities over the 10-year analysis period.
Costs Savings to Industry (7-percent discount rate).	[check] 10-year: ($113,482).* [check] Annualized: ($16,157) *.
Costs Savings to Government (7-percent discount rate).	[check] 10-year: ($4,845) *. [check] Annualized: ($690) *.
Perpetual period total cost savings in 2016 dollars discounted back to 2016 (7-percent discount rate).	[check] Annualized: ($11,527).
No cost changes	[check] Update incorporated technical standards to reflect the most recent published editions. [check] Require the LOI of a new LNG import/export facility to include information on the nation of registry for, and the nationality or citizenship of officers and crew serving on board, vessels transporting natural gas that are reasonably anticipated to be servicing that facility. [check]

* Costs are in 2018 Dollars.

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Affected Population

There are currently 12 existing LNG import/export facilities, 3 existing LNG fuel facilities, and 106 existing LHG facilities that are regulated under 33 CFR part 127. Table 2 presents the projected number of LNG import/export facilities, LNG fuel facilities, and LHG facilities over the 10-year analysis period. Based on the Coast Guard's Marine Information for Safety and Law Enforcement (MISLE) database on activation dates of the 3 existing LNG fuel facilities and the projected activation dates of 1 LNG fuel facility under construction, the Coast Guard estimates that 10 new LNG fuel facilities would be built during the 10-year analysis period, or 1 annually.\10\ Using MISLE data on existing LNG import/export facilities, and FERCs list of approved and proposed facilities, the Coast Guard estimates that 20 new LNG import/export facilities would be built during the 10-year analysis period, or 2 annually.\11\ Using MISLE data, the Coast Guard estimates that 30 new LHG facilities would be built during the 10-year analysis period, or 3 annually. However, as noted in the supporting statements for the OMB-approved Information Collection Request (ICR) under Control Number 1625-0049, the Coast Guard expects these new LHG facilities to replace existing facilities for a static total population of 106 facilities.\12\ If you have comments about these population estimates, please submit comments identified by docket number USCG-2019-0444 using the Federal eRulemaking Portal at http://www.regulations.gov.

\10\ The first LNG fuel facility in the U.S. became operational in 2016. The second and third became operational in 2018 and 2019, respectively. The fourth facility is anticipated to start operation by the end of 2020.

\11\ Based on FERCs website on approved and proposed LNG import/export facilities, 2 facilities would become active by the end of 2020, 1 facility would become active in 2021, 2 facilities would become active in 2022, 3 facilities would become active in 2023, and 1 facility would become active in 2024. Hence, the Coast Guard has determined that, on average, 2 new LNG import/export facilities would become active annually. See https://www.ferc.gov/industries-data/natural-gas/overview/lng.

\12\ The supporting statement for the OMB-approved Information Collection Request (ICR) with a Control Number of 1625-0049 can be found at: https://www.regulations.gov/document?D=USCG-2016-0258-0002.

Table 2 contains the number of new facilities to become operational over a 10-year period of analysis.

Table 2--Total Facilities by Year

Year	LNG import/export facilities		LNG fuel facilities		LHG Facilities
	Existing	New	Existing	New	Retiring

| | | |

construction. Of these four facilities, three submitted alternative requests and were granted permission to conduct an ORA under existing alternative methods because the Coast Guard determined that an ORA was more appropriate for their intended LNG operations. The other LNG fuel facility chose to complete a WSA and thus did not submit an alternative request. Based on this background information and discussions with subject matter experts (SMEs) in the Coast Guard Office of Operating and Environmental Standards (CG-OES), we estimate that 75 percent of the LNG fuel facilities submitted an alternative request and completed an ORA and the other 25 percent completed a WSA (see Table 3 below). If you have comments concerning these estimates, please submit comments identified by docket number USCG-2019-0444 using the Federal eRulemaking Portal at http://www.regulations.gov.

According to the OMB-approved ICR for LNG and LHG facilities with an OMB Control Number of 1625-0049, completing an alternative request requires 2 clerical hours and 8 managerial hours. The mean hourly wage rates for clerks and managers were obtained from the U.S. Bureau of Labor Statistics (BLS). The BLS reports that the mean hourly wage rates for clerks and managers were $28.68 and $75.95 in 2018, respectively.\13\ To account for the cost of employee benefits, such as vacation time and health insurance, we multiplied the mean hourly wage rates by a load factor of 1.65, resulting in a loaded mean hourly wage rate of about $47.32 for a clerk ($28.68 x 1.65) and about $125.32 for a manager ($75.95 x 1.65).\14\

\13\ The Coast Guard used 2018 wage data from the U.S. Bureau of Labor Statistics' Occupational Employment Statistics for the natural gas distribution sector using the North American Industry Classification System with an industry code of 221200. Readers can view the wage rates at https://www.bls.gov/oes/2018/may/naics4_221200.htm. Note that we used the occupational code of Information and Record Clerks, OC 43-4000, as a proxy for the labor category ``clerk'', and the occupational code of Architectural and Engineering Managers, OC 11-9041, as a proxy for the labor category ``manager'' as a manager with some engineering knowledge is expected to be involved in completing the alternative request.

\14\ To obtain the load factor, we divided the total cost for employers by the wages and salaries of private workers for the utility sector in December 2018, or $61.87/$37.60 = 1.65. Readers can find this information in Table 10 of the Employer Costs for Employee Compensation December 2018 News Release available at https://www.bls.gov/news.release/archives/ecec_03192019.pdf.

Therefore, the Coast Guard estimates the labor cost of completing an alternative request to be about $1,097, which includes $94.64 in clerical labor cost (2 clerical hours x $47.32 per hour) and $1,002.56 in managers labor cost (8 managerial hours x $125.32 per hour). With the proposed rule, LNG fuel facilities would no longer submit an alternative request to complete an ORA; therefore, each new facility would have a one-time cost savings of $1,097 (we show the cost occurs annually because of the assumption of one new facility entering service each year). As shown in table 3, given that 75 percent of the new facilities would submit an alternative request, the Coast Guard estimates the annualized cost savings to industry to be about $823 using a 7-percent discount rate.

Table 3--Discounted Cost Savings to Industry of No Longer Completing an Alternative Submission

[$2018]

Year	Total number of facilities completing alternative (a) (b)	Total cost savings (c)	Cost savings discounted at 3% (d) = (b) x (c)	Cost savings discounted at 7% (e) = (d) / (1.03)	Total Cost savings in cost change (f) = (d) / (1.07)
			\(a)\	\(a)\	
1	0.75	$1,097	$823	$799	$769
2	0.75	$1,097	$823	$776	$719
3	0.75	$1,097	$823	$753	$672
4	0.75	$1,097	$823	$731	$628
5	0.75	$1,097	$823	$710	$587
6	0.75	$1,097	$823	$689	$548
7	0.75	$1,097	$823	$669	$512
8	0.75	$1,097	$823	$650	$479
9	0.75	$1,097	$823	$631	$448
10	0.75	$1,097	$823	$612	$418

Total	$8,229	$7,020	$5,780
Annualized		$823	$823

Totals may not sum due to independent rounding.

As part of requesting an alternative approval to conduct an ORA, the requesting party would meet with the COTP to discuss the alternative. These meetings often require representatives of the requesting firm to travel to meet with the COTP. For this reason, the travel costs associated with these meetings mainly depend on the distance between the facility and the firm's headquarters. Review of the headquarters locations and the site locations of existing and under construction LNG fuel facilities in our MISLE database suggests that 75 percent of the facilities are approximately an 80-mile round trip drive from the COTP; therefore, the Coast Guard assumes the representatives of these facilities would drive to the meeting. Flight travel would be required for visits to the other 25 percent of facilities.\15\ Moreover, discussions with Coast Guard SMEs in the CG-OES revealed that a meeting

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would last for an average of 2 hours and involves two managerial employees, one technical employee (engineer) and one outside consultant hired by the firm.

\15\ Of the four LNG fuel facilities (three existing and one projected to be operational in the future), three of the facilities are, on average, within an 80-mile round trip from their respective headquarters. One facility located in Jacksonville, FL, is an approximately 1,700-mile round trip from its headquarters' location in Houston, TX. Based on this information, we assume that 75 percent of participants would drive while the other 25 percent would fly.

The Coast Guard estimates that it would take approximately 2 hours to complete the 80-mile round trip drive, and including driving time, we estimate the duration of the meeting would take about 4 work hours. The BLS reported a mean hourly wage rate for an engineer to be $51.33 in 2018; using a load factor of 1.65, we obtained a loaded mean hourly wage rate of about $84.69 ($51.33 x 1.65).\16\ Discussions with industry consultants revealed that the mean hourly wage rate for a consultant completing WSAs and ORAs for LNG fuel facilities was about $229 in 2017.\17\ Using the inflation factor of 1.0225, the Coast Guard estimates the consultant mean hourly wage rate to be about $234 in 2018 dollars.\18\

\16\ The Coast Guard calculated an engineer's mean hourly wage using 2018 wage data from the U.S. Bureau of Labor Statistics' Occupational Employment Statistics for the natural gas distribution sector using the North American Industry Classification System with an industry code of 221200. Readers can use the link https://www.bls.gov/oes/2018/may/naics4_221200.htm. Note that the occupational code for engineers is OC 17-2000.

\17\ Discussion with consultants reveal that, on average, in 2017, completing a WSA costs $114,585 and 500 hours. Based on this information, the Coast Guard estimates the mean consultant wage rate to be about $229.17 ($114,585/500 hours = $229.17 per hour) in 2017.

\18\ To obtain the inflation factor, we divided the GDP deflator for 2018 (110.382) by the GDP deflator for 2017 (107.948), or 110.382/107.948 = 1.0225.

The Coast Guard estimates the total labor cost per meeting when industry representatives drive to the COTP to be about $2,277 annually, which is the sum of $338.76 in engineer's labor cost (4 hours x $84.69), $1,002.56 in manager's labor cost (2 managers x 4 hours x $125.32), and $936 for the consultant's labor cost (4 hours x $234).

To calculate the cost of driving to the COTP's facility, the Coast Guard used the 2018 General Services Administration (GSA) reimbursable rate for personal vehicles, $0.54 per mile, which considers the cost of fuel, depreciation, maintenance, and insurance.\19\ Accordingly, the Coast Guard estimates that an 80-mile round trip drive to the COTP costs about $43.20 (80 miles x $0.54 per mile) annually.

\19\ Readers can view the 2018 reimbursable rates for personal vehicles at: https://www.govinfo.gov/content/pkg/FR-2018-01-03/pdf/2017-28394.pdf.

With the proposed rule, industry representatives would no longer need to drive to meet with the COTP to submit and discuss the alternative, resulting in an annual cost savings of $2,321 per meeting ($43 driving cost + $2,277 in labor cost). As shown in table 4, given that about 56.5 percent of the new LNG fuel facilities would drive to the COTP, the Coast Guard estimates the annualized cost savings to industry of no longer having to drive to the COTP to discuss an alternative request to be about $1,299 using a 7-percent discount rate.\20\ The Coast Guard estimates the discounted cost savings to industry of no longer driving to meet with a COTP to be about $9,122 over a 10-year period of analysis using a 7-percent discount rate.

\20\ We obtained 56.25 percent by multiplying the proportion of facilities submitting alternative (75 percent) by the proportion driving to the COTP (75 percent). i.e., 0.75 x 0.75 = 0.5625.

Table 4--Discounted Industry Cost Savings for No Longer Meeting With COTP (Driving)

[$2018]

Year	Total number of facilities *	Cost savings	Travel cost Cost savings discounted at 3% (b)	Labor cost Cost savings discounted at 7% (c)	Total Cost savings in change in cost (a) (b) + (c)	(d) = (f) / (1.03) \(a)\	(e)	(f) = (d) x (e)	(g) = (f) / (1.07) \(a)\	(h) = (f) /
1	0.56	$1,299	$43.20	$2,277	$2,321	$1,262	$1,214			
2	0.56	$1,299	$43.20	$2,277	$2,321	$1,225	$1,135			
3	0.56	$1,299	$43.20	$2,277	$2,321	$1,189	$1,061			
4	0.56	$1,299	$43.20	$2,277	$2,321	$1,155	$991			
5	0.56	$1,299	$43.20	$2,277	$2,321	$1,121	$927			
6	0.56	$1,299	$43.20	$2,277	$2,321	$1,088	$866			
7	0.56	$1,299	$43.20	$2,277	$2,321	$1,057	$809			
8	0.56	$1,299	$43.20	$2,277	$2,321	$1,026	$756			
9	0.56	$1,299	$43.20	$2,277	$2,321	$996	$707			
10	0.56	$1,299	$43.20	$2,277	$2,321	$967	$661			
Total		$12,995				$11,085	$9,127			
Annualized			$1,299	$1,299						

Totals may not sum due to independent rounding.
* The fraction of facilities submitting an alternative for an ORA (0.75) multiplied by the fraction of industry representatives driving to the COTP (0.75).

As stated above, 25 percent of the facilities submitting alternative requests would need to fly to meet with the COTP. The Coast Guard estimates that, including travel time, the trip would take approximately 12 work hours. Accordingly, the labor cost per meeting would be about $6,832, which is the sum of $1,016 for an engineer's

labor cost (12 hours x $84.69 per hour), $3,008 for a manager's labor cost (2 managers x 12 hours x $125.32 per hour), and $2,808 for a consultant's labor cost (12 hours x $234 per hour).

To calculate the cost of flying to the COTP's facility, the Coast Guard first computed the cost of a plane ticket, hotel, rental car, and per diem. The Coast Guard estimates the cost of each round trip flight (non-stop) to be about $350, for a total flight cost of $1,400 (4 flight tickets x $350 per flight ticket).\21\

\21\ U.S. Bureau of Transportation Statistics (https://www.bts.gov/content/national-level-domestic-average-fare-series) reports the average cost of a domestic U.S. flight on a quarterly basis. The Coast Guard estimates the mean cost of domestic flight to be $349.56 in 2018.

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The Coast Guard assumes that each individual would spend a total of 1 night in a hotel at a cost of $106 per night,\22\ for a total cost of $424 (4 rooms x $106 per night). The Coast Guard assumes that the four representatives would share a rental car estimated to cost $61 for transit to and from the airport and the meeting.\23\ The Coast Guard also assumes that each individual would need 2 days of meals and incidental allowance (first and last day of travel), which is about $38 per day per person for a total of $304 ($38 per day x 2 days x 4).\24\ Accordingly, the Coast Guard estimates the total cost of flight travel to be about $2,189, which includes the cost of plane tickets ($1,400), cost of overnight accommodations ($424), cost of a rental car ($61), and per diem expenses ($304).

\22\ The Coast Guard multiplied the 2018 standard GSA rate for lodging, $93 (which can be found here: https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup/?action=perdiems_report&state=FL&fiscal_year=2016&zip=&city=), by the mean lodging tax rate of 13.69 percent (which can be found on page 7 of the HVS 2018 Lodging Tax Report: https://www.hotelnewsresource.com/pdf18/HVS092018.pdf) for a total cost of $106 per night ($93 per night x 13.69 percent tax = $106 per night) in 2018 dollars.

\23\ The Coast Guard used the $50 cost estimate of a round trip airport transfer from the Validation of Merchant Mariners' Vital Information and Issuance of Coast Guard Merchant Mariner's Licenses and Certificates of Registry Interim Rule (https://www.regulations.gov/document?D=USCG-2004-17455-0001) as a proxy for the cost of a round trip airport transfer, and traveling to and from the meeting. We adjusted the $50 amount to 2018 dollars using an inflation factor of 1.2556, which is obtained by dividing 2018 GDP deflator (110.382) by 2006 GDP deflator (90.006), i.e., 110.382/90.006 = 1.2256. So, we estimate the airport transfer cost to be about $61 ($50 x 1.2256 = $61) in 2018 dollars.

\24\ The 2018 GSA rate for meals and incidental expenses for

first and last day of travel is $38.25 (See https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup/?action=perdiems_report&state=FL&fiscal_year=2018&zip=&city=jacksonville).

The Coast Guard estimates that the proposed rule would result in an annual cost savings of about $9,021 per meeting ($2,189 in transportation cost and $6,832 in labor cost) as industry representatives would no longer need to fly to meet with the COTP. Given that 18.75 percent of the new LNG fuel facilities (one facility a year) would choose to fly to meet with the COTP, the Coast Guard estimates the annualized cost savings to industry of not flying would be about $1,691 ($9,021 x 1 facility x 0.75 x 0.25) using a 7-percent discount rate.\25\ Moreover, the Coast Guard estimates the discounted or the present value cost savings to industry of no longer flying to meet with the COTP to be $11,880 over a 10-year period of analysis using a 7-percent discount rate. See table 5 for detail.

\25\ We obtained 18.75% by multiplying the proportion of facilities submitting alternative (75%) by the proportion flying to the COTP (25%). i.e., 0.25 x 0.75 = 0.1875.

Table 5--Discounted Industry Cost Savings for No Longer Meeting with COTP (Flight)

[$2018]

Year	Total number of facilities *	Cost savings	Travel cost Cost savings discounted at 3% (b)	Labor cost Cost savings discounted at 7% (c)	Total Cost savings in cost (d) = (b) + (c)
	(a)	(e)	(f) = (d) x (1.03) \(a)\	(g) = (f) / (1.07) \(a)\	(h) = (f) x (1.07) \(a)\
1	$1,581	$0.1875	$1,691	$2,189 $1,642	$1,581
2	1,477	0.1875	1,691	2,189 1,594	1,477
3	1,381	0.1875	1,691	2,189 1,548	1,381
4	1,290	0.1875	1,691	2,189 1,503	1,290
5	1,206	0.1875	1,691	2,189 1,459	1,206
6	1,127	0.1875	1,691	2,189 1,417	1,127
7	1,053	0.1875	1,691	2,189 1,375	1,053

8			2,189	1,335	
984	0.1875	1,691	1,335		984
9			2,189	1,296	
920	0.1875	1,691	1,296		920
10			2,189	1,259	
860	0.1875	1,691	1,259		860
Total		16,914	14,428	11,880	
Annualized			1,691	1,691	

Totals may not sum due to independent rounding.
* The fraction of facilities submitting alternative (0.75) multiplied by the fraction flying to the COTP (0.25).

Based on reviews of data in MISLE and discussions with Coast Guard SMEs, the Coast Guard determined that of the four LNG fuel facilities (three existing and one under construction), three submitted an alternative request and completed an ORA and one completed a WSA. Accordingly, the Coast Guard estimates that under the existing regulatory requirements 25 percent of LNG fuel facilities would complete a full WSA instead of submitting an alternative request. Discussions with industry representatives suggest that consulting firms hired by the facility to conduct WSAs and ORAs would take approximately 289 hours to complete an ORA and 500 hours to complete a WSA. Accordingly, the Coast Guard estimates the average cost to complete a WSA to be $117,000 (500 consultant hours x $234 per hour) and the average cost to complete an ORA to be $67,626 (289 consultant hours x $234 per hour), for a cost savings of $49,374. Table 6 presents the annualized cost savings to industry for completing an ORA in lieu of a WSA. Given that only 25 percent of new facilities complete a WSA, the Coast Guard estimates the total annualized cost savings to industry of completing an ORA in lieu of a WSA to be approximately $12,344 ($49,374 in cost savings x 1 facility x 0.25 of facilities that submit WSAs) using a 7-percent discount rate. The Coast Guard estimates the total discounted or present value cost savings of industry completing an ORA in place of a WSA to be about $86,696 over a 10-year period of analysis using a 7-percent discount rate.

Table 6--Discounted Cost Savings to Industry of Completing ORAs as Opposed to WSAs

[$2018]

Year	Total number of new LNG facilities (a)	Total cost savings in cost of fuel (b)	Cost savings discounted at 3% (c)	Cost savings discounted at 7% (d) = (b) x (c)	Total Cost savings (j) = (i) / (1.03)	Total Cost savings (k) = (i) / (1.07)
1	0.250	$49,374	$12,344	$11,984	$11,536	
2	0.250	49,374	12,344	11,635	10,781	
3	0.250	49,374	12,344	11,296	10,076	
4	0.250	49,374	12,344	10,967	9,417	
5	0.250	49,374	12,344	10,648	8,801	
6	0.250	49,374	12,344	10,337	8,225	
7	0.250	49,374	12,344	10,036	7,687	
8	0.250	49,374	12,344	9,744	7,184	
9	0.250	49,374	12,344	9,460	6,714	
10	0.250	49,374	12,344	9,185	6,275	
Total	123,435	105,293	86,696			

Annualized			12,344		12,344	

Totals may not sum due to independent rounding.

Total Cost Savings to Industry

Table 7 contains the total cost savings to industry of removing the requirements that LNG fuel facilities submit an alternative request and meet with the COTP to conduct an ORA in lieu of a WSA. The Coast Guard estimates the total present value or discounted cost savings to industry of the proposed rule over a 10-year period of analysis to be about $113,482 in 2018 dollars, using a 7-percent discount rate. The Coast Guard estimates the annualized cost savings to industry to be about $16,157 in 2018 dollars, using a 7-percent discount rate.

Table 7--Total Industry Cost Savings

[$2018]

Year	Alternative ORA instead of WSA	Total cost savings (undiscounted)	Cost savings discounted at 3%	Industry cost savings for driving to submission discounted at 7%	Industry cost for flying to meeting with COTP	Cost savings meeting with COTP
	(a)	(b)		(c)	(d)	
			(e)	(f) = (b) + (c) + (d) + (e)	(g) = (f) / (1.03) \(a)\	(h) = (f) / (1.07) \(a)\
1				$823	$1,299	
	$1,691	$12,344	$16,157	$15,687		$15,100
2				823	1,299	
	1,691	12,344	16,157	15,230		14,112
3				823	1,299	
	1,691	12,344	16,157	14,786		13,189
4				823	1,299	
	1,691	12,344	16,157	14,356		12,326
5				823	1,299	
	1,691	12,344	16,157	13,937		11,520
6				823	1,299	
	1,691	12,344	16,157	13,532		10,766

7.....		823	1,299	
1,691	12,344	16,157	13,137	10,062
8.....		823	1,299	
1,691	12,344	16,157	12,755	9,404
9.....		823	1,299	
1,691	12,344	16,157	12,383	8,789
10.....		823	1,299	
1,691	12,344	16,157	12,023	8,214
Total.....	.....	161,573	137,825	113,482
Annualized.....	.....	.....	$16,157	$16,157

Totals may not sum due to independent rounding.

Changes With No Cost Impacts

The Coast Guard is proposing to incorporate by reference updated and new industry standards that are available and known to the industry. Based on discussions with an industry consultant and SMEs in the CG-OES, the Coast Guard determined that new, expanded, and modified LNG import/export facilities, LNG fuel facilities, and LHG facilities are built to the most current industry standards available at the time of construction, expansion, or modification and not the outdated standards currently codified in 33 CFR part 127. In addition, the new industry standards do not apply to facilities constructed, expanded, or modified under a contract awarded after the implementation date of the final rule. Hence, the Coast Guard does not anticipate owners and operators of new, expanded and modified facilities to incur any cost to meet the updated or new industry standards. If you have comments concerning this assumption, please submit comments identified by docket number USCG-2019-0444 using the Federal eRulemaking Portal at http://www.regulations.gov.

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In addition, as part of the LOI, the Coast Guard proposes to add new paragraph Sec. 127.007(g) requiring an LNG import/export facility that complete a WSA to provide information to the Coast Guard on the nation of registry for, and the nationality or citizenship of officers and crew serving on board, vessels transporting liquefied natural gas that are reasonably anticipated to be servicing that facility. This requirement would only be applicable when a facility has to submit the LOI and WSA to the Coast Guard and is not required every time a vessel comes to port. Because both the LOI and WSA are submitted years before the facility becomes operational, Coast Guard SMEs have determined that it is highly unlikely any specific details regarding vessels and their crew would be known at the time the LOI and WSA are submitted. Table 8 summarizes the proposed changes with no cost impacts. If you have

comments or have questions concerning the no cost determination presented in Table 8, please submit comments identified by docket number USCG-2019-0444 using the Federal eRulemaking Portal at http://www.regulations.gov.

Table 8--Summary of Proposed Changes to 33 CFR 127 With no Economic Impacts

Topic	CFR section	Facility type(s)	Changes to baseline requirements	Cost impact
General Requirements				
Authority		All	Revised the citation to 46 U.S.C. 70011 and 70034; Department of Homeland Security Delegation No. 0170.1.	No cost. This change is administrative in nature.
Applicability	Sec. 127.001 (a) and (c)	All	Amended paragraph by removing the word ``existing'' because as it is currently defined in Sec. 127.005 does not cover waterfront facilities handling LNG and LHG constructed after 1988 and 1996,	No cost. This change is administrative in nature.

respectively.			
No cost. The (c) by a reference 127.701, contains requirements inactive LNG facilities.	Coast Guard has determined that the security requirements are now covered under 33 CFR part 105 and thus reference to Sec. 127.701 in paragraph (c) is duplicative. Accordingly, removing the requirement does not have cost implications	Inactive LNG fuel and import/ export facilities.	Amended paragraph removing to Sec. which security for
Waterfront facilities handling LHG constructed, expanded modified under a awarded [INSERT 30 DAYS PUBLICATION IN Federal Register] required to with the	No cost. This change is administrative in nature.	All.....	LNG and or contract after AFTER THE are comply

				standards
referenced				
				in Sec.
127.003.				
				All other
facilities,				
				unless
expanded or				
				modified
in				
accordance with this				
				part, are
required to				
				meet the
standards				
				that were
in effect				
				at the
time the				
facilities were				
constructed, but may				
				request
to apply a				
				later
edition of the				
				standards
in				
accordance with Sec.				
				127.017.
Incorporation by reference....	Sec.	127.003	All.....	Updated
No cost. The				
				standards
that are	Coast Guard has			
				currently
listed to	determined that all			
				reflect
the latest	new LNG import/			
				edition
of the	export facilities,			
				standards
available	LNG fuel facilities,			
				and
adding three new	and LHG facilities			
				standards
for	would meet the most			
				reference
incorporation by	recent industry			
				section
(see	standards in the			
				of
``Discussion	absence of			
Proposed Rule'' of	regulation.			

					this preamble for a list of these standards).
Definitions	Sec.	127.005	All	Added new definitions for ``LNG facility'' and the existing definitions for ``Facility'' and endurance rating.''.	No cost. This change is administrative in nature.
LOI and WSA	Sec.	127.007	New LNG import/ export facilities and LHG Facilities.	Amended paragraph (a), (b), and (e) by removing the word ``existing'' because it is the term as defined currently in Sec. 127.005 does not cover waterfront facilities handling LNG and LHG constructed after 1988 and 1996, respectively.	No cost. This change is administrative in nature.
			New LNG Fuel Facilities.	Excluded fuel facilities from this section because	

be in a new 127.008.	nature.			they will addressed Sec.
[[Page 62666]]				
new (g) a LNG import/export to provide information to the Guard on the registry of vessels for, and nationality or citizenship of and crew on board, transporting gas that are reasonably anticipated to be that	No cost. The Coast Guard has determined that facilities with specific details regarding vessels and their crew would not be known at the time of LOI and ORA submission.	New LNG import/ export facilities.	Added a paragraph requiring facility Coast nation of the the officers serving vessels natural servicing facility.	
new (j) to that an owner operator intending construct a new	No cost. This change is administrative in nature.		Added a paragraph clarify or to	

					LNG fuel facility or any LNG fuel facility, or reactivate an inactive LNG fuel facility may comply with Sec. 127.008 in lieu of meeting the requirements in this section.
LOI and ORA	Sec.	127.008	New LNG Fuel Facilities.	Identified standards to conducting assessments on facilities.	No cost. The Coast Guard has determined that all new LNG fuel facilities and LHG facilities would meet the most recent industry standards in the absence of regulation.	industry related risk LNG fuel
Letter of Recommendation	Sec.	127.009	All New Facilities.	Updated text to Sec. 127.008.	No cost. This change is administrative in nature, and it only clarifies that the letter for

recommendation may be sent after the receipt of a WSA or ORA.					
Inspection of Waterfront Facilities.	Sec.	127.011	All New Facilities.	No cost. This change is administrative in nature.	Replaced the word ``shall'' with ``must.''.
Appeals.....	Sec.	127.015	All New Facilities.	No cost. This change is administrative in nature.	Updated the address of Coast Guard Headquarters. Updated the name of the Coast Guard office reviewing appeals.
Alternatives.....	Sec.	127.017	All New Facilities.	No cost. This change is administrative in nature	Added reference to Sec. 127.003.
Operations Manual and Emergency Manual Procedures for Examination.	Sec.	127.019	All New Facilities.	No cost. This change is administrative in nature.	Replaced the word ``shall'' with ``must.''. Amended paragraph (b) by removing the word ``existing'' to

					clarify that all waterfront facilities handling LNG and LHG regardless of when they were constructed must submit the information required in Sec. 127.019.
LNG--Design and Construction					
Design and Construction General.	Sec. 127.101	New LNG Facilities.	Updated references to NFPA 59A chapters and sections to reflect the numbering in the most recent edition.	This change is administrative in nature.	No cost.
Electrical Power System.....	Sec. 127.107	New LNG Facilities.	Added references to Sec. 127.003, ``Incorporation by reference.''.	Coast Guard has determined that that all new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.	Removed a reference to the National Electrical Code. No cost. This change is

					administrative in nature.
			LNG--Equipment		
Sensing and Alarm Systems.....	Sec.	127.201	New LNG Facilities.	Added ``Incorporation by reference.''.	No cost. The references to Sec. 127.003, Updated references to NFPA 59A sections to reflect the numbering in the most recent edition. This change is administrative in nature.
			LNG--Operations		
Persons in Charge of Shoreside Transfer Operations: Qualifications and Certification.	Sec.	127.301	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Operations Manual and	Sec.	127.309	New LNG	Replaced the	No cost.

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Emergency Manual Use.			Facilities.	word ``shall'' with ``must.''.	This change is administrative in nature.
Motor Vehicles.....	Sec.	127.311	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Bulk Storage.....	Sec.	127.313	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
references to Sec. 127.003, ``Incorporation by reference.			Added		No cost. The Coast Guard has determined that that all new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.
Primary Transfer Inspection...	Sec.	127.315	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Declaration of Inspection.....	Sec.	127.317	New LNG Facilities.	Replaced the word ``shall'' with	No cost. This change is

``must.''. administrative in

nature.

LNG Transfer.....	Sec.	127.319	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Release of LNG.....	Sec.	127.321	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
			LNG--Maintenance		
Maintenance: General.....	Sec.	127.401	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Inspections.....	Sec.	127.403	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Repairs.....	Sec.	127.405	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
				Updated references to NFPA 59A sections to	No cost. The Coast Guard has

					reflect the numbering in the most recent edition.
	determined that all new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.				Added references to Sec. 127.003, ``Incorporation by reference.''.
Testing	Sec.	127.407	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Records	Sec.	127.409	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
LNG--Fire Equipment					
Portable Fire Extinguishers...	Sec.	127.603	New LNG Facilities.	Added references to Sec. 127.003, ``Incorporation by reference.''.	No cost. The Coast Guard has determined that that all new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.
				Updated references to NFPA 59A sections to reflect the numbering	

					in the most recent edition. This change is administrative in nature.
International Shore Connection	Sec.	127.611	New LNG Facilities.	Added references to Sec. 127.003, ``Incorporation by reference.''.	No cost. The Coast Guard has determined that all new LNG and LHG facilities would meet the most recent referenced version of ASTM F 1121-87.
					Updated the industry standards in the absence of regulation.
Smoking	Sec.	127.613	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Fires	Sec.	127.615	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. These changes are administrative in nature.
Hotwork	Sec.	127.617	New LNG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. These changes are administrative in nature.

Security on Existing Facilities.	Sec.	127.701	New LNG Facilities.	Removed the section as the requirements in this section are no longer needed because facilities regulated under part 127 are required to comply with the maritime security facilities regulations contained in 33 CFR part 105.	No cost. These changes are administrative in nature.
Access to the Marine Transfer Area for LNG.	Sec.	127.703	New LNG Facilities.	Removed the section as the requirements in this section are no longer needed because facilities regulated under part 127 are required to comply with the maritime security facilities regulations contained in 33 CFR part 105.	No cost. These changes are administrative in nature.
Security Systems.....	Sec.	127.705	New LNG Facilities.	Removed the section as the	No cost. These changes are

requirements in this section are no longer needed because facilities regulated under Part 127 are required to comply with the maritime security facilities regulations contained in 33 CFR part 105..	administrative in nature.				
Security Personnel.....	Sec.	127.707	New LNG Facilities.	Removed the section as the requirements in this section are no longer needed because facilities regulated under Part 127 are required to comply with the maritime security facilities regulations contained in 33 CFR part 105.	No cost. These changes are administrative in nature.
Protective Enclosures.....	Sec.	127.709	New LNG Facilities.	Removed the section as the requirements in this section are no longer needed because facilities regulated	No cost. These changes are administrative in nature.

					under part 127 are required to comply with the maritime security facilities regulations contained in 33 CFR part 105.	
Communications.....	Sec.	127.711	New LNG Facilities.	Removed the section as the requirements in this section are no longer needed because facilities regulated under part 127 are required to comply with the maritime security facilities regulations contained in 33 CFR part 105.	These changes are administrative in nature.	No cost.
LHG--Design and Construction						
Piping Systems.....	Sec.	127.1101	New LHG Facilities.	Updated the referenced version of ASME B31.3. Added new LNG and LHG references to Sec. 127.003, ``Incorporation by reference.''.	Coast Guard has determined that all facilities would meet the most recent industry standards in the absence of	No cost. The

regulation.				
Transfer Hoses and Loading Arms.	Sec. 127.1102	New LHG Facilities.	Updated the ASME B16.5. references to Sec. 127.003, ``Incorporation by reference.''.	No cost. The referenced version of Coast Guard has determined that all new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.
Piers and wharves.....	Sec. 127.1103	New LHG.....	Removed the word ``existing'' from this section to clarify the requirements in this section apply to new constructions in the marine transfer area on all LHG facilities, and not just to ``existing'' facilities.	No cost. These changes are administrative in nature.
Layout and spacing of marine transfer area for LHG.	Sec. 127.1105	New LHG.....	Removed the word ``existing from this section to clarify the requirements in this section apply to new	No cost. These changes are administrative in nature.

constructions in the marine transfer area on all LHG facilities, and not just to ``existing'' facilities.

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Electrical Systems.....	Sec. 127.1107	New LHG Facilities.	Added No cost. The references to Sec. 127.003, ``Incorporation by reference.''.	Coast Guard has determined that all new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.
		LHG--Equipment		
Gas Detection.....	Sec. 127.1203	New LHG Facilities.	Updated the referenced version of UL 60079-29-1.. Added references to Sec. 127.003, ``Incorporation by reference.''.	No cost. The Coast Guard has determined that all new LNG and LHG facilities would meet the most recent industry standards in the absence of

regulation.
Warning Alarms..... Sec. New LHG Replaced the No cost.
 127.1207 Facilities. word ``shall'' with  These changes are ``must.''. administrative in nature.

LHG--Operations

Persons in Charge of Transfers for the Facility: Sec. New LHG Replaced the No cost.
 127.1301 Facilities. word ``shall'' with  This change is Qualifications and Certification.. ``must.''. administrative in nature.

Training..... Sec. New LHG Replaced the No cost.
 127.1302 Facilities. word ``shall'' with  This change is ``must.''. administrative in nature.

Operations Manual and Emergency Manual Use. Sec. New LHG Replaced the No cost.
 127.1309 Facilities. word ``shall'' with  This change is ``must.''. administrative in nature.

Motor Vehicles..... Sec. New LHG Replaced the No cost.
 127.1311 Facilities. word ``shall'' with  This change is ``must.''. administrative in nature.

Storage of Hazardous Materials Sec. New LHG Replaced the No cost.
 127.1313 Facilities. word ``shall'' with  This change is ``must.''. administrative in

				Added
nature.				
references to Sec.				127.003,
``Incorporation by				
reference.''.				
Preliminary Transfer		Sec.	New LHG	Replaced
the	No cost.			
Inspection.		127.1315	Facilities.	word
``shall'' with	This change is			
``must.''.	administrative in			
nature.				
Declaration of Inspection.....		Sec.	New LHG	Replaced
the	No cost.			
		127.1317	Facilities.	word
``shall'' with	This change is			
``must.''.	administrative in			
nature.				
Transfer of LHG.....		Sec.	New LHG	Replaced
the	No cost.			
		127.1319	Facilities.	word
``shall'' with	This change is			
``must.''.	administrative in			
nature.				
Release of LHG.....		Sec.	New LHG	Replaced
the	No cost.			
		127.1321	Facilities.	word
``shall'' with	This change is			
``must.''.	administrative in			
nature.				
Access to Marine Transfer Area		Sec.	New LHG	Replaced
the	No cost.			
for LHG.		127.1325	Facilities.	word
``shall'' with	This change is			
``must.''.	administrative in			
nature.				

LHG--Maintenance

General.....	Sec. 127.1401	New LHG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Inspections.....	Sec. 127.1403	New LHG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Repairs.....	Sec. 127.1405	New LHG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
			Added references to Sec. 127.003, ``Incorporation by reference.''.	No cost. The Coast Guard has determined that all new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.
Tests.....	Sec. 127.1407	New LHG Facilities.	Replaced the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Records.....	Sec.	New LHG	Replaced the	No cost.

	127.1409	Facilities.	word ``shall'' with ``must.''.	This change is administrative in nature.
LHG--Fire Equipment				
General.....	Sec. 127.1501	New LHG facilities.	Amended this section by removing the word ``existing'' to clarify that Sec. 127.1501 applies to new LHG facilities, not just ``existing'' LHG facilities..	No cost. This change is administrative in nature.
Portable Fire Extinguishers...	Sec. 127.1503	New LHG Facilities.	Added references to Sec. 127.003, ``Incorporation by reference.''.	No cost. This change is administrative in nature.
International Shore Connection	Sec. 127.1511	New LHG Facilities.	Added references to Sec. 127.003, ``Incorporation by reference.''.	No cost. This change is administrative in nature.

			Updated the referenced version of	Coast Guard has determined that all

					ASTM F 1121-87.
					new LNG and LHG facilities would meet the most recent industry standards in the absence of regulation.
			LHG--Fire Protection		
Smoking		Sec. 127.1601	New LHG Facilities.	Replaces the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Hotwork		Sec. 127.1603	New LHG Facilities.	Replaces the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.
Other Sources of Ignition		Sec. 127.1605	New LHG Facilities.	Replaces the word ``shall'' with ``must.''.	No cost. This change is administrative in nature.

Cost Savings to Government

Under the current regulation in Sec. 127.017, the Coast Guard must review alternative requests submitted by facilities seeking to conduct a modified WSA. According to the most recent ICR for 33 CFR part 127 with an OMB Control Number of 1625-0049, reviewing an alternative request requires 4 hours of enlisted staff time (2 hours of E-5 time and 2 hours of E-6 time) and 1 hour of two officers' time combined (0.5 hours of O-2 time and 0.5 hours of O-3 time). To estimate the labor cost of reviewing alternative requests, we used loaded hourly wage

rates of officers and enlisted staff members in Commandant Instruction 7310.1T, Coast Guard Reimbursable Standard Rates. For the 2018 fiscal year, the loaded hourly wage rates for O-2, O-3, O-4, E-5, and E-6 employees were $69, $82, $97, $54, and $61, respectively.\26\ Accordingly, the Coast Guard estimates the total labor cost of reviewing an alternative request to be about $306, which includes $76 in officers labor cost [(0.5 hours of O-2 time x $69) + (0.5 hours of O-3 time x $82)] and $230 in enlisted staff labor cost [(2 hours of E-5 time x $54) + (2 hours of E-6 time x $61)].

\26\ Readers can find the wage rates of officers and enlisted staff members on page 2 of Enclosure 2 of the Commandant Instruction 7310.1T. This document is available in the docket where indicated under the Public Participation and Request for Comments section of this preamble.

Given that 75 percent of LNG fuel facilities have currently submitted an alternative request and given that there is only one submission, the Coast Guard estimates annualized cost savings to the Federal Government of no longer reviewing these requests to be about $229 ($306 in cost saving x 1 facility x 0.75) using a 7-percent discount rate.

In addition to reviewing the alternative request, Coast Guard staff must also meet with representatives of the firm submitting the alternative request. Discussions with Coast Guard SMEs in the CG-OES revealed that the meeting lasts 2 hours and involves an O-3 and O-4 level staff of the Coast Guard. Accordingly, the Coast Guard estimates the total labor cost of reviewing an alternative request to be $358 ((2 hours of O-3 time x $82) + (2 hours of O-4 time x $97)). Therefore, given the assumption that 75 percent of LNG fuel facilities would submit alternative requests and given that there will be one submission, the average annual cost savings to the Federal Government of no longer meeting facility representatives would be $269 ($358 in cost saving x 1 facility x 0.75), undiscounted.

Finally, the Coast Guard expects the Federal Government to save money from reviewing an ORA when compared to a WSA. The OMB-approved ICR with a Control Number of 1625-0049 reports that reviewing a WSA and the corresponding Hazard Identification (HAZID) \27\ study requires 20 hours of enlisted staff time (10 hours of E-5 time and 10 hours of E-6 time) and 40 hours of officer time (20 hours of O-2 time and 20 hours of O-3 time), costing approximately $4,170 ((10 hours of E-5 time x $54) + (10 hours of E-6 time x $61) + (20 hours of O-2 time x $69) + (20 hours of O-3 time x $82)). Based on discussions with Coast Guard SMEs in Sector Jacksonville, reviewing an ORA and the corresponding HAZID study requires 38 hours of officer time (19 hours of O-3 time and 19 hours of O-4 time), costing about $3,401 ((19 hours of O-3 time x $82) + (19 hours of O-4 time x $97)). Accordingly, the Coast Guard estimates that the cost savings from reviewing an ORA instead of a WSA is about $769 ($4,170--$3,401), undiscounted. Therefore, given only 25 percent of the LNG facilities currently conduct a WSA instead of submitting an alternative request, the Coast Guard estimates the annualized cost savings to the government of reviewing an ORA instead of a WSA to be about $192 ($769 in cost savings x 1 facility x 0.25) using a 7-percent discount rate.

\27\ A HAZID study is carried out to identify the main risks that can occur during LNG transfers from an LNG fuel facility to a receiving vessel.

Table 9 presents the total cost savings to the Federal Government of the proposed change that would eliminate the requirement to submit an alternative request and meet with the COTP to conduct an ORA in lieu of a WSA. The Coast Guard estimates the total discounted or present value cost to the Federal Government over a 10-year period of analysis to be about $4,845 using a 7-percent discount rate. The Coast Guard estimates the annualized cost savings to the Federal Government to be about $690 using a 7-percent discount rate.

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Table 9--Total Government Cost Savings

[$2018]

Cost savings item					
Year	Total cost savings	Alternative submission discounted at 3%	Meeting with industry representatives discounted at 7%		
Reviewing WSAs	savings	review			
(a)	(b)	(c)	(d) = (b) + (c) + (e)	(f) = (e) / (1.03)	(g) = (e) / (1.07)
1	$229	$269	$192	$690	$670	$645
2	229	269	192	690	650	603
3	229	269	192	690	631	563
4	229	269	192	690	613	526
5	229	269	192	690	595	492
6	229	269	192	690	578	460
7	229	269	192	690	561	430
8	229	269	192	690	545	402

9			229		269
192	690	529		375	
10			229		269
192	690	513		351	
Total		6,899	5,885		4,845
Annualized			690		690

Totals may not sum due to independent rounding.

Total Cost Savings

Table 10 summarizes the total costs of this proposed rule to industry and the Federal Government for the 10-year period of analysis. The Coast Guard estimates the total discounted or present value cost to industry and the Federal Government over a 10-year period of analysis to be about $118,328 in 2018 dollars, using a 7-percent discount rate. We estimate the annualized cost savings to be about $16,847 in 2018 dollars, using a 7-percent discount rate. Using a perpetual period of analysis, the Coast Guard estimates the total annualized cost savings of this notice of proposed rulemaking to be $11,527 in 2016 dollars and discounted back to 2016 using a 7-percent discount rate.

Table 10--Total Cost Savings to Industry and the Federal Government

[$2018]

Discounted cost savings					
Year	Industry cost savings	Government cost savings	Total cost savings		
				3%	7%
1	$16,157	$690	$16,847	$16,357	$15,745
2	16,157	690	16,847	15,880	14,715
3	16,157	690	16,847	15,418	13,752
4	16,157	690	16,847	14,969	12,853
5	16,157	690	16,847	14,533	12,012
6	16,157	690	16,847	14,109	11,226

7..... 16,157 690
16,847 13,698 10,492
8..... 16,157 690
16,847 13,299 9,805
9..... 16,157 690
16,847 12,912 9,164
10..... 16,157 690
16,847 12,536 8,564

Total..... 161,573 6,899
168,472 143,710 118,328

Annualized..... ....
16,847 16,847

Totals may not sum due to independent rounding.

Alternatives

While developing this proposed rule, the Coast Guard considered three alternatives to the proposed rule. We present a summary of the alternatives below and show their corresponding impact and cost savings in table 11.

Alternative 1: No Action Alternative

In this alternative, the Coast Guard would accept the status quo and review each proposal for an LNG fuel facility on a case-by-case, equivalency basis. We rejected this alternative because the Coast Guard believes this approach is inefficient in an environment of growing interest in LNG fuel because it does not respond to the needs of the U.S. maritime industry. This alternative would not impose any additional costs on industry, nor would LNG fuel facilities receive any cost savings from submitting an ORA as opposed to a WSA.

Alternative 2: Submit an ORA, but Do Not Update the IBR Standards Alternative

Under this alternative, the Coast Guard would reduce industry burden by allowing new LNG fuel facilities to submit an ORA instead of a WSA. This alternative would not impose any additional costs to industry. We rejected this alternative because the Coast Guard would not be updating the existing incorporated by reference (IBR)

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standards and regulations would continue to reference outdated standards instead of reflecting industry best practices and the best technologies available to industry.

Alternative 3: Continue To Meet With the COTP When Submitting the ORA

Under this alternative, the Coast Guard would allow new LNG fuel facilities to submit an ORA instead of a WSA as long as the facility representatives meet with the COTP and get the ORA approved. Although this alternative is less burdensome compared to the baseline, the Coast Guard rejected this alternative because it would require industry representatives to continue meeting with the COTP in person to discuss

the ORA. A requirement to meet the COTP would needlessly impose greater burden than the proposed rule without providing an improvement in safety sufficient to justify the difference in burden.

Table 11--Comparison of Regulatory Alternatives

Alternative	Annualized total cost savings	Impact of the alternative
Proposed Rule	$16,847	Codifies industry standards establishing national baseline safety standards and alleviating discrepancies and unnecessary duplication between regulatory standards and industry best practices. In addition, the NPRM reduces the burden to industry by allowing new LNG fuel facilities to submit an ORA instead of a WSA without first having to submit an alternative request and meet with the COTP to obtain approval.
Alternative 1: No Action	0	Does not codify minimum safety standards, respond to industry needs, or reduce industry burden. It does not impose any additional costs.
Alternative 2: Submit an ORA, but do not update the IBR Standards Alternative.	16,847	The alternative would reduce the burden to industry by allowing new LNG fuel facilities to submit an ORA instead of a WSA without first having to submit an alternative request and meet with the COTP to obtain approval. However, this alternative would not codify minimum safety standards. This alternative would not impose any additional costs to industry.
Alternative 3: Continue to Meet with the COTP when submitting an ORA.	13,166	The alternative codifies industry standards establishing national baseline safety standards. In

alternative reduces the burden to allowing new LNG fuel facilities to instead of a WSA without first having alternative request and meet with the approval. However, this alternative meeting with the COTP, making it compared to the NPRM. This would not impose any new cost to has less cost savings compared to		addition, the industry by submit an ORA to submit an COTP to obtain still requires more burdensome alternative industry, but Alternative 2.

B. Small Entities

Under the Regulatory Flexibility Act, 5 U.S.C. 601-612, the Coast Guard considered whether this proposed 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. Below is a threshold analysis of the small entity impacts.

The proposed rule would apply to new LNG fuel facilities, LNG import and export facilities, and new LHG facilities.

LNG Fuel Facilities

The Coast Guard has determined the proposed rule would have no cost or a cost savings impact on existing LNG fuel facilities and would generate cost savings to one new facility per year. In particular, the Coast Guard estimates that the proposed rule would generate a cost savings of about $16,153, using 7-percent discount rate, to one new LNG fuel facility per year. To estimate the potential impact on small entities, the $16,153 in cost saving has to be compared with the annual revenue data of the new LNG fuel facility impacted by the proposed rule. The Coast Guard determined that an entity would have to have an annual revenue of $1,615,300 or less for the proposed rule to have an impact greater than 1 percent of revenue.

Moreover, using the Small Business Administration's (SBA) size standards table,\28\ the Coast Guard has determined that two of the four LNG fuel facilities are small entities. These two small entities have a North American Industry Classification System (NAICS) code of 213112 and 541990. Based on SBA's size standards table, the size standard for these codes are $38.5 million and $15 million, respectively. Publicly available data suggests that the annual revenue of the two facilities are about $2.4 million and about $3.8 million. Thus, conservatively assuming the new LNG fuel facility would have annual revenues equivalent to the smallest entity in the industry, the Coast Guard estimates that the economic impact, in the form of cost

savings, of the proposed rule would be approximately 0.673 percent of revenue (($16,153/$2,400,000) x 100 = 0.673).

\28\ Readers can view industry size standards at the following link https://www.sba.gov/document/support--table-size-standards (accessed 07/11/2019).

No not-for-profit organizations are involved with LNG fuel facilities. In addition, this proposed rule would not have an adverse or beneficial impact on small government entities.

LNG Import and Export Facilities

The Coast Guard has determined that the proposed rule would have no cost or a cost savings impact on existing and new LNG import/export facilities. Moreover, no not-for-profit organizations are involved with LNG import/export facilities. This proposed rule would not have an adverse or beneficial impact on small government entities.

LHG Facilities

The Coast Guard has determined that the proposed rule would have no cost or a cost savings impact on existing and new LHG facilities. Moreover, no not-for-profit organizations are involved with LHG facilities. This proposed rule would not have an adverse or beneficial impact on small government entities.

As noted above, the Coast Guard has determined that the economic impact on the affected small entities is not significant. Thus, the Coast Guard certifies under 5 U.S.C. 605(b) that this

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proposed rule would not have a significant economic impact on a substantial number of small entities.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this proposed rule would have a significant economic impact on it, please submit a comment to the docket at the address listed in the ADDRESSES section of this preamble. In your comment, explain why you think it qualifies and how and to what degree this proposed rule would economically affect it.

C. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104-121, we want to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact the person in the FOR FURTHER INFORMATION CONTACT section of this proposed rule. The Coast Guard will not retaliate against small entities that question or complain about this proposed 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 proposed rule would call for a revised collection of information under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3520. As defined in 5 CFR 1320.3(c), ``collection of information'' comprises reporting, recordkeeping, monitoring, posting, labeling, and other similar actions. The title and description of the information collection, a description of those who must collect the information, and an estimate of the total annual burden follow. The estimate covers the time for reviewing instructions, searching existing sources of data, gathering and maintaining the data needed, and completing and reviewing the collection.

Title: Waterfront Facilities Handling Liquefied Natural Gas and Liquefied Hazardous Gas.

OMB Control Number: 1625-0049.

Summary of the Collection of Information: The Coast Guard currently collects information from waterfront facilities handling LNG and LHG under 33 CFR part 127. The current information collection request (ICR 201609-1625-002, OMB Control Number 1625-0049) contains requirements in the following sections: LOIs, WSAs, the submission of appeals to the Coast Guard, the submission of alternatives to the Coast Guard, Operations Manuals, Emergency Manuals, Certification of the Person in Charge, Declaration of Inspection, and Records of Maintenance. In addition, the proposed rule would add a new collection of information for ORA submissions for new LNG fuel facilities.

Need for Information: The Coast Guard has regulations that provide safety standards for the design and construction, equipment, operations, maintenance, personnel training, and fire protection at waterfront facilities handling LNG. These regulations help reduce the probability that an accident could occur and help reduce the damage and injury to persons and property should an accident occur.

Use of Information: The Coast Guard currently uses the information collected under OMB Control Number 1625-0049 for the following purposes: (1) Determine the suitability of a waterfront facility handling LNG to safely conduct LNG fuel transfer operations; (2) properly evaluate alternative procedures to ensure they provide at least the same degree of safety as the regulations; (3) ensure that safe operating procedures and an effective training program are set up by the waterfront facility operator; (4) ensure that effective procedures have been set up by the waterfront facility operator to respond to emergencies; ensure the person in charge of an LNG or LHG transfer is properly qualified; and (5) verify that persons in charge are following proper transfer procedures.

Description of the Respondents: The respondents are LNG import/export facilities, LNG fuel facilities, and LHG facilities.

Number of Respondents: The currently approved number of respondents for this collection of information is 156 respondents, comprised of 143 LHG facilities and 13 waterfront facilities handling LNG (2 LNG fuel facilities and 11 LNG import/export facilities). Based on the most recent population data from MISLE, the current number of respondents is 121, comprised of 106 LHG facilities and 15 waterfront facilities handling LNG (3 LNG fuel facilities and 12 LNG import/export facilities). The Coast Guard anticipates the number of waterfront

facilities handling LNG would increase by three annually (two new LNG import/export facilities and one LNG fuel facility). The Coast Guard also anticipates three new LHG facilities would replace three retiring facilities annually, maintaining the number of LHG facilities at 106 throughout the 10-year period of analysis. Accordingly, the number of respondents is anticipated to be 124 (106 LHG facilities + 14 LNG import/export facilities + 4 LNG fuel facilities) respondents in year 1; 127 (106 LHG facilities + 16 LNG import/export facilities + 5 LNG fuel facilities) respondents in year 2; and 130 (106 LHG facilities + 18 LNG import/export facilities + 6 LNG fuel facilities respondents in year 3.

Frequency of Response: The number of responses per year pursuant to this proposed rule would vary by requirement. The proposed rule does not change the frequency of responses for existing requirements. However, the proposed rule introduces a new ORA requirement, which is a one-time requirement for the lifetime of the LNG fuel facility.

Burden of Response: The burden per response for each regulatory requirement varies. Because the Coast Guard possesses better data now than it did the last time collection 1625-0049 was renewed, the proposed rule would adjust the currently approved burden to complete a WSA from 704 hours to 500 hours and would create a new burden of 289 hours to complete an ORA. The proposed rule would also eliminate the 10 hours of burden required to prepare an alternative request.

Estimate of Total Annual Burden: The first year burden to respondents of this proposed rule is 6,720 hours, which is a 3,015 hour reduction in burden from the current corresponding ICR approved under OMB Control Number 1625-0049 total of 9,734 hours. This reduction in burden is the result of both program changes of 221 hours and adjustment changes of 2,794 hours. The program changes correspond to the proposed removal of a WSA and an alternative request, which requires 510 hours (500 hours for a WSA and 10 hours for an alternative request) to complete, in lieu of an ORA, which requires 289 hours. The adjustment change or a reduction of 2,794 hours includes the following: (1) A 4-hour increase in burden due to rounding errors; (2) a 919-hour increase in burden due to adjustment in the

number of existing LNG facilities from 13 to 15 and the number of new LNG facilities that need to complete a WSA under the existing regulation from 1 per year to 3 per year (1 new LNG fuel facility per year and 2 new LNG import/export facilities per year); (3) a 3,105-hour reduction in burden due to adjustment in the number of existing LHG facilities from 143 per year to 106 per year, and the corresponding adjustment in new facilities from 5 per year to 3 per year; and (4) a 612-hour reduction in burden due to adjustments to the number of hours required to complete a WSA from 704 per year to 500 per year (the difference is a result of going from 704 hours to complete a WSA for 3 facilities a year, or 2,112 hours, to 500 hours to complete a WSA for the same 3 facilities, or 1,500 hours, for a net reduction of 612 hours annually).

For a new LNG import/export facility, the proposed rule would require that it provide information to the Coast Guard at the time the WSA is submitted on the nation of registry for, and the nationality or citizenship of officers and crew serving on board, vessels transporting natural gas that are reasonably anticipated to be servicing that facility. The Coast Guard does not expect specific details regarding

vessels and their crew would be known at the time the LOI and WSA are submitted to the Coast Guard several years before the facility begins operations. The Paperwork Reduction Act would not apply to this requirement as the Coast Guard anticipates only two new LNG import/export facilities per year would be subject to this requirement.\29\

\29\ The Paperwork Reduction Act applies to collections of information using identical questions posed to, or reporting or recordkeeping requirements imposed on, ten or more persons per year. See 5 CFR 1320.3(c), and Office of Management and Budget Memorandum for the Heads of Executive Departments and Agencies and Independent Regulatory Agencies, dated April 7, 2010, at p. 2.

As required by 44 U.S.C. 3507(d), we will submit a copy of this proposed rule to OMB for its review of the collection of information.

We ask for public comment on the proposed revised collection of information to help us determine, among other things--

- How useful the information is;
- Whether the information can help us perform our functions better;
- How we can improve the quality, usefulness, and clarity of the information;
- Whether the information is readily available elsewhere;
- How accurate our estimate is of the burden of collection;
- How valid our methods are for determining the burden of collection; and
- How we can minimize the burden of collection.

If you submit comments on the collection of information, submit them by the date listed in the DATES section of this preamble to both the OMB and to the docket where indicated under ADDRESSES.

You need not respond to a collection of information unless it displays a currently valid control number from OMB. Before the Coast Guard could enforce the collection of information requirements in this proposed rule, OMB would need to approve the Coast Guard's request to collect this information.

E. Federalism

A rule has implications for federalism under Executive Order 13132 (Federalism) if it has a substantial direct effect on 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 proposed rule under Executive Order 13132 and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132. Our analysis follows.

The proposed rule, with respect to the LOI, WSA, and ORA submission requirements and COTP approval (Sec. Sec. 127.007, 127.008, 127.009, 127.015, and 127.017), does not conflict with State interests. They are procedural requirements for the Coast Guard's own safety and security risk analysis, approval, and appeal process of a new, modified, or reactivated facility and its attendant LNG transfer operations. As it relates to other requirements imposed by individual States, or their political subdivisions, the submission and approval process for the construction of a new structure would be unaffected by this rule.

Moreover, with respect to LNG transfer operations that may be included in the LOI, WSA, and ORA submissions, pursuant to 46 U.S.C. 70011(b)(1), Congress has expressly authorized the establishment of ``procedures, measures and standards for the handling, loading, unloading, storage, stowage and movement on a structure of explosives or other dangerous articles and substances, including oil or hazardous material.'' The Coast Guard affirmatively preempts any State rules related to these procedures, measures, and standards (See United States v. Locke, 529 U.S. 89, 109-110 (2000)). Therefore, because the States may not regulate within these categories, this rule is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

Regarding the updates of technical standards referenced in 33 CFR part 127, it is Congress's express intent that, with respect to waterfront structures, States retain the power to regulate to higher standards than those promulgated by the Coast Guard. As stated in 46 U.S.C. 70011(c), ``State Law.--Nothing in this section, with respect to structures, prohibits a State or political subdivision thereof from prescribing higher safety equipment or safety standards than those that may be prescribed by regulations under this section.'' Thus, Congress has made clear that the federal standards promulgated under this section establish the uniform minimum standards of the United States, but individual States are entitled to impose higher safety equipment requirements or higher safety standards for structures within their jurisdiction.

The Coast Guard recognizes the key role that State and local governments may have in making regulatory determinations. Additionally, for rules with federalism implications and preemptive effect, Executive Order 13132 specifically directs agencies to consult with State and local governments during the rulemaking process. If you believe this proposed rule would have implications for federalism under Executive Order 13132, please contact the person listed in the FOR FURTHER INFORMATION CONTACT section of this preamble.

F. Unfunded Mandates

The Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531-1538, requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of $100 million (adjusted for inflation) or more in any one year. Although this proposed rule would not result in such an expenditure, we do discuss the effects of this proposed rule elsewhere in this preamble.

G. Taking of Private Property

This proposed rule would not cause a taking of private property or otherwise have taking implications under Executive Order 12630 (Governmental Actions and Interference with Constitutionally Protected Property Rights).

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H. Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and

3(b)(2) of Executive Order 12988, (Civil Justice Reform), to minimize litigation, eliminate ambiguity, and reduce burden.

I. Protection of Children

We have analyzed this proposed rule under Executive Order 13045 (Protection of Children from Environmental Health Risks and Safety Risks). This proposed rule is not an economically significant rule and would not create an environmental risk to health or risk to safety that might disproportionately affect children.

J. Indian Tribal Governments

This proposed rule does not have tribal implications under Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments), because it would not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

K. Energy Effects

We have analyzed this proposed rule under Executive Order 13211 (Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use). We have determined that it is not a ``significant energy action'' under that order because it is not a ``significant regulatory action'' under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

L. Technical Standards and Incorporation by Reference

The National Technology Transfer and Advancement Act, codified as a note to 15 U.S.C. 272, directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through OMB, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies.

This proposed rule incorporates by reference the following new voluntary consensus standards, which are listed and summarized below:

ISO/TS 18683:2015(E), Guidelines for Systems and Installations for Supply of LNG as Fuel to Ships, First Edition, 15 January 2015. This standard gives guidance on the minimum requirements for the design and operation of the LNG bunkering (fueling) facility, including the interface between the LNG supply facilities and receiving ships.

ISO/TS 28460:2010(E), Petroleum and Natural Gas Industries--Installation and Equipment for Liquefied Natural Gas--Ship-to-Shore Interface and Port Operations, First Edition, 15 December 2010. This standard specifies the requirements for ship, terminal, and port service providers to ensure the safe transit of an LNG carrier through the port area and the safe and efficient transfer of its cargo.

This proposed rule also incorporates the following new technical standard other than a voluntary consensus standard.

DNV GL, Recommended Practice, DNVGL-RP-G105, Development and Operation of Liquefied Natural Gas Bunkering Facilities, October 2015 Edition. This standard provides guidance to the industry on the developmental, organizational, technical, functional, and operational issues of LNG bunkering (fueling) facilities in order to ensure global compatibility and secure a high level of safety, integrity, and reliability.

This technical standard was selected because it aligns with ISO/TS 18683:2015(E). Both DNVGL-RP-G105 and ISO/TS 18683:2015(E) provide guidance to industry on conducting risk assessments that are focused on providing LNG as a marine fuel (bunkering operations).

This proposed rule incorporates by reference the following updated voluntary consensus standards, which are listed and summarized below:

API Recommended Practice 2003, Protection Against Ignitions Arising Out of Static, Lightning and Stray Currents, Eighth Edition, September 2015. This standard presents the current state of knowledge and technology in the fields of static electricity and stray currents applicable to the prevention of hydrocarbon ignition in the petroleum industry, which is based on both scientific research and practical experience.

ASME B16.5-2017, Pipe Flanges and Flanged Fittings, NPS \1/2\ through NPS 24 Metric/Inch Standard, November 20, 2017. This standard covers pressure-temperature ratings, materials, dimensions, tolerances, marking, testing, and methods of designating openings for pipe flanges and flanged fittings.

ASME B31.3-2018, Process Piping, ASME Code for Pressure Piping, B31, August 30, 2019. This standard contains requirements for piping typically found in petroleum refineries; chemical, pharmaceutical, textile, paper, semiconductor, and cryogenic plants; and related processing plants and terminals. It covers materials and components, design, fabrication, assembly, erection, examination, inspection, and testing of piping.

ASTM F 1121-87 (Reapproved 2015), Standard Specification for International Shore Connections for Marine Fire Applications, approved May 1, 2015. This standard covers the specifications for the design and manufacture of international shore connections to be used with marine firefighting systems during an emergency when a stricken ship has a system failure.

IEC 60079-29-1, Edition 2.0, Explosive Atmospheres--Part 29-1: Gas Detectors--Performance Requirements of Detectors for Flammable Gases, July 2016. This standard specifies general requirements for construction, testing, and performance, and describes the test methods that apply to portable, transportable, and fixed apparatus for the detection and measurement of flammable gas or vapor concentrations with air.

NFPA 10, Standard for Portable Fire Extinguishers, 2018 Edition, effective April 21, 2017. This standard applies to the selection, installation, inspection, maintenance, recharging, and testing of portable extinguishing equipment and Class D extinguishing agents.

NFPA 30, Flammable and Combustible Liquids Code, 2018 Edition, effective September 6, 2017. This standard applies to the storage, handling, and use of flammable and combustible liquids, including waste liquids.

NFPA 51B, Standard for Fire Prevention During Welding, Cutting, and Other Hot Work, 2019 Edition, effective July 15, 2019. This standard covers provisions to prevent injury, loss of life, and

loss of property from fire or explosion as a result of hot work.

NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), 2019 Edition, effective November 25, 2018. This standard provides minimum fire protection, safety, and related requirements for the location, design, construction, security, operation, and maintenance of LNG plants.

NFPA 70, National Electrical Code, 2017 Edition, effective August 24, 2016. The provisions of this standard apply to the design, modification, construction,

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inspection, maintenance, and testing of electrical systems, installations, and equipment.

NFPA 251, Standard Methods of Tests of Fire Resistance of Building Construction and Materials, 2006 Edition, effective August 18, 2005. This standard provides methods of fire tests applicable to assemblies of masonry units and to composite assemblies of structural materials for buildings, including bearing and other walls, partitions, columns, girders, beams, slabs, and composite slab and beam assemblies for floors and roofs. This standard also applies to other assemblies and structural units that constitute permanent integral parts of a finished building.

The proposed section that references these standards and the locations where these standards are available is listed in Sec. 127.003. If you disagree with our analysis of these standards or are aware of voluntary consensus standards that might apply but are not listed, please send a comment explaining your disagreement or identifying additional standards to the docket using one of the methods listed in the ADDRESSES section of this preamble.

M. Environment

We have analyzed this proposed rule under Department of Homeland Security Management Directive 023-01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4370f), and have made a preliminary determination that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. A preliminary Record of Environmental Consideration supporting this determination is available in the docket. For instructions on locating the docket, see the ADDRESSES section of this preamble. This proposed rule would be categorically excluded under paragraphs A3 and L54 in Appendix A, of Table 1 of DHS Directive Instruction Manual 023-01, Rev. 1.\30\ Paragraph A3 pertains to promulgation of rules and other guidance documents that interpret or amend existing regulations without changing its environmental effect. Paragraph L54 pertains to regulations that are editorial or procedural. We seek any comments or information that may lead to the discovery of a significant environmental impact from this proposed rule.

\30\ https://www.dhs.gov/sites/default/files/publications/DHS_Instruction%20Manual%20023-01-001-01%20Rev%2001_508%20Admin%20Rev.pdf.

List of Subjects in 33 CFR Part 127

Fire prevention, Harbors, Hazardous substances, Incorporation by reference, Natural gas, Reporting and recordkeeping requirements, Security measures.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 33 CFR part 127 as follows:

0
1. The authority citation for part 127 is revised to read as follows:

Authority: 46 U.S.C. 70011 and 70034; 46 U.S.C. Chapter 701; Department of Homeland Security Delegation No. 0170.1. Pub. L. 109-241, sec. 304(c)(2).

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2. Amend Sec. 127.001 as follows:
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a. In paragraph (a), remove the word ``existing'';
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b. Revise paragraph (c); and
0
c. Add paragraph (f).
The revision and addition reads as follows:

Sec. 127.001 Applicability.

* * * * *
(c) Sections 127.007(b), (c), and (d), and 127.019(b) of subpart A of this part apply to the marine transfer area for LNG of each inactive facility.
* * * * *
(f) Waterfront facilities handling LNG and LHG constructed, expanded, or modified under a contract awarded after November 4, 2020 are required to comply with the applicable standards referenced in Sec. 127.003. All other facilities, unless expanded or modified in accordance with this part, are required to meet previously applicable standards but may request to apply a later edition of the standards in accordance with Sec. 127.017.
0
3. Revise Sec. 127.003 to read as follows:

Sec. 127.003 Incorporation by reference.

Certain material is incorporated by reference into this part with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. To enforce any edition other than that specified in this section, the Coast Guard must publish a document in the Federal Register and the material must be available to the public. All approved material is available for inspection at the U.S. Coast Guard, Office of Operating and Environmental Standards (CG-OES), 2703 Martin Luther King Jr. Avenue SE, STOP 7509, Washington, DC 20593-7509, 202-372-1410, and is available from the sources listed below. It is also available for inspection at the National Archives and Records

Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030 or go to https://www.archives.gov/federal-register/cfr/ibr-locations.html. See Sec. 127.017 for
alternative compliance methods.

(a) API, 200 Massachusetts Avenue NW, Suite 1100, Washington, DC 20001-5571, 202-682-8000, http://www.api.org.

(1) API Recommended Practice 2003, Protection Against Ignitions Arising Out of Static, Lightning and Stray Currents, Eighth Edition, September 2015, (``API RP 2003''), IBR approved for Sec. 127.1101(h).

(2) [Reserved]

(b) ASME, Two Park Avenue, New York, NY 10016-5990, 800-843-2763, https://www.asme.org.

(1) ASME B16.5-2017, Pipe Flanges and Flanged Fittings, NPS \1/2\ Through NPS 24 Metric/Inch Standard, November 20, 2017, IBR approved for Sec. 127.1102(a).

(2) ASME B31.3-2018, Process Piping, ASME Code for Pressure Piping, B31, August 30, 2019, IBR approved for Sec. 127.1101(a).

(c) ASTM International, 100 Barr Harbor Drive, P.O. Box C700, West Conshohocken, PA 19428-2959, 610-832-9500, https://www.astm.org.

(1) ASTM F 1121-87 (Reapproved 2015), Standard Specification for International Shore Connections for Marine Fire Applications, approved May 1, 2015, IBR approved for Sec. Sec. 127.611 and 127.1511.

(2) [Reserved]

(d) DNV GL, Veritasveien 1, 1363 Hovik, Norway, +47 6757 9900, https://www.dnvgl.com.

(1) DNV GL, Recommended Practice, DNVGL-RP-G105, Development and Operation of Liquefied Natural Gas Bunkering Facilities, October 2015 Edition, IBR approved for Sec. 127.008(d).

(2) [Reserved]

(e) IEC International Electrotechnical Commission, 3 rue de Varembe, 1st floor, P.O. Box 131, CH 1211, Switzerland, +41 22 919 02 11, https://www.iec.ch.

(1) IEC 60079-29-1, Edition 2.0, Explosive Atmospheres--Part 29-1: Gas Detectors--Performance Requirements of Detectors for Flammable Gases, July 2016, IBR approved for Sec. 127.1203(a).

(2) [Reserved]

(f) ISO-International Organization for Standardization, BIBC II, Chemin de Blandonnet 8, CP 401, 1214 Vernier, Geneva, Switzerland, +41 22 749 01 11, https://www.iso.org.

(1) ISO/TS 18683:2015(E), Guidelines for Systems and Installations for Supply of LNG as Fuel to Ships, First Edition,

15 January 2015, (``ISO 18683''), IBR approved for Sec. 127.008(d).

(2) ISO/TS 28460:2010(E), Petroleum and Natural Gas Industries--Installation and Equipment for Liquefied Natural Gas--Ship-to-Shore Interface and Port Operations, First Edition, 15 December 2010, (``ISO 28460''), IBR approved for Sec. 127.008(e).

(g) NFPA, 1 Batterymarch Park, Quincy, MA 02169-7471, 800-344-3555, https://www.nfpa.org.

(1) NFPA 10, Standard for Portable Fire Extinguishers, 2018 Edition, effective April 21, 2017, IBR approved for Sec. Sec. 127.603(a) and 127.1503.

(2) NFPA 30, Flammable and Combustible Liquids Code, 2018 Edition, effective September 6, 2017, IBR approved for Sec. Sec. 127.313(b) and

127.1313(b).

(3) NFPA 51B, Standard for Fire Prevention During Welding, Cutting, and Other Hot Work, 2019 Edition, effective July 15, 2019, IBR approved for Sec. Sec. 127.405(b) and 127.1405(b).

(4) NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), 2019 Edition, effective November 25, 2018, IBR approved for Sec. Sec. 127.008(d), 127.101 introductory text, and (a) through (g), 127.201(b) and (c), 127.405(a) and (b), and 127.603(a).

(5) NFPA 70, National Electrical Code, 2017 Edition, effective August 24, 2016, IBR approved for Sec. Sec. 127.107(a) and (c), 127.201(c), and 127.1107.

(6) NFPA 251, Standard Methods for Tests of Fire Resistance of Building Construction and Materials, 2006 Edition, effective August 18, 2005, IBR approved for Sec. 127.005.

0

3. In Sec. 127.005, revise the definitions of ``Facility'' and ``Fire endurance rating'' and add a definition for ``LNG fuel facility'' to read as follows:

Sec. 127.005 Definitions.

* * * * *

Facility means either a waterfront facility handling LHG or a waterfront facility handling LNG, and includes LNG fuel facilities.

Fire endurance rating means the duration for which an assembly or structural unit will contain a fire or retain structural integrity when exposed to the temperatures specified in the standard time-temperature curve in NFPA 251 (incorporated by reference, see Sec. 127.003).

* * * * *

LNG fuel facility means a waterfront facility that handles LNG for the sole purpose of providing LNG from shore-based structures to vessels for use as a marine fuel, and that does not transfer LNG to or receive LNG from vessels capable of carrying LNG in bulk as cargo.

* * * * *

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4. Amend Sec. 127.007 as follows:

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a. Revise the section heading, and paragraphs (a), (b), and (e);

0

b. Redesignate paragraph (h) as paragraph (i);

0

c. Redesignate paragraph (g) as paragraph (h);

0

d. Add paragraphs (g) and (j).

The revisions and additions read as follows:

Sec. 127.007 Letter of intent and waterway suitability assessment for waterfront facilities handling LNG or LHG.

(a) An owner or operator intending to build a new facility handling LNG or LHG, or an owner or operator planning new construction to expand marine terminal operations in any facility handling LNG or LHG, where the construction or expansion would result in an increase in the size and/or frequency of LNG or LHG marine traffic on the waterway

associated with a facility, must submit a Letter of Intent (LOI) to the Captain of the Port (COTP) of the zone in which the facility is or will be located. The LOI must meet the requirements in paragraph (c) of this section.

(b) An owner or operator intending to reactivate an inactive facility must submit an LOI that meets paragraph (c) of this section to the COTP of the zone in which the facility is located.

* * * * *

(e) An owner or operator intending to build a new LNG or LHG facility, or an owner or operator planning new construction to expand marine terminal operations in any facility handling LNG or LHG, where the construction or expansion would result in an increase in the size and/or frequency of LNG or LHG marine traffic on the waterway associated with a facility, must file or update as appropriate a waterway suitability assessment (WSA) with the COTP of the zone in which the facility is or will be located. The WSA must consist of a Preliminary WSA and a Follow-on WSA. A COTP may request additional information during review of the Preliminary WSA or Follow-on WSA.

* * * * *

(g) An owner or operator intending to build a new LNG facility must submit the preliminary WSA no later than the date that the owner or operator files a pre-filing request with FERC under 18 CFR parts 153 or 157. The LOI must include the nation of registry for, and the nationality or citizenship of the officers and crew serving on board, vessels transporting LNG that are reasonably anticipated to be servicing the LNG facility.

* * * * *

(j) An owner or operator intending to construct a new LNG fuel facility or modify any LNG fuel facility, or reactivate an inactive LNG fuel facility may comply with Sec. 127.008 in lieu of meeting the requirements in this section.

0

5. Add Sec. 127.008 to read as follows:

Sec. 127.008 Letter of intent and operational risk assessment for LNG fuel facilities.

(a) An owner or operator intending to build a new LNG fuel facility, modify construction of any LNG fuel facility, or reactivate an inactive LNG fuel facility electing to complete an operational risk assessment in lieu of a WSA as outlined in Sec. 127.007, must submit a Letter of Intent (LOI) and an operational risk assessment to the Captain of the Port (COTP) of the zone in which the LNG fuel facility is or will be located at least 1 year prior to the start of LNG transfer operations.

(b) Each LOI must contain the information in Sec. 127.007(c)(1) through (5).

(c) The owner or operator who submits an LOI under paragraph (a) of this section must notify the COTP in writing within 15 days of any of the following:

(1) There is any change in the information submitted under paragraph (b) of this section; or

(2) No LNG fuel transfer operations are scheduled within the next 12 months.

(d) The operational risk assessment required by paragraph (a) must:

(1) Be carried out in accordance with Chapter 7 of ISO

18683:2015(E) and Appendix D of DNVGL-RP-G105; or Chapter 19 of NFPA 59A (all incorporated by reference, see Sec. 127.003); or other industry developed risk assessment method acceptable to the Office of Operating and Environmental Standards, Commandant (CG-OES); and

(2) Consider possible factors affecting the ship/shore interface and port operations described in Section 6 of ISO 28460:2010(E) (incorporated by reference, see Sec. 127.003).

0

6. Amend Sec. 127.009 by revising paragraphs (a) introductory text and (a)(1) to read as follows:

Sec. 127.009 Letter of recommendation.

(a) After the COTP receives the information and analyses required by Sec. 127.007 or Sec. 127.008, the COTP issues a Letter of Recommendation (LOR) as to the suitability of the waterway for LNG

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or LHG marine traffic or the operational safety and security of the LNG fuel facility to the Federal, State, or local government agencies having jurisdiction for siting, construction, and operation, and, at the same time, sends a copy to the owner or operator, based on the--

(1) Information submitted under Sec. Sec. 127.007 or 127.008;

* * * * *

Sec. 127.011 [Amended]

0

7. Amend Sec. 127.011 by removing the word ``shall'' and adding, in its place, the word ``must''.

0

8. In Sec. 127.015, revise paragraphs (c)(1) and (d) to read as follows:

Sec. 127.015 Appeals.

* * * * *

(c) * * *

(1) Appeal that ruling in writing to the Assistant Commandant for Prevention Policy, U.S. Coast Guard, (CG-5P), 2703 Martin Luther King Jr. Ave. SE, Stop 7509, Washington, DC 20593-7509; and

* * * * *

(d) The Assistant Commandant for Prevention Policy issues a ruling after reviewing the appeal submitted under paragraph (c) of this section, which is final agency action.

* * * * *

0

9. In Sec. 127.017, revise the introductory text of paragraph (a) to read as follows:

Sec. 127.017 Alternatives.

(a) The COTP may allow alternative procedures, methods, or equipment standards, including alternatives to standards listed in Sec. 127.003, to be used by an operator instead of any requirements in this part if--
* * * * *

Sec. 127.019 [Amended]

0
10. Amend Sec. 127.019 as follows:
0
a. In paragraphs (a) and (b), remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''; and
0
b. In paragraph (b), remove the word ``existing''.
0
11. Revise Sec. 127.101 to read as follows:

Sec. 127.101 Design and construction: General.

The marine transfer area for LNG must meet the following criteria in NFPA 59A (incorporated by reference, see Sec. 127.003):
(a) Chapter 5, Section 5.3.1.7;
(b) Chapter 6, Section 6.7;
(c) Chapter 10;
(d) Chapter 11, except Sections 11.9, and 11.10;
(e) Chapter 12;
(f) Chapter 15, except Sections 15.4 and 15.6; and
(g) Annex B.
0
12. Amend Sec. 127.107 by revising paragraphs (a) and (c) to read as follows:

Sec. 127.107 Electrical power systems.

(a) The electrical power system must have a power source and a separate emergency power source, so that failure of one source does not affect the capability of the other source. The system must meet NFPA 70 (incorporated by reference, see Sec. 127.003).
* * * * *
(c) If an auxiliary generator is used as an emergency power source, it must meet Section 700.12 (incorporated by reference, see Sec. 127.003).
0
13. In Sec. 127.201, revise paragraphs (b)(2), (c)(1) and (2) to read as follows:

Sec. 127.201 Sensing and alarm systems.

* * * * *
(b) * * *
(2) Meet section 16.4 of NFPA 59A (incorporated by reference, see Sec. 127.003).

(c) * * *

(1) Be in each enclosed or covered Class I, Division 1, hazardous location defined in section 500.5(B)(1) of NFPA 70 (incorporated by reference, see Sec. 127.003) and each area in which flammable or combustible material is stored; and

(2) Meet section 16.4 of NFPA 59A (incorporated by reference, see Sec. 127.003).

Sec. 127.301 [Amended]

0
14. In Sec. 127.301(b), remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.309 [Amended]

0
15. In Sec. 127.309, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.311 [Amended]

0
16. In Sec. 127.311(a), remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.313 [Amended]

0
17. Amend Sec. 127.313 as follows:
0
a. In paragraph (a), remove the word ``shall'' and add, in its place, the word ``must''; and
0
b. In paragraph (b), remove ``Chapter 4 of'' and add ``(incorporated by reference, see Sec. 127.003)'' after ``NFPA 30''.

Sec. 127.315 [Amended]

0
18. In Sec. 127.315, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.317 [Amended]

0
19. In Sec. 127.317, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.319 [Amended]

0
20. In Sec. 127.319, remove the word ``shall'' wherever it appears and add, in its place, the word ``must''.

Sec. 127.321   [Amended]

0
21. In Sec. 127.321, remove the word ``shall'' wherever it appears and add, in its place, the word ``must''.

Sec. 127.401   [Amended]

0
22. In Sec. 127.401, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.403   [Amended]

0
23. In Sec. 127.403, remove the word ``shall'' and add, in its place, the word ``must''.
0
24. In Sec. 127.405, revise the introductory text and paragraphs (a)(1) and (b) to read as follows:

Sec. 127.405   Repairs.

    The operator must ensure that--
    (a) * * *
    (1) The equipment continues to meet the applicable requirements in this subpart and in NFPA 59A (incorporated by reference, see Sec. 127.003); and
* * * * *
    (b) Welding is done in accordance with NFPA 51B and Section 10.4.3 of NFPA 59A (both incorporated by reference, see Sec. 127.003).

Sec. 127.407   [Amended]

0
25. In Sec. 127.407 (a), remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.409   [Amended]

0
26. In Sec. 127.409(a), remove the word ``shall'' and add, in its place, the word ``must''.
0
27. In Sec. 127.603, revise paragraph (a) to read as follows:

Sec. 127.603 Portable fire extinguishers.

* * * * *

(a) Portable fire extinguishers that meet section 16.6.1 of NFPA 59A and Chapter 6 of NFPA 10 (both incorporated by reference, see Sec. 127.003); and

* * * * *

Sec. 127.611 [Amended]

0
28. In Sec. 127.611, remove ``ASTM F 1121'' and add, in its place, the text ``ASTM F 1121-87''.

Sec. 127.613 [Amended]

0
29. In Sec. 127.613, remove the word ``shall'' and add, in its place, the word ``must''.

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Sec. 127.615 [Amended]

0
30. In Sec. 127.615, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.617 [Amended]

0
31. In Sec. 127.617, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.701 [Amended]

0
32. Remove the undesignated center heading ``Security'' that precedes Sec. 127.701.

Sec. 127.701 [Removed]

0
33. Remove Sec. 127.701.

Sec. 127.703 [Removed]

0
34. Remove Sec. 127.703.

Sec. 127.705   [Removed]

0
35. Remove Sec. 127.705.

Sec. 127.707   [Removed]

0
36. Remove Sec. 127.707.

Sec. 127.709   [Removed]

0
37. Remove Sec. 127.709.

Sec. 127.711   [Removed]

0
38. Remove Sec. 127.711.

Sec. 127.1101   [Amended]

0
39. Amend Sec. 127.1101 as follows:
0
a. In paragraph (a), remove ``ASME B31.3'' and add, in its place, the text ``ASME B31.3-2018 (incorporated by reference, see Sec. 127.003)''; and
0
b. In paragraph (h), add ``(incorporated by reference, see Sec. 127.003)'' after ``API RP 2003''.

Sec. 127.1102   [Amended]

0
40. In Sec. 127.1102(a)(4)(ii), remove ``ANSI B16.5'' and add, in its place, ``ASME B16.5-2017 (incorporated by reference, see Sec. 127.003)''.

Sec. 127.1103   [Amended]

0
41. In Sec. 127.1103, remove the word ``existing'' wherever it appears.

Sec. 127.1105   [Amended]

0
42. In Sec. 127.1105, remove the word ``existing.''

Sec. 127.1107   [Amended]

0
43. In Sec. 127.1107, add ``(incorporated by reference, see Sec. 127.003)'' after ``NFPA 70''.

Sec. 127.1203   [Amended]

0
44. In Sec. 127.1203(a), remove ``ANSI S12.13, Part I'' and add, in its place, ``IEC 60079-29-1 (incorporated by reference, see Sec. 127.003)''.

Sec. 127.1207   [Amended]

0
45. In Sec. 127.1207(c), remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.1301   [Amended]

0
46. In Sec. 127.1301(b), remove the word ``shall'' wherever it appears and add, in its place, the word ``must''.

Sec. 127.1302   [Amended]

0
47. In Sec. 127.1302, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.1309   [Amended]

0
48. In Sec. 127.1309, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.1311   [Amended]

0
49. In Sec. 127.1311, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.1313   [Amended]

0
50. Amend Sec. 127.1313 as follows:
0

a. In paragraph (a), remove the word ``shall'' and add, in its place, the word ``must''; and

0

b. In paragraph (b), remove ``Chapter 4 of'' and add ``(incorporated by reference, see Sec. 127.003)'' after ``NFPA 30''.

Sec. 127.1315   [Amended]

0

51. In Sec. 127.1315 remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.1317   [Amended]

0

52. In Sec. 127.1317, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.1319   [Amended]

0

53. In Sec. 127.1319, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.1321   [Amended]

0

54. In Sec. 127.1321, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.1325   [Amended]

0

55. In Sec. 127.1325, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.1401   [Amended]

0

56. Remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.1403   [Amended]

0

57. In Sec. 127.1403, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.1405   [Amended]

0
58. Amend Sec. 127.1405 as follows:
0
a. In the introductory paragraph, remove the word ``shall'' and add, in its place, the word ``must'';
0
b. In paragraph (a)(1), remove the word ``and''; and
0
c. In paragraph (b), add ``(incorporated by reference, see Sec. 127.003)'' after the text ``NFPA 51B''.

Sec. 127.1407   [Amended]

0
59. In Sec. 127.1407, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.1409   [Amended]

0
60. In Sec. 127.1409, remove the word ``shall'' wherever it appears, and add, in its place, the word ``must''.

Sec. 127.1501   [Amended]

0
61. In Sec. 127.1501 (a), remove the word ``existing.''

Sec. 127.1503   [Amended]

0
62. In Sec. 127.1503, add ``(incorporated by reference, see Sec. 127.003)'' after ``NFPA 10''.

Sec. 127.1511 [Amended]

0
63. In Sec. 127.1511, remove ``ASTM F 1121'' and add, in its place, ``ASTM F 1121-87''.

Sec. 127.1601   [Amended]

0
64. In Sec. 127.1601, remove the word ``shall'' and add, in its place, the word ``must''.

Sec. 127.1603   [Amended]

0
65. In Sec. 127.1603, remove the word ``shall'' and add, in its place,

the word ``must''.

Sec. 127.1605 [Amended]

0
66. In Sec. 127.1605, remove the word ``shall'' and add, in its place, the word ``must''.

Dated: September 18, 2020.
R. V. Timme,
Rear Admiral, U.S. Coast Guard, Assistant Commandant for Prevention Policy.
[FR Doc. 2020-21071 Filed 10-2-20; 8:45 am]
BILLING CODE 9110-04-P