

Register [53 FR 24320]. No comments were received.

#### IV. Director's Decision

In accordance with the State's request, the Director has decided to extend the deadline for Arkansas to submit the required amendments to December 30, 1988. The Director is amending Part 904 of 30 CFR Chapter VIII to implement this decision.

#### V. Procedural Requirements

##### 1. Compliance with the National Environmental Policy Act

The Secretary has determined that pursuant to section 702(d) of SMCRA, U.S.C. 1292(d), no environmental impact statement need be prepared on this rulemaking.

##### 2. Executive Order No. 12291 and the Regulatory Flexibility Act

On July 12, 1984, the Office of Management and Budget (OMB) granted OSMRE an exemption from sections 3, 4, 7, and 8 of Executive Order 12291 for actions directly related to approval or conditional approval of a State regulatory program. Therefore, this action is exempt from preparation of a Regulatory Impact Analysis and regulatory review of OMB.

The Department of the Interior has determined that this rule would not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). This rule would not impose any new requirements; rather, it would ensure that existing requirements established by SMCRA and Federal rules will be met by the State.

##### 3. Paperwork Reduction Act

This rule does not contain information collection requirements which require approval by OMB under 44 U.S.C. 3507.

##### List of Subjects in 30 CFR Part 904

Coal mining, Intergovernmental relations, Surface mining, Underground mining.

Date: August 18, 1988.

Robert E. Boldt,

Deputy Director, Office of Surface Mining Reclamation and Enforcement.

#### PART 904—ARKANSAS

30 CFR Part 904 is amended as follows:

1. The authority citation for Part 904 is revised to read as follows:

Authority: 30 U.S.C. 1201 *et seq.*

2. Section 904.16 is amended by revising paragraphs (a) and (b) to read as follows:

#### § 904.16 Required program amendments.

(a) By December 30, 1988, Arkansas shall submit an amendment to its regulations at ASCMRC section 816.116(b)(3)(ii) to be consistent with OSMRE's actions, or resubmit the proposed regulation at ASCMRC 816.116(b)(3)(ii) with sufficient documentation in the record to show the replanting of trees and shrubs is a normal husbandry practice in the State of Arkansas.

(b) By December 30, 1988, Arkansas shall submit an amendment to revise its regulations at ASCMRC 1000(50) to remove the suspension of ASCMRC 823.11(c).

[FR Doc. 88-19192 Filed 8-23-88; 8:45 am]

BILLING CODE 4310-05-M

#### DEPARTMENT OF THE TREASURY

##### Office of the Secretary

##### 31 CFR Part 103

##### Banks To Begin Reporting Currency Transactions With Casinos

AGENCY: Departmental Offices, Treasury.

ACTION: Notice of withdrawal of exemptions.

SUMMARY: The Treasury Department is announcing today that it is rescinding all existing exemptions for casinos because banks must report to the Internal Revenue Service all cash transactions involving more than \$10,000 with nonbank financial institutions.

EFFECTIVE DATE: September 30, 1988.

##### FOR FURTHER INFORMATION CONTACT:

John Zoscak of the Office of the Assistant General Counsel (Enforcement) at (202) 566-2914 or Amelia A. Gomez, Deputy Director, Office of Financial Enforcement at (202) 566-8022.

SUPPLEMENTARY INFORMATION: Section 103.22(c) of the regulations states, in part, that

[this] section does not permit a bank to exempt its transactions with nonbank financial institutions (except for check cashing services licensed by state or local governments or the postal service), nor will additional exemption authority be granted for such transactions (except transactions by other check cashers).

Section 103.11(g)(7) provides that casinos having gross annual gaming revenues in excess of \$1,000,000 are nonbank financial institutions; therefore, their transactions with banks may not be unilaterally or specially exempted.

Thus, Treasury and the IRS Data Center in Detroit, Michigan, are no longer granting special exemptions for casinos having gross annual gaming revenues of more than \$1,000,000.

In addition, while the regulations do not prohibit banks from seeking additional authority from Treasury or the IRS to exempt casinos having gross annual gaming revenues of \$1,000,000 or less from the currency transaction reporting requirements, Treasury has decided, as a matter of policy, that no exemptions for those casinos will be granted by either Treasury or the IRS Data Center in Detroit.

Finally, because of the prohibition contained in § 103.22 concerning nonbank financial institutions and Treasury's policy with respect to casinos having gross annual revenues of \$1,000,000 or less, Treasury is rescinding all special exemptions granted for all casinos, regardless of their size. Thus, banks must remove all casinos from their exemption lists and begin reporting transactions with them in excess of \$10,000 on IRS Form 4789, Currency Transaction Report, no later than September 30, 1988.

The September 30, 1988 effective date is being provided to enable banks to implement this requirement more easily.

Date: August 15, 1988.

Gerald L. Hilscher,

Deputy Assistant Secretary (Law Enforcement).

[FR Doc. 88-19197 Filed 8-23-88; 8:45 am]

BILLING CODE 4810-25-M

#### Office of Foreign Assets Control

##### 31 CFR Part 565

##### Panamanian Transactions Regulations; Amendment

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: On April 8, 1988, the President issued Executive Order No. 12635. In implementation of that Order, the Treasury Department issued the Panamanian Transactions Regulations on June 3, 1988 (53 FR 20566, as amended at 53 FR 23620 (June 23, 1988)) (the "Regulations"), which, *inter alia*, prohibit most transfers and payments to the Noriega/Solis regime from the United States and by U.S. persons and U.S.-controlled entities in Panama. This rule permits payment to that regime in certain limited categories, specifically, import duties, other import-related expenses, and port fees.

**EFFECTIVE DATE:** August 24, 1988.

**FOR FURTHER INFORMATION:**

Contact Marilyn L. Muench, Chief Counsel, Tel.: 202/376-0408, or Steven I. Pinter, Chief of Licensing, Tel.: 202/376-0236, Office of Foreign Assets Control, Treasury Department, Washington, DC 20220.

**SUPPLEMENTARY INFORMATION:** Since the Regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order No. 12291 of February 17, 1961, dealing with Federal regulations.

**List of Subjects in 31 CFR Part 565**

Panama, Customs duties and inspections, Exports, Foreign trade, Imports, Transfers of assets.

For the reasons set forth in the preamble, 31 CFR Part 565 is amended as follows:

**PART 565—PANAMANIAN TRANSACTIONS REGULATIONS**

1. The authority citation for Part 565 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*; E.O. 12635, 53 FR 12134 (April 12, 1988).

**§ 565.503 [Amended]**

2. Paragraph (d) of § 565.503, as redesignated in 53 FR 23620 (June 23, 1988), is revised to read as follows:

(d) All payments of administrative fees and taxes paid in connection with basic business activity are authorized, including but not limited to: Commercial license fees, corporate registration fees and taxes, court pleading fees, creation of rights fees, copyright fees and taxes, custodial fees and services, document processing fees, fiscal stamps, health certificates, immigration fees, import duties and other import-related expenses, inspection services, international banking licenses, landing fees, legal fees, licensing fees, litigation costs, mineral extraction fees, municipal taxes, new product fees, notaries' fees, occupational risk insurance fees, parking meters, passport fees, patent fees and taxes, plant inspection fees, port fees, quarantine fees, radio and television registration fees, recordation fees, stamp taxes, towage fees,

transportation tolls, trademark fees and taxes, vehicle registration fees, visa fees, warehouse storage fees, and work permits.

3. Paragraph (e) of § 565.503, as redesignated in 53 FR 23620 (June 23, 1988), is revised to read as follows:

(e) This section does not authorize payment of income taxes, rental fees, or direct taxes and fees (e.g., export taxes and fees), not otherwise authorized.

Date: August 17, 1988.

R. Richard Newcomb,  
Director, Office of Foreign Assets Control.

Approved: August 17, 1988.

Salvatore R. Martoche,  
Assistant Secretary (Enforcement).

[FR Doc. 88-19173 Filed 8-19-88; 4:45 pm]

BILLING CODE 4840-25-M

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Family Support Administration**

**45 CFR Part 400**

**Refugee Cash and Medical Assistance**

**AGENCY:** Family Support Administration (FSA), HHS.

**ACTION:** Final rule.

**SUMMARY:** This regulation amends current rules to change the period of eligibility for the special programs of refugee cash assistance (RCA) and refugee medical assistance (RMA) from the 18-month period beginning with the first month a refugee entered the United States to the 12-month period beginning with such first month. This regulation limits the availability of special refugee assistance in order to reduce Federal costs and encourage refugees to seek early employment.

A proposed rule was published in the Federal Register of October 19, 1987 (52 FR 38795). Public comments were received through December 3, 1987, and have been carefully considered. No changes have been made in the content of this final rule as a result of the comments received.

**EFFECTIVE DATE:** October 1, 1988.

**ADDRESS:** Office of Refugee Resettlement, Family Support Administration, Department of Health and Human Services, 370 L'Enfant Promenade, 6th Floor, SW., Washington, DC 20447.

**FOR FURTHER INFORMATION CONTACT:** Philip A. Holman, (202) 252-4563.

**SUPPLEMENTARY INFORMATION:**  
**Background**

Current regulations at 45 CFR 400.202 through 400.204 provide for Federal refugee funding, subject to the availability of funds, to be provided to States for cash and medical assistance for eligible refugees during their first 36 months in the United States. Such funding is provided to States for the non-Federal share of assistance if the refugee is eligible for the programs of aid to families with dependent children (AFDC), foster care maintenance payments under title IV-E of the Social Security Act, supplemental security income (SSI), adult assistance in the territories, and medical assistance (Medicaid) under title XIX of the Social Security Act.

Current regulations also provide for Federal refugee funding, subject to the availability of funds, for a special program of refugee cash assistance (RCA) and refugee medical assistance (RMA) during a refugee's first 18 months in the U.S. and for the cost of general assistance (GA), including GA medical assistance (GMA), provided to eligible refugees under a State or local GA/GMA program during a refugee's second 18 months.

The RCA and RMA programs assist those refugees whose economic needs are equivalent to the economic needs required in a State's AFDC program but who do not meet the AFDC family-composition requirements or the SSI age or disability requirements.

Prior to 1982, RCA and RMA were available during an eligible refugee's first 36 months in the U.S. An interim final regulation published March 12, 1982 (at 47 FR 10841) reduced the period to the current 18 months. After the first 18 months, such refugees may seek assistance under a regular, ongoing State or local GA or GMA program. The 1982 regulation provided for Federal refugee funds to cover the cost of GA and GMA during a refugee's months 19-36 so that overall State costs of providing cash and medical assistance to refugees during their first 36 months in the U.S. would continue to be fully federally funded.

Effective March 1, 1986, this 36-month period was reduced to 31 months in order to implement the fiscal reductions imposed under Pub. L. 99-177, the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings). Effective February 1, 1988, the 31-month period was further reduced to 24 months based on the funds available for cash and medical assistance under Pub. L. 100-202, the FY 1988 Continuing

Resolution, which was enacted December 22, 1987.

Thus, under current law and available appropriations, the entire cost of refugee cash and medical assistance is borne by the Federal Government during a refugee's first 24 months in the United States.

(None of the time-limits cited above apply to funding for assistance and services for unaccompanied minors under 45 CFR 400.205, nor is such funding affected by this rule.)

#### Statutory Authority

Section 412(a)(9) of the Immigration and Nationality Act (8 U.S.C. 1522(a)(9)) authorizes the Secretary of HHS to issue regulations needed to carry out the refugee resettlement program.

#### Description of the Regulation

Through this regulation, the Department is reducing the duration of the special programs of refugee cash assistance (RCA) and refugee medical assistance (RMA) from 18 months to 12 months—a 6-month decrease. This change is expected to result in net savings of approximately \$14 million in FY 1989.

This reduction in the duration of RCA and RMA has the following purposes:

a. To provide refugees with stronger incentives to gain employment and become self-sufficient as rapidly as possible after their arrival in the United States.

b. To reduce the likelihood of unnecessary welfare dependency resulting from extended periods of special support.

c. To reduce Federal expenditures to help meet the objectives of the Balanced Budget and Emergency Deficit Control Act of 1985.

d. To reduce the degree of special treatment afforded to refugees, which results in unequal treatment among low-income populations.

e. To reduce total refugee welfare costs while continuing to relieve States of the cost of cash and medical assistance provided to refugees during their initial period in the U.S.

Under this rule, RCA and RMA are available only during an eligible refugee's first 12 months in the U.S. Such refugees who continue to be needy after the first 12 months can seek assistance under a GA or GMA program beginning in their 13th month rather than in their 19th month as at present. Since, under this rule, Federal refugee funding for GA/GMA begins with a refugee's 13th month, no added financial burden occurs to States or localities as compared to the present policy of funding RCA/RMA during a refugee's

first 18 months and GA/GMA beginning with a refugee's 19th month.

The extent of refugee eligibility for assistance, however, is affected by this reduction in RCA/RMA from 18 to 12 months. Since the RCA/RMA programs are generally more comprehensive than existing State or local GA/GMA programs, the assistance available to refugees who do not qualify for AFDC, SSI, or Medicaid is reduced beginning with the 13th month rather than the 19th month. It is, in part, this difference in coverage between RCA/RMA and GA/GMA which is expected to result in reduced Federal costs without increasing State or local costs.

The majority of refugees now arriving in the United States receive extended periods of U.S. cultural orientation and English language instruction overseas before reaching this country—training which was not available when the 18-month limitation went into effect in 1982. We believe that the utility of this training can now be reflected in a shorter period of eligibility for special assistance that is not available to U.S. citizens or immigrants to the U.S.

#### Discussion of Comments Received

We received 79 comments on the proposed regulation, from State and local government agencies, national and local voluntary refugee resettlement agencies, service providers, refugee advisory boards, consortiums and forums concerned with refugee resettlement, refugee mutual assistance associations, refugees, and other individuals. Seventy-six comments opposed the proposal; two supported it; and one supported the reduction in RCA while recommending that the eligibility period for RMA be increased to 24 months.

The following paragraphs address specific points the commenters raised.

*Comment:* The majority of comments opposing the proposal stated that a 12-month period for RCA and RMA is too short to allow sufficient English language and skill training and adjustment to U.S. society for refugees to become employed. A few commenters specifically mentioned the needs of Hmong refugees in this connection. A few other commenters said that the change would result in family breakups, mental health problems, and refugees' being stuck in dead-end jobs as a result of having to go to work before they had sufficient training.

*Response:* We agree that no given period, whether it is 18 months or 12 months, can be optimum for all refugees. We also recognize that, in areas where GA programs are not available or where such programs are very restrictive, an

end-date for RCA/RMA eligibility can have a negative effect on some refugees and refugee families.

On the other hand, overall experience with the refugee program does not support a contention that more than 12 months are required before many refugees can be expected to become employed. In fact, some of the commenters noted that refugees do become employed soon after arrival in the U.S. and urged that the 18-month period be retained to assist these refugees if they should be laid off during the initial 18-month period.

We would also note that employment does not preclude continuing English language or other training during non-work hours. Many refugees whose initial employment was an entry-level job that could have been considered "dead-end" have subsequently advanced through additional training and experience.

Despite the generally greater needs of many Hmong refugees in making a transition from their own culture to that of the United States, experience has shown that when resettlements are carefully planned in communities with favorable opportunities for entering employment, Hmong refugees have been successful in obtaining and retaining jobs. Accordingly, we continue to believe that a 12-month period for RCA and RMA is reasonable and that no change is warranted from the proposed regulation.

*Comment:* A few commenters indicated that they believe GA rules might foster long-term dependency. Therefore they feel it would be undesirable for some refugees to have to rely on existing State or local general assistance (GA) programs beginning with the 13th month after their arrival rather than the 19th.

*Response:* Relatively few refugees rely on GA programs after the expiration of their 18-month eligibility period for RCA. As of September 30, 1987, fewer than 8,500 refugees nationally were receiving GA during their months 19–31 in the U.S. Based on the experience to date, we do not believe that making GA available in a refugee's 13th month, rather than 19th month, will have any appreciable effect on longer term GA dependency.

*Comment:* Some commenters considered the proposal a means of shifting costs from the Federal Government to State and local governments. Three commenters saw it as impacting county medical costs. One commenter understood the proposal as shortening the overall period of funding for GA.

**Response:** This regulation reduces the RCA/RMA eligibility period from 18 months to 12 months, but it does not shift costs since Federal refugee funds now begin to cover the cost of GA/GMA with the 13th month rather than the 19th.

The regulation does not shorten the overall period of funding for cash and medical assistance which was 31 months at the time that the proposal was published and is now 24 months. This overall period depends on the amount of funds appropriated rather than on regulation.

**Comment:** One commenter concurred with the proposal to reduce RCA to 12 months but recommended that RMA be lengthened to 24 months and be available to any refugee not covered by employer-financed private insurance.

**Response:** Since this recommendation would widen the existing gap between the assistance available to refugees and that available to U.S. citizens, it would run counter to our intention of reducing the differences.

**Comment:** Several commenters disagreed with our view, as stated in the notice of proposed rulemaking, that this proposal would "reduce the degree of special treatment afforded to refugees, which results in unequal treatment among low-income populations." These commenters believe that, because of the special problems of refugees, the availability of RCA/RMA during the first 18 months does not constitute an inequity.

**Response:** In localities where the RCA/RMA program provides a broader eligibility than GA/GMA, there is unequal, and more favorable, treatment of refugees as compared with non-refugees. Shortening the period during which RCA and RMA are available lessens this unequal treatment.

**Comment:** A few commenters suggested that the proposed change was contrary to the purpose and intent of the Refugee Act. One commenter stated that the change should be sought through legislation. Another commenter said that the proposal was contrary to Executive Order 12291, contending that it was not based on adequate information, had a higher potential cost than benefit, would not maximize the net benefits to society, and did not represent the alternative having the least net cost to society.

**Response:** We do not agree that this change in the duration of RCA/RMA either is contrary to the Refugee Act or requires legislation. The Act authorizes the Director of the Office of Refugee Resettlement to provide cash and medical assistance during a refugee's first 36 months in the United States but does not prescribe the duration of assistance, scope of coverage, benefit

payment levels, or other details of a program of special assistance except for the requirement that employable recipients must accept employment services and employment. The Act authorizes the Secretary to issue such regulations as he deems appropriate to carry out the statute. We consider our ability to regulate the duration of the special programs of RCA and RMA to have already been established by the 1982 regulation which established the 18-month limitation.

As noted below in the section on "Regulatory Procedures," this regulation does not meet the definition of a "major rule" under Executive Order 12291, since the regulation decreases costs. In addition, the regulation does not result in increased costs for States or localities. We also disagree with the substance of the comments related to the Executive Order: We consider adequate information to exist on which to base the changes made in this regulation, including State-by-State data on the utilization of RCA and RMA. We also believe that the beneficial effects of more rapid refugee self-sufficiency, reduced welfare dependency, more equal treatment among low-income populations, and reduced Federal expenditures will outweigh the costs of the refugee population as has been the case with the previous reduction in RCA and RMA from 36 months to 18 months.

**Comment:** Several commenters stated that refugees affected by the proposal would move to areas with greater welfare benefits. Therefore the commenters expressed doubt that the regulation would achieve the projected \$14 million in Federal savings.

**Response:** Currently, the availability of RCA and RMA ends after a refugee's 18th month in the United States. This regulation simply moves that point to the 12th month. Therefore, to the extent that secondary migration results from the termination of RCA/RMA, it will be likely to occur 6 months sooner than in the past. We do not believe, however, that secondary migration will be substantially greater than before because the latest available survey data (Fall 1985) that bear on this question do not show the utilization of cash assistance to be higher at 12 months than at 18 months.

With reference to potential savings, since RCA/RMA costs in FY 1987 totaled \$83.2 million, we believe that the \$14 million in projected net savings represents a conservative estimate which can be achieved.

**Regulatory Procedures**

#### Executive Order 12291

Under Executive Order 12291, we must judge whether a regulation is "major" and therefore subject to the requirements of a Regulatory Impact Analysis. This regulation does not meet the definition of a "major" regulation contained in the Executive Order. This regulation does not increase costs; rather, it decreases costs by decreasing Federal funding.

#### Regulatory Flexibility Act

Pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 604(b)), the Secretary certifies that this rule does not have a significant economic impact on a substantial number of small entities.

#### Paperwork Reduction Act

This rule does not contain collection-of-information requirements which require approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980.

#### List of Subjects in 45 CFR Part 400

Grant programs—Social programs, Health care, Public assistance programs, Refugees, Reporting and recordkeeping requirements.

Dated: April 29, 1988.

Wayne A. Stanton,  
Administrator, Family Support  
Administration.

Approved: June 15, 1988.

Otis R. Bowen,  
Secretary of the Department of Health and  
Human Services.

45 CFR Part 400 is amended as follows:

#### PART 400—[AMENDED]

The authority citation for Part 400 continues to read as follows:

Authority: Section 412(a)(9), Immigration and Nationality Act (8 U.S.C. 1522(a)(9)).

#### § 400.2 [Amended]

1. In § 400.2, the definitions of "Refugee cash assistance" and of "Refugee medical assistance" are amended by striking, in each definition, "an 18-month period" and substituting therefor "a 12-month period".

#### § 400.203 [Amended]

2. In § 400.203, paragraph (b) is amended by striking "18-month period" and substituting therefor "12-month period", and paragraph (c) is amended by striking "during the 18-month period beginning with the 19th month" and substituting therefor "during the 24-month period beginning with the 13th month".

**§ 400.204 [Amended]**

3. In § 400.204, paragraph (b) is amended by striking "18-month period" and substituting therefor "12-month period", and paragraph (c) is amended by striking "during the 18-month period beginning with the 19th month" and substituting therefor "during the 24-month period beginning with the 13th month".

**§ 400.209 [Amended]**

4. In § 400.209, paragraph (b) is amended by striking "18 months" and substituting therefor "12 months".

[FR Doc. 88-18932 Filed 8-23-88; 8:45 am]

BILLING CODE 4150-04-M

**DEPARTMENT OF TRANSPORTATION****Coast Guard**

46 CFR Parts 31, 61, 71, 91, 167, 169, and 189

[CGD 64-024]

RIN 2115-AB58

**Intervals for Drydocking and Tailshaft Examination on Inspected Vessels**

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

**SUMMARY:** The Coast Guard is amending the intervals between drydock and tailshaft examinations by extending them in most cases for certain classes of vessels. These changes will decrease the cost incurred by the marine industry in meeting these examination requirements and align the intervals with those specified by the various classification societies and the intervals currently under consideration internationally.

**EFFECTIVE DATE:** These rules are effective on September 23, 1988.

**FOR FURTHER INFORMATION CONTACT:** LCDR Geoffrey D. Powers, Merchant Vessel Inspection and Documentation Division, Office of Marine Safety, Security and Environmental Protection, (202) 267-1185.

**SUPPLEMENTARY INFORMATION:** On May 30, 1986, the Coast Guard published in the *Federal Register* (51 FR 19720) a notice of proposed rulemaking (NPRM). Two correction documents were published (51 FR 20847; June 9, 1986 and 51 FR 26439; July 23, 1986). On August 14, 1986, the comment period was reopened and extended until September 30, 1986 (51 FR 29116). A total of 46 responses were received.

On October 23, 1987, an interim final rule was published which, with the following exceptions, became effective on November 23, 1987 (52 FR 39639).

Sections 31.10-24, 71.53-1, 91.43-1, 167.15-40, 169.234, and 189.43-1 became effective on April 20, 1988. The interim final rule comment period closed on January 21, 1988. A total of 36 responses were received and are summarized below.

**Drafting Information**

The principal persons involved in the drafting of this rule are LCDR Geoffrey D. Powers, Project Manager, and Mr. Stephen H. Barber, Project Attorney, Office of Chief Counsel.

**RIN Number**

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

**Discussion of Comments and Changes Made**

Of the 36 letters received, the majority (25) were from the barge industry. Two letters were from the deep sea industry, four from the Great Lakes, one from the offshore supply vessel industry, and four from Coast Guard field offices.

1. Seventeen comments suggest that the 2.5 year (two examinations within any five year period, with no more than three years to elapse between any two examinations) internal structural examination interval for double hull tank barges in Tables 31.10-21 (a) and (b) and Tables 91.40-3 (a) and (b) is too restrictive.

As explained on page 39643 of the interim final rule, the intervals for all examinations in that document were devised by reference to a standard of twice every five years (2.5) for salt water service and once every five years for fresh water service. This standard is referred to as the "basic examination intervals". From these basic intervals, Tables 31.10-21 (a) and (b) and Tables 91.40-3 (a) and (b) were developed—adding or subtracting years, as appropriate, to address the differences in vessel type and service.

The drydock intervals established by the interim final rule for double hull barges (five years salt, 10 years fresh) are twice as long as the basic drydock intervals (2.5 for salt, five for fresh). This doubling was considered appropriate because of the additional safety inherent in double hull construction and the additional access for examination provided by the wing voids and double bottom. However, due to the extended

length of drydock intervals for double hull barges (five years for salt, 10 years for fresh) and the ease of preparing voids for examination it was considered appropriate to require periodic internal structural examinations (2.5 for salt, 2.5 for fresh). An internal structural examination of the wing voids and double bottoms is considered a minor economic burden because it does not require cleaning and gas freeing of the cargo tanks.

The comments suggest, however, that, even though gas freeing of cargo tanks is not a requirement for an internal structural examination, virtually every internal structural examination will reveal some damage. The comments contend that, even though the damage found is often minor and does not affect the seaworthiness of the vessel, the Coast Guard usually will require any minor damage found to be repaired. Repairs involving welding will require gas freeing of the cargo tanks and gas freeing is the most expensive aspect of an examination. Therefore, the comments suggest that the internal structural examination interval should be five years (salt or fresh), rather than 2.5 years, in order to provide an incentive to build double hull tank vessels. The Coast Guard takes the position that damage severe enough to require immediate repair will normally be visible during an on-deck examination of wing voids and rakes. Additionally, the Coast Guard prefers the construction of double hull barges over single hull barges due to the increased level of pollution prevention. For these reasons, the 2.5 year interval in Tables 31.10-21(b) and 91.40-3(b) for internal structural examination of double hull barges in fresh water service is changed to five years.

This five year interval should maintain the incentive for industry to build double hull barges, minimize the need for gas freeing cargo tanks, reduce the generation of hazardous waste and air pollution, and economically benefit vessel owners and operators.

The 2.5 year internal structural examination interval for double hull barges in salt water service has been retained due to the greater potential for corrosion in wing voids and double bottoms resulting from salt water ballasting and the environment in which they operate.

However, to ensure that the general condition of the internal structure of those barges, as well as others, is monitored during the period between internal structural examinations, a requirement for an annual on-deck examination of wing voids and rakes is