

dated August 17, 1995, and effective September 16, 1995, is amended as follows:

Paragraph 6010(a)—Domestic VOR Federal Airways

* * * *

V-268 [Revised]

From INT Morgantown, WV, 010° and Johnstown, PA, 260° radials; Indian Head, PA; Hagerstown, MD; Westminster, MD; Baltimore, MD; INT Baltimore 093° and Smyrna, DE, 262° radials; Smyrna; INT Smyrna 086° and Sea Isle, NJ, 050° radials; INT Sea Isle 050° and Hampton, NY, 223° radials; Hampton; Sandy Point, RI; to INT Sandy Point 031°T(046°M) and Kennebunk, ME, 180°T(197°M) radials; INT Kennebunk 180°T(197°M) and Boston, MA, 032°T(048°M) radials; INT Boston 032°T(048°) and Augusta, ME, 195°T(213°M) radials; to Augusta. The airspace within R-4001 and the airspace below 2,000 feet MSL outside the United States is excluded.

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Issued in Washington, DC, on September 29, 1995.

Harold W. Becker,

Manager, Airspace-Rules and Aeronautical Information Division.

[FR Doc. 95-24802 Filed 10-4-95; 8:45 am]

BILLING CODE 4910-13-P

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 2615

RIN 1212-AA77

Reportable Events

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of establishment of the Reportable Events Negotiated Rulemaking Advisory Committee.

SUMMARY: The Pension Benefit Guaranty Corporation has established a negotiated rulemaking advisory committee under the Negotiated Rulemaking Act of 1990, which will meet for the first time on October 11, 1995. The committee will develop proposed amendments to the PBGC's regulations governing reportable events, *i.e.*, events that may be indicative of a need to terminate a pension plan. These amendments will, among other things, implement recent amendments contained in the Retirement Protection Act of 1994.

ADDRESSES: Minutes of all meetings and other documents made available to the committee will be available for public inspection and copying at the PBGC's Communications and Public Affairs Department, Suite 240, 1200 K Street, Washington, DC 20005-4026 between the hours of 9:00 a.m. and 4:00 p.m.

FOR FURTHER INFORMATION CONTACT: Harold J. Ashner, Assistant General Counsel, or James L. Beller, Attorney, Office of the General Counsel, PBGC, 1200 K Street NW., Washington, DC 20005-4026, 202-326-4024 (202-326-4179 for TTY and TDD).

SUPPLEMENTARY INFORMATION:

Background

On August 11, 1995, the PBGC published (at 60 FR 41033) a notice of intent to establish a negotiated rulemaking advisory committee to develop proposed amendments to the PBGC's regulations governing reportable events. Further information on the role of the committee and the scope of the proposed rule can be found in the notice of intent.

In the notice of intent, the PBGC requested comments on the appropriateness of regulatory negotiations for the proposed regulations. A number of comments supported, and none opposed, the PBGC's planned use of regulatory negotiations for this rulemaking. Based on this response and for the reasons stated in the notice of intent, the PBGC has determined that establishing this advisory committee is necessary and in the public interest.

In accordance with the Federal Advisory Committee Act, the PBGC prepared a Charter for the establishment of the Reportable Events Negotiated Rulemaking Advisory Committee. On September 25, 1995, the Office of Management and Budget approved the advisory committee, and on September 29, 1995, the PBGC filed the Charter with Congress.

Committee Membership

In the notice of intent, the PBGC included a list of possible committee members and requested that applications and nominations for membership on the committee be submitted by September 15, 1995. The PBGC received two applications for additional membership on the committee.

The first application was submitted by McDermott, Will & Emery, a law firm, to represent companies subject to reportable events requirements. The applicant expressed concern that non-public companies that may be subject to the new advance reporting requirements in ERISA section 4043(b) may have unique interests that other committee members would not have a particular stake in advancing. While other committee members will represent the interests of all employers, the PBGC believes it would be useful to have a

member representing the particular interests of advance reporting companies. Accordingly, the PBGC accepts McDermott, Will & Emery as a committee member to serve that purpose.

The second application was submitted by a certified public accountant. The applicant did not identify any reason that the proposed committee members do not adequately represent his interests. The PBGC notes that the applicant is a member of the American Institute of Certified Public Accountants, which is a member of the committee. For these reasons, the PBGC does not accept the application.

Accordingly, the members of the committee are the PBGC, the other members proposed in the notice of intent, and McDermott, Will & Emery (to represent advance reporting companies).

First Meeting of Committee

On September 26, 1995, the PBGC published a notice of the first meeting of the committee (60 FR 49531), which will be held at 10:00 a.m. on October 11, 1995, at 1200 K Street, Washington, DC 20005-4026.

The primary purpose of the first meeting will be to establish committee procedures. One comment recommended that certain procedures be followed in the conduct of committee meetings. The committee will consider this comment in establishing its procedures.

Issued in Washington, D.C., this 29th day of September, 1995.

Martin Slate,

Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. 95-24778 Filed 10-4-95; 8:45 am]

BILLING CODE 7708-01-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 80

[AMS-FRL-5302-4]

Regulation of Fuels and Fuel Additives: Revision to the Oxygen Maximum Standard for Reformulated Gasoline

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of proposed rulemaking.

SUMMARY: The Environmental Protection Agency (EPA or the Agency) is proposing to revise the regulations for reformulated gasoline in two ways. The first revision would raise the maximum oxygen content for volatile organic

compounds (VOC)-controlled gasoline (i.e., summertime reformulated gasoline) under the Simple Model to the maximum oxygen content allowed under section 211(f) of the Clean Air Act (CAA, or the Act), as much as 3.5–4.0 percent by weight, depending on the oxygenate selected. This revision would further provide that the maximum oxygen content of VOC-controlled reformulated gasoline would be lowered in any state, should the governor request a lower oxygen content based on air quality concerns. The second revision would adjust the maximum oxygen content allowed for both summertime and wintertime reformulated gasolines under the Simple Model to account for variations in the density of the base gasolines to which the oxygenates are added.

DATES: EPA will conduct a hearing (date and location to be announced) if a request for such is received by October 20, 1995. The comment period on this notice will close November 6, 1995, unless a hearing is requested, in which case the comment period will close 30 days after the close of the public hearing.

ADDRESSES: Interested parties may submit written comments (in duplicate, if possible) to Public Docket No. A-95-29 at Air Docket Section, U.S. Environmental Protection Agency, Waterside Mall, Room M-1500, 401 M Street S.W., Washington, D.C. 20460. The Agency requests that commenters also send a copy of any comments to Christine M. Brunner at the address listed below in the "Further Information" section.

Materials relevant to the reformulated gasoline final rule are contained in Public Dockets A-91-02 and A-92-12. Public Docket A-93-49 contains materials relevant to the renewable oxygenate requirement for reformulated gasoline; some of these materials may also be relevant to today's action. These dockets are located at Room M-1500, Waterside Mall (ground floor), U.S. Environmental Protection Agency, 401 M Street S.W., Washington, D.C. 20460. The docket may be inspected from 8:00 a.m. until 5:00 p.m. Monday through Friday. A reasonable fee may be charged by EPA for copying docket materials.

FOR FURTHER INFORMATION CONTACT: Christine M. Brunner, U.S. EPA (RDSD-12), Regulation Development and Support Division, 2565 Plymouth Road, Ann Arbor, MI 48105. Telephone: (313) 668-4287. To request copies of this document, contact Delores Frank, U.S. EPA (RDSD-12), Regulation Development and Support Division,

2565 Plymouth Road, Ann Arbor, MI 48105. Telephone: (313) 668-4295.

SUPPLEMENTARY INFORMATION:

I. Electronic Copies of Rulemaking Documents Through the Technology Transfer Network Bulletin Board System (TTNBBS)

A copy of this notice is also available electronically on the EPA's Office of Air Quality Planning and Standards (OAQPS) Technology Transfer Network Bulletin Board System (TTNBBS). The service is free of charge, except for the cost of the phone call. The TTNBBS can be accessed with a dial-in phone line and a high-speed modem per the following information:

TTN BBS: 919-541-5742
(1200-14400 bps, no parity, 8 data bits, 1 stop bit)
Voice Help-line: 919-541-5384
Accessible via Internet: TELNET
ttnbbs.rtpnc.epa.gov
Off-line: Mondays from 8:00 AM to 12:00 Noon ET

A user who has not called TTN previously will first be required to answer some basic informational questions for registration purposes. After completing the registration process, proceed through the following menu choices from the Top Menu to access information on this rulemaking.

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<T> GATEWAY TO TTN TECHNICAL
      AREAS (Bulletin Boards)
<M> OMS—Mobile Sources Information
<K> Rulemaking and Reporting
<3> Fuels
<9> File Area #9...Reformulated gasoline
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At this point, the system will list all available files in the chosen category in reverse chronological order with brief descriptions. These files are compressed (i.e., ZIPed). Today's notice can be identified by the following title: OXCPNPRM.ZIP. To download this file, type the instructions below and transfer according to the appropriate software on your computer:

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<D>ownload, <P>rotocol, <E>xamine,
<N>ew, <L>ist, or <H>elp
Selection or <CR> to exit: D filename.zip
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You will be given a list of transfer protocols from which you must choose one that matches with the terminal software on your own computer. The software should then be opened and directed to receive the file using the same protocol. Programs and instructions for de-archiving compressed files can be found via <S>ystems Utilities from the top menu, under <A>rchivers/de-archivers. After getting the files you want onto your computer, you can quit the TTNBBS with the <G>oodbye command. Please note that due to differences between the

software used to develop the document and the software into which the document may be downloaded, changes in format, page length, etc., may occur.

II. Introduction

40 CFR 80.41 contains the standards for certification under the reformulated gasoline program. Paragraph (g) of this section specifies that reformulated gasoline designated as VOC-controlled (i.e., for sale during the ozone season) must have no more than 2.7 percent by weight (wt%) oxygen per gallon. The regulations further specify that if a state notifies the Administrator that it wishes to have the oxygen standard increased for VOC-controlled reformulated gasoline, a higher cap of 3.5 wt% will be approved by the Administrator provided that there have been "no occasions within the three preceding years when the ozone ambient air quality standard was exceeded within any covered area within the state." EPA expects that a state would make this request primarily to permit and encourage the use of ethanol at volumes of up to 10% (which, as will be discussed in sections VIII and IX, is equivalent to approximately 3.5–4.0 wt% oxygen, depending upon the specific gravity of the base gasoline). In requesting and obtaining this different standard, the states would not be requiring the use of this maximum level of oxygen; rather, an increase in the standard for maximum oxygen content would provide refiners the option to produce reformulated gasoline with oxygen up to that level. Section 80.41(g) further states that the maximum oxygen content for non-VOC-controlled reformulated gasoline is 3.5 wt%, unless a state requests that EPA limit the oxygen content to 2.7 wt% due to concerns that "the use of an oxygenate will interfere with attainment or maintenance of an ambient air quality standard, or will contribute to an air quality problem."

In reexamining this reformulated gasoline provision, EPA believes that the maximum oxygen content for VOC-controlled reformulated gasoline is an unnecessary regulatory burden on gasoline and oxygenate producers, and that the requirements for a state to choose a higher oxygen level are also burdensome. Thus, EPA is proposing to raise the maximum oxygen content of VOC-controlled reformulated gasoline to a higher oxygen level (nominally 3.5–4.0 wt%) than currently allowed for VOC-controlled reformulated gasoline. Specifically, EPA proposes to increase the maximum oxygen content of VOC-controlled reformulated gasoline such that reformulated gasoline containing

up to 10 vol% ethanol can be certified. Additionally, EPA proposes that upon request of the Governor to the Administrator, the maximum oxygen content of reformulated gasoline sold in that state would be capped at a lower level on the basis of air quality concerns. In short, the maximum oxygen content provisions for VOC-controlled reformulated gasoline would adopt the same approach as the current provisions for non-VOC-controlled reformulated gasoline.

EPA is also proposing to increase the maximum oxygen contents for both VOC- and non-VOC-controlled reformulated gasoline to accommodate differences in specific gravities of the base gasolines to which the oxygenates are added. These provisions would allow the oxygenates used in reformulated gasoline to be used up to their lawful limits per section 211(f), including the terms of any waiver issued under that provision, without concern for the density of the base gasoline to which the oxygenate is added.

There are a number of benefits to be gained by these changes to the regulation. As discussed in the following sections, these include the potential for reduced burden on the states and industry, reduced cost for compliance with the reformulated gasoline requirements, and reduced costs to the consumers. The following sections present the background behind the oxygen maximum standard; the options considered for modification of the requirements; the economic, environmental, and energy implications of the proposed actions; and technical reasons for increasing the maximum oxygen content for VOC- and non-VOC-controlled reformulated gasoline.

III. History of the Reformulated Gasoline Standard for Maximum Oxygen Content (Oxygen Cap)

The Act requires that reformulated gasoline have no NO_x emissions increase compared to the statutory baseline gasoline for baseline vehicles [section 211(k)(2)(A)]. Furthermore, the Act specifies that reformulated gasoline contain a minimum of 2.0wt% oxygen. As summarized in the final rule on reformulated gasoline (February 16, 1994, 59 FR 7721-22), data available early in the rulemaking process to the Agency and to the regulatory negotiation (Reg-Neg) Advisory Committee indicated that fuel oxygen content and the type of oxygenate used had an impact on NO_x emissions while no other parameter of the Simple Model appeared to have such an impact.

Based on these data and the agreements reached in the Reg-Neg process, EPA proposed provisions that would cap the oxygen content of VOC-controlled reformulated gasoline (see 57 FR 13416) this was reflected in both the Reg-Neg agreement and an accompanying letter to the Renewable Fuels Association. The draft regulations specified a test program by which a petitioner could demonstrate no increase in NO_x emissions to justify a higher than 2.1/2.7 wt% oxygen content in reformulated gasoline sold in the ozone season. As discussed in the subsequent proposal (February 26, 1993, 58 FR 11732-33), additional data revealed no need to differentiate between oxygenates, and it was proposed that the oxygen cap be 2.7 wt% for all oxygenates during ozone months. However, at that time the Agency continued to believe that increasing oxygen content from 2.7 wt% to 3.5 wt% might result in increased NO_x emissions, and, thus, proposed prohibiting the use of VOC-controlled reformulated gasoline containing more than 2.7 wt% oxygen unless a state requested otherwise and provided supporting data from the specified test program.

In April 1992, EPA proposed that reformulated gasoline sold outside of the ozone season contain a maximum of 3.5 wt% oxygen (57 FR 13420). This proposal was consistent with the Reg-Neg agreement and all data available at the time. If a state believed that the use of an oxygenate would interfere with attainment or maintenance of another ambient air quality standard or other air quality problem, and so notified the Administrator, the maximum oxygen content for reformulated gasoline sold in that state would be 2.7 wt% (unless the state petitioned for another maximum oxygen content following a data collection process specified elsewhere in the draft regulations).

Additional data made available during development of the final rule, including the final form of the Complex Model (the compliance model required to be used starting in 1998, voluntarily prior to that time), showed that increased oxygen content should actually result in no increase in NO_x emissions. The fuel changes expected upon addition of oxygen (i.e., reduced sulfur, olefins, aromatics and increased E300¹ and E200 based on the dilution effect of adding oxygenate) should result in a net decrease in NO_x emissions, based on the Complex Model. While the expected increase in E200 would increase NO_x emissions, the sum of the

other expected changes (which all decrease NO_x) should result in an overall NO_x reduction. However, the Simple Model provisions did not directly control these expected changes to gasoline qualities that were expected to occur when oxygenates were added. In other words, although the dilution effects were expected, they, and their associated effects on NO_x emissions, were not assured under the terms of the Simple Model. The Agency stated that since there was no assurance under the Simple Model that oxygenate addition would not increase NO_x emissions, and since the more oxygenate that is added the greater the possible increase in E200 (and thus the greater the possibility for a NO_x increase), it was appropriate to cap the maximum oxygen content (See 59 FR 7719-20). In the final regulations, the Agency specified that only requests to raise the cap to 3.5 wt% for VOC-controlled reformulated gasoline from states that could demonstrate no ozone exceedances over the prior three years would be considered for approval. This provision replaced the proposed test program to demonstrate no NO_x increase resulting from the use of oxygen at higher levels. The provisions for non-VOC-controlled (outside of the ozone season) reformulated gasoline remained the same as proposed.

IV. Proposed Changes to Oxygen Cap Requirements

Upon further consideration of the issues, EPA now believes that the current provisions relating to increasing the maximum oxygen content of VOC-controlled reformulated gasoline are unnecessarily burdensome and should be changed. Specifically, EPA proposes to increase the maximum oxygen content of VOC-controlled reformulated gasoline such that reformulated gasoline containing up to 10 vol% ethanol can be certified. EPA also proposes that the oxygen content of reformulated gasoline sold in that state will be limited to a lower level upon the request of the Governor on the basis of local air quality concerns. To obtain this lower maximum oxygen content, the Governor notify the Administrator that the use of an oxygenate at higher levels would interfere with attainment or maintenance of a National Ambient Air Quality Standard, or will contribute to an air quality problem. The lower oxygen cap would become effective 30 days after the Administrator announced the lower standard in the Federal Register. This lower maximum would be the maximum allowed under section 211(f), but not to exceed 3.2 wt% oxygen when ethanol is the oxygenate. Under 211(f), MTBE is limited to 15

¹ E300 and E200 are defined in 40 CFR 80.45.

vol% and ethanol to 10 vol%. Blending MTBE at 15 vol% adds approximately 2.7% oxygen. However, due to variations in the density of gasoline, it is possible that when trying to achieve an oxygen content of 2.7%, the addition of 15 vol% MTBE or 7.8 vol% ethanol may result in an oxygen content as high as 3.2% (see section VIII below for further explanation). As a consequence, EPA is proposing that if a governor requests to lower the oxygen cap from 3.5%, the maximum oxygen content in that state would be lowered to a level equivalent to a nominal 2.7% but not to exceed 3.2%.

As discussed in detail below in section VI.D, EPA believes it is very unlikely that a NO_x increase will occur for any one batch of reformulated gasoline, and that the potential NO_x increase, if any, would be small. A "worst case" scenario would involve the expected increase in E200, but with no other dilution effects that would reduce NO_x, offsetting the increase in E200. Under such a scenario, NO_x emissions for a batch of reformulated gasoline would increase by about 0.12% for an oxygen content change from 2.7 to 3.5 wt%. However, there are several reasons why such a scenario is speculative and unlikely to occur. First, the toxics standards for reformulated gasoline should lead to reduced aromatics levels even without the addition of oxygenates, and this will lead to reduced NO_x emissions. Second, the addition of oxygenates would normally lead to all of the additional dilution effects noted above, and not just to the increase in E200. It is unlikely that a refiner would intentionally offset the dilution effects for sulfur, olefins, and aromatics, allowing only E200 to increase. It appears that the antidumping provisions which affect conventional gasoline, combined with the limits on fuel parameters governed by each refiner's 1990 baseline operating levels limit the ability of refiners to adjust refinery operations to that degree. Thus while there is no specific provision in the Simple Model requiring that individual batches of gasoline containing more than 2.7 wt% oxygen have sulfur, olefin, aromatic, and E200 levels that do not increase NO_x emissions, an increase is unlikely and if it should occur it would be small. EPA believes it is likely that batches of reformulated gasoline will exhibit the dilution effects. Thus, on average across all of the reformulated gasoline sold by all refiners in an area, a NO_x reduction, or at least no increase in NO_x, is likely to occur. The Agency requests comments on these conclusions,

particularly on the likely reaction of refiners to the ability to blend higher levels of oxygenate in VOC-controlled reformulated gasoline and how dilution effects may be anticipated in the production of reformulated gasoline.

Given the small likelihood of NO_x increases under the Simple Model for individual batches of reformulated gasoline (from increases in E200, without corresponding NO_x reductions from reductions in other parameters), the likelihood that overall reformulated gasoline should lead to NO_x reductions on average, and the benefits of increased oxygenate use, EPA now believes it is appropriate to revise the oxygen content cap under the Simple Model by raising it to the limit allowed under section 211(f) of the Act. This would remove what appears to be an unnecessary limitation on oxygenate use under the current regulations. While neither the Complex Model nor other basic facts have changed since the oxygen cap was promulgated in December 1993, EPA has reevaluated the need for such a cap and is now proposing to make revisions in light of this reevaluation.

In raising the cap, the Agency believes that it will make it easier for higher levels of oxygen to be used in VOC-controlled reformulated gasoline (this will primarily affect the use of ethanol, since at present ethanol is the only oxygenate which legally can be blended at levels in excess of 2.7 wt% oxygen). This proposed action, however, will retain the initiative at the state level to restrict higher oxygen levels in reformulated gasoline, consistent with respect to how this issue was handled for non-VOC-controlled ("wintertime") reformulated gasoline. Although as explained in section VI below the Agency believes that this action will have no significant environmental impact, by leaving this initiative with the states this action accommodates those states which are particularly concerned about potential local air quality impacts of increased ethanol use.

EPA proposes that any decrease in the maximum allowed oxygen content (at the request of a state), be effective 30 days after EPA publishes notice in the Federal Register of such change. This would provide reasonable notice of the change to all affected parties. EPA also proposes that, if today's proposal is finalized, the higher maximum oxygen content would become effective 60 days after publication of the final regulations in the Federal Register. If states do not want reformulated gasoline with the higher oxygen content to be sold in their state beginning with this effective date, they must notify the Administrator prior

to the that date. After the proposed regulations took effect, states may request to lower the maximum oxygen content at any time.

EPA requests comments on all aspects of this proposed action.

V. Economic Impacts

The largest part of the cost associated with Phase I (1995–1999) reformulated gasoline is the oxygen content required by the Act. Since ethanol generally costs less than MTBE per gallon (due largely to the pro-rated tax credit available to ethanol blenders in both the federal and some state tax codes) and contains almost twice as much oxygen per gallon, it has a considerable economic advantage as an oxygenate. However, this cost advantage varies by geographic market and can also be offset by the incremental costs for distribution and segregation of ethanol blends, which are much higher than for MTBE blends. Production and distribution costs for the oxygenates plays a major role in determining market share.

Refiners must also consider a variety of other operating costs when selecting an oxygenate for reformulated gasoline (or any other fuel). One of the costs associated with reformulated gasoline under the Simple Model is the cost associated with control of Reid vapor pressure (RVP). Most of the required reductions of VOC emissions are obtained in reformulated gasoline through reductions in RVP. The cost per finished gallon of reformulated gasoline for producing the sub-RVP blendstock to be blended with ethanol is lower on average by about 0.04–0.05 cents per gallon when the ethanol is blended at the maximum concentration possible instead of lower concentrations. Hence, it is slightly more economically attractive to use ethanol at 10 vol% (roughly 3.5–4.0 wt% oxygen) than at 7.8 vol% (2.7 wt%).

The small economic advantage provided by lifting the oxygen cap may be sufficient enough to allow some refiners to use ethanol during the ozone season when otherwise they would not do so. While the overall impact of this is expected to be marginal, it should contribute toward an increase in the total volume of ethanol produced in this country during the summer. It is not expected to affect the overall production capacity of ethanol, however, due to the much greater demand during the winter, and the fact that any additional benefits of this action to the ethanol industry will be short-lived, since the oxygen cap provisions only affect reformulated gasoline sold through the year 1997.

There is also some potential that today's proposal will result in a change

in the volume of ethanol used in reformulated gasoline areas. This could occur if refiners elect to shift ethanol use in the summer months from use as an octane enhancer in conventional gasoline, presumably a lower value use, to a presumably higher value use as an reformulated gasoline oxygenate. Unless some states choose to lower the cap, the consumption of ethanol may increase and that of MTBE decrease in most area(s), and as a result on average in reformulated gasoline areas as a whole. However, it is not possible to predict how the refining industry will react to this added flexibility. Comments on this issue are requested by the Agency.

There is the potential for a number of other economic impacts as a result of this proposed action. If summertime consumption of ethanol increases in reformulated gasoline areas, ethanol producers are expected to benefit. To the extent that the use of ethanol is concentrated in several states where ethanol is particularly economically attractive and that some refiners decide to use ethanol in those areas, the proposed oxygen cap modifications may result in slight economic benefits to both refiners (who benefit from the additional flexibility of having a broader range of oxygenate options) and ethanol producers (who may benefit from reductions in transportation or storage costs). The consumers of reformulated gasoline containing ethanol may, in turn, benefit from these changes. MTBE producers could be adversely affected if less MTBE is used in reformulated gasoline as a result of this proposed change. Nonetheless, by reducing the hurdles to using the maximum amount of ethanol and increasing the flexibility of refiners in selecting oxygenates, this action is expected to reduce the overall negative economic impacts and regulatory burden of the reformulated gasoline program.

Comments on any of the assumptions and issues raised in this section are requested.

VI. Environmental and Energy Impacts

Since today's action may result in some localized increase in summertime ethanol use at higher levels than would otherwise have occurred, some of the concerns that have been raised in the past regarding ethanol use in reformulated gasoline must be reexamined. The Agency has examined the environmental and energy impacts of modifying the oxygen cap requirements under the Simple Model. This proposal has the potential to slightly increase summertime ethanol consumption nationally, or at least to shift ethanol consumption from

conventional fuel areas to reformulated gasoline areas (and consequently decrease MTBE consumption in reformulated gasoline areas). To the extent that increases in the use of ethanol occur in some locations barring state actions to lower the oxygen cap, there may be some environmental impacts, as discussed below. EPA expects there to be no change in the energy implications of the reformulated gasoline program as a result of today's proposed action.

The Agency requests comment on the various aspects of the environmental and energy impact analyses presented below.

A. NO_x Emissions Impact

As mentioned above, the primary concern with allowing higher levels of oxygen in VOC-controlled reformulated gasoline under the Simple Model has in the past been the potential for increased NO_x emissions. The Agency concluded in the final rule for reformulated gasoline, on the basis of results generated by the Complex Model, that the use of greater levels of oxygen would not by itself increase NO_x emissions (although the associated higher levels of oxygenates could theoretically increase emissions due to the unpredictable impacts of dilution). The Complex Model is the most accurate and complete model relating fuel composition to emissions performance currently available for use in the reformulated gasoline program. EPA would have required use of the Complex Model for purposes of certification during the entire reformulated gasoline program, however, based on leadtime considerations, EPA promulgated the Simple Model for use during the first three years of the reformulated gasoline program (e.g., through 1997). This decision was based on the fact that EPA had every confidence that on average the refiners certifying their fuel using the Simple Model will achieve the emission reductions that Congress intended for the reformulated gasoline program (see 59 FR 7721-22 for more discussion of this issue). In any case, EPA clearly determined that changing the oxygen content of reformulated gasoline is unlikely to have any negative impact on NO_x emissions, regardless of the type of oxygenate under consideration. Consequently, today's proposed action is not expected to increase NO_x emissions when reformulated gasoline is compared to baseline gasoline, and thus should satisfy the requirements of section 211(k)(2) of the Act.

Individual states may still have some concerns about the impact of increased oxygen levels on NO_x . The basis for their concerns is the uncertainty about the impact of reformulated gasoline in-use. The reformulated gasoline program, including all of the standards and provisions discussed in today's action, is based on the emissions reductions to be obtained from 1990 technology vehicles using baseline gasoline. To the extent that the emissions impacts of various reformulated gasolines are different for other-than-1990 technology vehicles, states may have concerns about the NO_x (or other) emissions impacts of today's proposed action. Consequently, it is reasonable to permit the states to limit the oxygen content of reformulated gasoline in their state on the basis of their concerns.

B. VOC Emissions Impacts

Phase I reformulated gasoline is required to yield a 15% reduction in emissions of volatile organic compounds (VOC) from 1990 technology vehicles using a baseline gasoline. Under the Simple Model, at least a 15% reduction is guaranteed for any reformulated gasoline that meets all of the specifications of the model. The use of greater volumes of ethanol (per gallon and overall) can affect VOC emissions, as described below. In general, EPA believes today's proposed action would have no or slightly positive impacts on VOC emissions.

1. RVP Boost

Although ethanol slightly increases the RVP of a gasoline to which it is added, there is no potential for an increase in the RVP of a VOC-controlled reformulated gasoline under the Simple Model as a result of any modifications to the oxygen cap. This is because the Simple Model includes RVP specifications for reformulated gasoline that are not being modified by today's proposal. Comments and additional information on this issue are requested.

2. Commingling

Another concern with the potential for increased use of ethanol-containing reformulated gasoline is the phenomenon described as commingling. A detailed analysis describing the commingling effect can be found in the Regulatory Impact Analysis for the final rule on reformulated gasoline (December, 1993; available in public docket A-92-12). To summarize briefly, when ethanol is mixed with gasoline, a non-linear increase in the RVP is observed. The non-linear nature of ethanol's blending RVP means that the mixing of ethanol blends with other

non-ethanol containing gasolines downstream of the refinery (e.g., in vehicle fuel tanks) can result in an additional vapor pressure increase across the in-use pool of gasoline. This RVP increase caused by fuel mixing is what is referred to as the commingling effect.

EPA's analysis of the commingling effect shows that commingling can significantly increase VOC emissions in some instances. The effect increases as ethanol's share of the reformulated gasoline oxygenate market increases, up to a maximum ethanol market share of approximately 50%. However, after examination of the commingling analysis, EPA believes that there may be a commingling benefit associated with today's proposal. Due to the non-linear nature of the RVP boost curve for ethanol, the commingling impact should be less with the use of higher concentrations of ethanol (e.g., 10 vol% ethanol, roughly 4.0 wt% oxygen) in fewer gallons of gasoline than would occur with the use of a lower concentration (e.g., 7.8 vol% ethanol, roughly 2.7 wt% oxygen) added to more gallons of gasoline. Thus, from a national perspective there may be a slight commingling benefit associated with today's rule.

To the extent today's proposal would cause a slight increase in the amount of ethanol used throughout the reformulated gasoline program, or cause a shift in ethanol use from states which maintain the current cap to states which do not restrict oxygen content, or cause a shift from conventional gasoline to reformulated gasoline, commingling-related VOC emissions will also be shifted. The overall impact of commingling on the states in which ethanol use increases would depend on the magnitude of the increase. If total ethanol volume in a state remains the same and the use of 10 vol% ethanol blends increases, then there will be a beneficial effect as a result of commingling because of the reduced number of ethanol-containing gallons of reformulated gasoline available in the marketplace. Any comments or additional data on this issue are requested.

C. Toxics Emissions Impact

The Complex Model indicates that some oxygenates, such as ethanol, provide smaller air toxic benefits than others (e.g., MTBE) when used at identical oxygen levels. However, today's proposal does not alter the toxics performance standards under the Simple Model. Hence, refiners will still be required to comply with the toxics

standards regardless of the type of oxygenate or volume of oxygen used.

D. Impacts of Dilution Under the Simple Model

As discussed above in section IV, under the Simple Model there is no provision actually requiring the expected impact of dilution on the other gasoline components (fuel parameters or fuel qualities). The concerns which led EPA to retain the oxygen cap of 2.7 wt% in the final rule for reformulated gasoline centered not around the impact of oxygen itself on NO_x, but on the impact of other fuel parameters, which are impacted by the addition of oxygenates, on NO_x. This concern prompted EPA to retain the cap on oxygen, thus limiting the volumes of oxygenates used in reformulated gasoline, in the final rule.

If the refiner makes no other changes to the gasoline production process, the addition of an oxygenate will dilute the concentration of other fuel components. While most dilution impacts are beneficial, some may be detrimental (e.g., the E200 effect on NO_x previously discussed). Because NO_x emissions are only affected by dilution effects (NO_x emissions do not increase solely due to an oxygen content change) and because it is highly unlikely that an increase in E200 will occur absent the other dilution effects, NO_x emissions are not expected to increase with increased oxygenate volumes (which accompany higher oxygen contents). Furthermore, EPA believes that while in any given gallon the theoretical combination of fuel effects may be detrimental, it is highly unlikely that this would be the case, especially when the average of all reformulated gasoline sold in a given area is considered. As a result, EPA now believes that the previous concern that uncontrolled variations in the other fuel parameters could increase NO_x emissions is too unlikely to occur to warrant continuing the cap on oxygen content. Increasing the cap from 2.7% to a higher level should not increase in any way the likelihood that refiners will certify batches of reformulated gasoline that have increased NO_x levels over the baseline gasoline.

However, from an overall perspective, there may be a slight shift toward ethanol from MTBE in states which do not limit the higher oxygen content proposed today. The average oxygen level within that state should theoretically remain at minimum average 2.1 wt% as a result of the oxygen averaging and trading provisions of the reformulated gasoline program. Hence, it is reasonable to assume that if more ethanol is used to produce higher

oxygen content blends (e.g., 10 vol% ethanol yielding roughly 3.5–4.0 wt% oxygen), the MTBE-containing reformulated gasoline used in that area would contain somewhat less than 2.1 wt% oxygen. Since ethanol has a higher oxygen content per volume of oxygenate than MTBE, it takes less ethanol than MTBE to achieve the same oxygen content. (For example, to create an reformulated gasoline containing 2.7 wt% oxygen, it takes about 7.8 volume percent (vol%) ethanol but almost 15 vol% MTBE.) Even when ethanol is blended at 10 vol% levels (roughly 3.5–4.0 wt% oxygen), it displaces less gasoline than MTBE blended to reach 2.7 wt%. As a result, a shift towards ethanol would result in a lower volume of total oxygenates blended in an reformulated gasoline area, and potentially an overall reduction in the amount of dilution that would occur. While the Complex Model shows that less NO_x reductions could occur with less dilution from an increased amount of ethanol in the reformulated gasoline oxygenate pool, the change in NO_x reductions is very small, no more than 1 percent.

EPA expects, for a number of reasons, that any air quality effects resulting from such differences as a result of a change in the oxygen cap would be minimal. First of all, any increase in ethanol use resulting from today's proposal is expected to be small. Second, the change in emissions due to the differences in dilution between ethanol and MTBE predicted by the Complex Model is fairly small. Third, reformulated gasoline producers are required under the Simple Model not to exceed their 1990 baseline levels of sulfur, T90, and olefins. These caps limit the impact of any air quality effects related to differences in dilution between oxygenates. The Agency requests comments on the issue of the potential environmental impacts resulting from changes in dilution as a result of today's proposal.

E. Non-Air Quality Impacts

The Agency is concerned about other environmental impacts of an action that might alter the relative amounts of oxygenates used under the reformulated gasoline program. In response to the proposed renewable oxygenate requirement (58 FR 68343), EPA received many comments identifying some of the negative environmental impacts which allegedly could occur from an increase in production of ethanol. Most of these comments focused on the water and soil quality implications of increased corn farming for ethanol production. Given that EPA

does not expect the proposed modification of the oxygen cap to result in significant increases in ethanol consumption overall, it is not expected that any large increase in total corn output would result from this action. To the extent that small increases in ethanol production do occur as a result of today's proposal, the impact on corn production is likely to be small as well. Thus, the non-air quality impacts associated with the proposed modification to the oxygen cap would be negligible. The Agency requests comments on these assumptions, and on other non-air quality impacts that could result under today's proposal.

F. Energy Impacts

In addition to potential environmental impacts, EPA has examined the potential energy impacts of today's proposal. While the production of much of the ethanol in the country generates (on the margin) more energy and uses less petroleum than went into its production, a study by the Department of Energy submitted with comments to the renewable oxygenate requirement proposal indicated that the margin virtually disappears when ethanol is used to make VOC-controlled reformulated gasoline (see the final Regulatory Impact Analysis for the renewable oxygenate requirement, June 29, 1994). The energy loss and additional petroleum consumption necessary to reduce the volatility of the blend (to offset the volatility increase caused by the ethanol) causes the petroleum balance to go negative when compared to MTBE-blended reformulated gasoline, while the overall balance of fossil energy consumption remains slightly positive. Since, however, today's proposed action is not expected to significantly increase the total volume of ethanol produced in this country over the next two years (through 1997), the energy impacts of the reformulated gasoline program are expected to remain essentially unchanged as a result of this proposal.

VII. Other Alternatives

As an alternative to the proposal described above, EPA also requests comment on two alternatives. The first alternative would remove the oxygen cap entirely, allowing up to the maximum oxygen content permitted under section 211(f), (includes up to 10 vol% ethanol—roughly 3.5–4.0 wt% oxygen—or 15 vol% MTBE, roughly 2.7–3.2 wt% oxygen), yearround for both VOC and non-VOC controlled reformulated gasoline. Under this option, the regulations would not limit the oxygen content of reformulated

gasoline even if a state notifies EPA of environmental reasons for such a limit. EPA believes that this option is less desirable because it eliminates a state's ability to control the oxygen content of both VOC-controlled and non-VOC-controlled reformulated gasoline, regardless of the environmental implications for their state. Given some uncertainty over the in-use emissions implications of the use of reformulated gasoline with a higher oxygen content, as discussed above in section VI.A, it is reasonable to allow states to evaluate the environmental implications of increasing the oxygen content for their specific situation and based upon their unique concerns. The Agency requests comments on the potential benefits and detriments of electing to remove the oxygen cap entirely.

The second alternative would maintain the cap (at 2.7 wt%) in the summertime, but allow states to request a higher maximum oxygen content (up to the maximum allowed under section 211(f)). Currently, states may request a higher cap, but must show that no ozone exceedances had occurred in a covered area during the previous three years. This alternative would remove the "no ozone exceedances" requirement, reducing the burden on the states and allowing them to quickly and easily have reformulated gasoline with the higher oxygen content. EPA believes that this alternative option in effect presumes that increased oxygen might cause an increase in NO_x emissions from RFG, and is therefore inconsistent with EPA's view that increased oxygen does not adversely affect NO_x emissions for RFG. Today's proposal would establish the higher maximum oxygen content, unless a state requests that it be lowered, based upon EPA's view that a higher oxygen content does not increase NO_x emissions in 1990 technology vehicles. EPA requests comments on the appropriateness of this alternative option, and in particular a comparison of the relative benefits of the option being proposed today compared to this alternative option, as well as a comparison of the relative benefits of the second and third options.

VIII. Effect of Base Gasoline Density on Oxygen Content and Related Proposal

As stated earlier, section 80.41(g) of the final rule specifies a maximum oxygen content of 2.7 wt% (and in limited cases 3.5 wt%) for VOC-controlled Simple Model reformulated gasoline and 3.5 wt% (unless a state requests that it be 2.7 wt% for environmental reasons), for non-VOC-controlled Simple Model reformulated gasoline. These maximums (or caps) are

consistent with the Simple Model valid range upper limit for oxygen content.

In a later rulemaking (59 FR 36944, July 20, 1994), however, EPA changed the upper limit of the valid range for oxygen content from 3.5 wt% to 4.0 wt% (for both the Simple and Complex Models) to accommodate compositional (i.e., specific gravity or, equivalently, density) differences in the base gasoline to which the ethanol is added. Variations in the base gasoline specific gravity can cause the oxygen content of the final oxygenated blend to vary for the same volume of oxygenate. For example, for a 10 vol% ethanol blend, the oxygen content could vary, roughly, from 3.4 to 4.0 wt%. For all oxygenates, variations in the base gasoline density can cause the resulting oxygen content to vary for the same volume of an oxygenate.

Although EPA changed the valid range of the models, the Agency did not at that time address changing the maximum oxygen content allowed in reformulated gasoline under section 80.41(g). Subsequent to this, EPA stated in guidance that

"* * * [it] believes that the maximum oxygen content provisions for reformulated gasoline should accommodate blended oxygenates that meet the applicable Clean Air Act section 211(f) 'substantially similar' and waiver provisions. In consequence, EPA believes the oxygen maximums specified in 80.41(g) should be adjusted to reflect the expected maximum oxygen content when (RBOB) is blended with 10 vol% ethanol in the case of non-VOC-controlled RFG and 7.7 vol% ethanol in the case of VOC-controlled reformulated gasoline."²

RBOB is the acronym for "reformulated gasoline blendstock for oxygenate blending" which is a base gasoline blendstock which requires only the addition of an oxygenate to become reformulated gasoline. The guidance stated that the adjusted oxygen maximum for VOC-controlled reformulated gasoline would be 3.2 wt% (the maximum expected for MTBE at 15 vol% or ethanol at 7.8 vol% considering density variations in the base gasoline), and for non-VOC-reformulated gasoline, 4.0 wt% (the maximum expected for ethanol at 10.0 vol% considering density variations in the base gasoline). The guidance further stated that EPA would make these changes in a future rulemaking but allow parties to use the adjusted maximums in the meantime. The maximum 3.2 wt% is 0.5 wt%

² U.S. Environmental Protection Agency, "RFG/ Anti-Dumping Questions and Answers," Question 1 of the "Standards" section, April 18, 1995. A copy of this document has been placed in the public docket for today's action and may be found on the TTNBBS (see "Supplementary Information" section of this notice).

greater than the 2.7 wt% maximum oxygen content allowed for VOC-controlled reformulated gasoline under the final rule; the difference of 0.5 wt% is consistent with raising the valid maximum oxygen content under the Simple and Complex Models from 3.5 wt% to 4.0 wt%.

As discussed earlier, the Agency is today proposing that the maximum oxygen content for VOC-controlled reformulated gasoline be the maximum allowed under the section 211(f) "substantially similar" provision and waiver provisions. (Currently, ethanol may be blended up to 10 volume percent and MTBE up to 15 volume percent.) EPA is proposing that the maximum oxygen content for non-VOC-controlled reformulated gasoline also be the maximum allowed under the section 211(f) "substantially similar" provision and waiver provisions rather than be capped at a specific oxygen content as in the final rule.³ This would allow reformulated gasoline to contain ethanol up to the current legal maximum 10 volume percent and MTBE up to the current legal maximum 15 volume percent, without concern for the density of the non-oxygenated gasoline. Additionally, allowing the maximum oxygenate volumes (and thus maximum oxygen contents) specified in 211(f) would make this provision (40 CFR 80.41(g)(1)) consistent with the upper end of the valid range for oxygen in both the Simple and Complex models. As stated in the July 20, 1994 rulemaking, increasing the maximum oxygen value will have no adverse environmental impact.

In those cases where a state has requested the lower maximum oxygen content for its RFG, the Agency proposes that the oxygen maximum standard value be increased from the current 2.7 wt% to the maximum allowed under section 211(f), but not to exceed 3.2 wt% when ethanol is used. As mentioned above, 3.2 wt% oxygen is equivalent to about 7.7 vol% ethanol and is the highest maximum increase in oxygen content over 2.7 wt% that might be encountered due to variations in the base gasoline density. In practice, the Agency does not expect ethanol-containing blends certified under these provisions to contain more than 7.7 vol% ethanol, as there are tax credit and other deterrents to going higher than 7.7 vol% but lower than 10 vol% (which would exceed 3.2 wt% oxygen).

³This provision would only apply under the RFG simple model. Under the complex model, there would be no oxygen cap in the regulations. The maximum oxygen content allowed under § 211(f) would, of course, continue to apply to complex model RFG as well as all other gasoline.

Comments are requested on this aspect of today's proposal.

IX. Public Participation

EPA desires full public participation in arriving at its final decisions and solicits comments on all aspects of this proposal. Wherever applicable, full supporting data and detailed analysis should also be submitted to allow EPA to make maximum use of the comments. All comments should be directed to the EPA Air Docket, Docket A-95-29 (See ADDRESSES). See the DATES section for the deadline for submission of comments.

Any proprietary information being submitted for the Agency's consideration should be markedly distinguished from other submittal information and clearly labeled "Confidential Business Information." Proprietary information should be sent directly to the contact person listed above, and not to the public docket, to ensure that it is not inadvertently placed in the docket. Information thus labeled and directed shall be covered by a claim of confidentiality and will be disclosed by EPA only to the extent allowed and by the procedures set forth in 40 CFR Part 2. If no claim of confidentiality accompanies a submission when it is received by EPA, it may be made available to the public without further notice to the commenter.

X. Compliance with the Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980 requires federal agencies to examine the effects of their regulations and to identify any significant adverse impacts of those regulations on a substantial number of small entities. Pursuant to section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Administrator certifies that this rule will not have a significant economic impact on a substantial number of small entities. In fact, today's proposals are designed to remove overly burdensome regulations and make it easier for refiners to use ethanol in reformulated gasoline, and thus to ensure market access for ethanol in reformulated gasoline.

XI. Administrative Designation

Pursuant to Executive Order 12866 (58 FR 51735 (October 4, 1993)), the Agency must determine whether the regulatory action is "significant" and therefore subject to OMB review and the requirements of the executive order. The Order defines "significant regulatory action" as one that is likely to result in a rule that may:

(1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or tribal governments or communities;

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impact of entitlement, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

Pursuant to the terms of Executive Order 12866, it has been determined that this notice of proposed rulemaking is not a "significant regulatory action".

XII. Paperwork Reduction Act

The Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq., and implementing regulations, 5 CFR Part 1320, do not apply to this action as it does not involve the collection of information as defined therein.

XIII. Unfunded Mandates Act

Under section 202 of the Unfunded Mandates Reform Act of 1995 ("Unfunded Mandates Act"), signed into law on March 22, 1995, EPA must prepare a budgetary impact statement to accompany any proposed or final rule that includes a Federal mandate that may result in expenditure by State, local, and tribal governments, in the aggregate; or by the private sector, of \$100 million or more. Under Section 205, EPA must select the most cost-effective and least burdensome alternative that achieves the objectives of the rule and is consistent with statutory requirements. Section 203 requires EPA to establish a plan for informing and advising any small governments that may be significantly or uniquely impacted by the rule.

EPA has determined that the action proposed today does not include a Federal mandate that may result in estimated costs of \$100 million or more to either State, local or tribal governments in the aggregate, or to the private sector. This action has the net effect of reducing burden of the reformulated gasoline program on regulated entities, as well as the States. Therefore, the requirements of the Unfunded Mandates Act do not apply to this action.

XIV. Statutory Authority

The statutory authority for the actions proposed today is granted to EPA by Sections 211(c), (k) and 301 of the Clean Air Act, as amended; 42 U.S.C. 7545(c),(k), and 7601.

List of Subjects in 40 CFR Part 80

Environmental protection, Air pollution control, Fuel additives, Gasoline, Motor vehicle pollution, Reporting and recordkeeping requirements.

Dated: September 27, 1995.

Carol M. Browner,
Administrator.

For the reasons set out in the preamble, part 80 of title 40 of the Code of Federal Regulations is amended as follows:

PART 80—REGULATION OF FUELS AND FUEL ADDITIVES

1. The authority citation for part 80 continues to read as follows:

Authority: Sections 114, 211, and 301(a) of the Clean Air Act as amended (42 U.S.C. 7414, 7545, and 7601(a)).

2. Section 80.41 is amended by revising paragraph (g) to read as follows:

§ 80.41 Standards and requirements for compliance.

* * * * *

(g) *Oxygen maximum standard.* (1) The per-gallon standards for maximum oxygen content, which apply to reformulated gasoline subject to the simple model per-gallon or average standards, are as follows:

(i) The standard shall be the maximum allowed under the provisions of section 211(f) of the Act; except that

(ii) The standard shall not exceed 3.2 percent by weight for ethanol within the boundaries of any state if the state notifies the Administrator that the use of an oxygenate will interfere with attainment or maintenance of an ambient air quality standard or will contribute to an air quality problem.

(2) A state may request the standard specified in paragraph (g)(1)(ii) of this section separately for reformulated gasoline designated VOC-controlled and reformulated gasoline not designated as VOC-controlled.

(3) The standard in paragraph (g)(1)(ii) of this section shall apply 30 days after the Administrator publishes a notice in the Federal Register announcing such a standard.

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[FR Doc. 95-24583 Filed 10-4-95; 8:45 am]

BILLING CODE 6560-50-P

DEPARTMENT OF TRANSPORTATION

Coast Guard

46 CFR Chapter I

[CGD 95-073]

International Management Code for the Safe Operation of Ships and for Pollution Prevention, (ISM) Code

AGENCY: Coast Guard, DOT

ACTION: Notice of public meetings.

SUMMARY: The Coast Guard is planning four (4) public meetings to discuss the implementation of the International Maritime Organization (IMO) International management Code for the Safe Operation of Ships and for POLLUTION prevention (International Ship Management (ISM) Code). The ISM Code encourages the continuous improvement of safety management skills within the maritime industry. In keeping with the results of a Coast Guard review of its regulatory development process, the Coast Guard will hold these public meetings to provide the public an opportunity to comment and give input into the implementation of the Code.

DATES: The public meetings will be held from 9 a.m. until 3 p.m. as follows: On October 30, 1995, in Seattle, Washington; on November 1, 1995, in Long Beach, California; on November 13, 1995, in New Orleans, Louisiana; and on November 16, 1995, in New York City, New York. Those attending the public meetings should have available a photo identification card to meet entrance requirements for the building management at the meeting sites. Written material may also be submitted regarding this matter and must be received not later than November 29, 1995.

ADDRESSES: The public meetings will be held at the following locations: North Auditorium, 4th Floor, Jackson Federal Building, 915 Second Avenue, Seattle, Washington; the Boardroom, Port Authority Administration Building, 925 Harbor Plaza, Port of Long Beach, California; the Holiday Inn Downtown Hotel, 330 Loyola Avenue, New Orleans, Louisiana; and New York Port Authority Oval Room, 43rd Floor, 1 World Trade Center, New York City, New York. Written comments may be mailed to the Executive Secretary, Marine Safety Council (G-LRA), U.S. Coast Guard, 2100 Second Street SW., Washington, DC 20593-0001, or may be delivered to room 3406 at the same address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays. Comments will become part of

this docket and will be available for inspection or copying at room 3406, Coast Guard Headquarters, between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mr. Bob Gauvin, Project Manager, Vessel and Facilities Operating Standards Branch (G-MOS-2), (202) 267-1181. This number is equipped to record messages on a 24-hour basis. Anyone wishing to make a presentation is requested to call this number and give the following information: docket number (CGD 95-073); name; company or organizational affiliation (if any); and the estimated amount of time needed for the comment.

SUPPLEMENTARY INFORMATION:

Background and Discussion

On November 4, 1993, the International Maritime Organization (IMO) adopted resolution A.741(18) entitled "International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code)." The objectives of the ISM Code are to improve safety at sea, to reduce the occurrence of human injury or loss of life, and to minimize environmental and property damage attributable to marine casualties. The ISM Code seeks to accomplish these objectives by encouraging the implementation of Safety Management Systems by shipping companies with oversight by national administrations, such as the U.S. Coast Guard.

Beginning in 1998, the ISM Code will become mandatory for vessels which operate in international trade to which the Safety of Life at Sea (SOLAS) convention applies. On July 1, 1998, the ISM Code will become mandatory for passenger ships, passenger high speed craft, oil tankers, chemical tankers, gas carriers, bulk carriers, and cargo high speed craft of 500 gross tons and greater. On July 1, 2002, the ISM Code will become mandatory for other cargo ships and self-propelled mobile offshore drilling units of 500 gross tons and greater. Until those dates, compliance with the ISM Code by owners of the various classes of vessels is voluntary.

The ISM Code represents the culmination of an evolving recognition within the maritime industry that the "human element" is a critical factor in preventing casualty or pollution incidents. Historically, the international maritime community has approached maritime safety from an engineering and technology perspective. International standards addressed equipment and design requirements. However, despite