statements must be received no later than five working days prior to the next meeting in order to provide time for member consideration. By rule, no member of the public attending open meetings will be allowed to present questions from the floor or speak to any issue under consideration by the Board of Visitors.

Authority: 46 U.S.C. 51312; 5 U.S.C. app. 552b; 41 CFR parts 102–3.140 through 102–3.165.

By Order of the Maritime Administrator.

Dated: June 30, 2014.

Christine Gurland,

Acting Secretary, Maritime Administration.

[FR Doc. 2014–15691 Filed 7–2–14; 8:45 am]

BILLING CODE 4910–81–P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA–2014–0051]

Pipeline Safety: Liquefied Natural Gas Facility User Fee Rate Increase

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

ACTION: Notice of agency action.

SUMMARY: This notice is to advise all liquefied natural gas facility (LNG) operators subject to PHMSA user fee billing of a change in the LNG user fee rates to align these rates with the actual allocation of PHMSA resources to LNG program costs. Specifically, the LNG user fee rates will increase to 5 percent of the total gas program costs. This percentage represents the approximate ratio between the allocation of resources to LNG facilities and the total allocation of resources to all gas facilities. To reduce the financial impact on LNG operators, PHMSA will implement this increase incrementally over a three-year period.

DATES: Written comments should be received on or before September 2, 2014.

Comments: PHMSA invites interested persons to comment on the user fee assessment process described in this notice. Although the policies and practices described in this notice are final for purposes of fiscal year 2014 assessments, any comments received will be considered in determining whether the fiscal year 2015 and later policies and practices should be continued or modified. Interested persons should submit comments to the docket in writing, identifying the title and docket number of this notice.

Comments should reference Docket No. PHMSA–2014–0051. Comments may be submitted in the following ways:

- *E-Gov Web site: http://www.regulations.gov.* This site allows the public to enter comments on any **Federal Register** notice issued by any agency. Follow the instructions for submitting comments.
- *Fax:* 1–202–493–2251.
- *Mail:* Docket Management System, U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE., Room W12–140, Washington, DC 20590.

Hand Delivery: DOT Docket Management System, Room W12–140, on the ground floor of the West Building, 1200 New Jersey Avenue SE., Washington, DC between 9:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays.

Instructions: Identify the docket number at the beginning of your comments. If you submit your comments by mail, submit two copies. If you wish to receive confirmation that PHMSA has received your comments, include a self-addressed stamped postcard. Internet users may submit comments at *http://www.regulations.gov.*

Note: Comments will be posted without changes or edits to *http://www.regulations.gov* including any personal information provided. Please see the Privacy Act Statement heading below for additional information.

Privacy Act Statement

Anyone may search the electronic form of all comments received for any of our dockets. You may review DOT's complete Privacy Act Statement in the **Federal Register** published April 11, 2000, (65 FR 19476).

FOR FURTHER INFORMATION CONTACT: Roger Little by telephone at 202–366–4569, by fax at 202–366–4566, by email at *Roger.Little@dot.gov*, or by mail at U.S. Department of Transportation, PHMSA, 1200 New Jersey Avenue SE., PHP–2, Washington, DC 20590–0001.

SUPPLEMENTARY INFORMATION:

Background

The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 (Pub. L. 99–272, Sec. 7005) codified at Section 60301 of Title 49, United States Code, authorizes the assessment and collection of user fees to fund the pipeline safety activities conducted under Chapter 601 of Title 49. PHMSA assesses each operator of interstate and intrastate gas transmission pipelines (as defined in 49 CFR Part 192) and hazardous liquid pipelines carrying crude oil, refined petroleum products, highly volatile liquids, biofuel, and carbon dioxide (as defined in 49 CFR Part 195) a share of the total Federal pipeline safety program costs in proportion to the number of miles of pipeline for each operator. In accordance with COBRA, PHMSA also assesses user fees on LNG facilities (as defined in 49 CFR Part 193).

Fee Schedules

COBRA requires that the Secretary of Transportation establish a schedule of fees for pipeline usage, bearing a reasonable relationship to miles of pipeline, volume-miles, revenues, or an appropriate combination thereof. In particular, the Secretary must take into account the allocation of Departmental resources in establishing the schedule. Following consultations with the pipeline industry's major trade associations, including the American Petroleum Institute, the American Gas Association, the Interstate Natural Gas Association of America, and the Association of Oil Pipe Lines on the appropriate basis for determining fees, the Research and Special Programs Administration (RSPA), PHMSA's predecessor agency, determined that pipeline mileage provides the most reasonable basis for determining fees to be paid by operators of gas transmission lines and hazardous liquid pipeline facilities.[1]

On July 16, 1986, RSPA published in the **Federal Register** a notice for pipeline safety user fees to describe the agency's implementation of the requirements set forth in the COBRA Act (51 FR 25782) (the User Fee Notice). The User Fee Notice adopted pipeline mileage as the fee basis for natural gas transmission and hazardous liquid pipelines. Pipeline mileage data for each operator are available from the annual reports which operators are required to file with PHMSA. Each report provides the miles of pipeline each operator has at the end of the calendar year for which the report is filed.

With respect to the LNG facility portion of the gas program costs, a fee basis other than mileage was needed. For these facilities, RSPA determined that storage capacity was the most readily measurable indicator of usage. The storage capacity of each LNG facility that is subject to the user fee provisions of the Act was initially based on those published in a periodic report by the Liquefied Natural Gas Committee of the American Gas Association. With storage capacity as the basis, a five step

[1] Pipeline user fee assessments under COBRA were upheld by the U.S. Supreme Court in *Skinner* v. *Mid-America Pipeline Co.,* 490 U.S. 212 (1989).

fee schedule was developed for LNG facilities which provided a means of relating the fees to usage and resource allocation, taking into account the wide spread (approximately 900:1) in facility storage capacities. Since 2010, LNG facility operators have been required to submit an LNG annual report to PHMSA. PHMSA now uses data from these annual reports for the LNG facility user fee assessments.

The ratio of costs apportioned to gas and liquid activities varies by year, typically ranging between 40/60 and 60/40 gas/liquid. For each budget year user fee collection, PHMSA estimates the proportion of its resources for that billing year between natural gas and hazardous liquid pipeline initiatives and resource requirements costs. The percentages reflect the allocation of our efforts and resources for the billing year. For example, in recent years we considered anticipated program costs for new initiatives that were required by Congressional and other mandates. In 2011 and 2012, we used a 65 percent gas and 35 percent hazardous liquid split across the total budget. The hazardous liquid cost portion is offset by annual funding for the Oil Spill Liability Trust Fund (OSLTF) ($18.547 million for fiscal year 2012). In fiscal year 2013, the gas/liquid split went to 67/33 partially resulting from the state grant for gas programs increase in 2013 over 2012 and the fact that the OSLTF did not proportionally cover the same percent in 2013 (36% of liquid costs) as it did in 2012 (48% of liquid costs).

Change in LNG Facility User Fee Assessments

In the 1986 User Fee Notice, RSPA stated that the total LNG user fee assessment would be ''5 percent of the total gas program costs.'' More specifically, the notice stated:

> Each operator of an LNG facility in service at the beginning of fiscal year 1986 will to [sic] be assessed a designated share of the LNG program costs based on the storage capacity of the facility. For FY–86 these costs are estimated to be approximately 5 percent of the total gas program costs. This percentage represents the approximate ratio between the allocation of resources to LNG facilities and the total allocation of resources to all gas facilities.
>
> The total user fees for LNG facilities will be calculated as follows:
>
> Total LNG user fees equal approximately (105%) (5%) (Total gas program cost)
>
> For FY–86 LNG operator assessments will be as follows:
>
> LNG Facility storage capacity Operator assessment

Less than 10,000 bbl	$1,250.00
10,000 bbl. but less than 100,000 bbl	2,500.00
100,000 bbl. but less than 250,000 bbl	3,750.00
250,000 bbl. but less than 500,000 bbl	5,000.00
500,000 bbl. or more	7,500.00

Since the inception of the pipeline user fee billing, PHMSA has assessed LNG facilities based on the above rate table. The amount of money collected using this LNG facility fee structure has increased slightly over the years as more facilities were placed in service, but the gas program costs have increased at a far greater rate. The LNG rates have not been adjusted to reflect the increase in gas program costs since 1986. During the 2014 billing cycle, the LNG facility rate structure resulted in a collection of $467,500 which is a mere 0.62% of gas program costs. Five percent of the gas program cost for the 2014 billing cycle would have been $3,774,405.

Notice of LNG Facility Obligation Increase

In order to ensure that user fees assessed for each type of pipeline facility have a reasonable relationship to the allocation of departmental resources and to achieve the 5 percent of total gas program cost level set forth in the User Fee Notice, PHMSA has determined that certain changes to the calculation table are necessary. Specifically, the rate for each of the five tiers in the table will be updated to arrive at 5 percent of total gas program costs when the tiers are added together. PHMSA plans to implement the increase in the LNG facility user fee rates in three equal increments starting in 2015. In 2015, if the gas program costs remained steady at 2014 levels, the total LNG industry obligation would increase to $1,256,667; in 2016, the LNG obligation would increase to $2,513,333; and in 2017, the LNG obligation would increase to $3,774,405. The actual annual rate for a particular LNG facility of a given capacity billed each year will depend on the annual gas program cost and the total number of LNG facilities. As the LNG rates increase over the three year period, PHMSA will maintain the current ratio of rates based on storage capacity reflected in the five tiers. For example, an LNG facility with over 500,000 barrels of storage capacity has a user fee rate that is six times the rate for a facility with less than 10,000 barrels of storage. In 2017, when the LNG rates result in a collection of 5 percent of the gas program cost, an LNG facility with over 500,000 barrels of storage will still have a rate six times the rate for a facility with less than 10,000 barrels of storage. After 2017, PHMSA plans to continue this framework for assessing operators of LNG facilities for 5 percent of the gas program costs. PHMSA has been excluding mobile/temporary LNG facilities from user fee assessment since these facilities typically have very low storage volume, and will continue to exclude the mobile/temporary LNG facilities from user fee assessment.

Therefore, to account for the increase in total gas program costs since 1986 and achieve the 5 percent of total gas program cost level set forth in the User Fee Notice to reflect resource allocation, PHMSA is notifying LNG facility operators that in 2015, if the gas program costs remained steady at 2014 levels, the LNG obligation can be expected to increase to $1,256,667. In 2016, the LNG obligation would increase to $2,513,333, and in 2017, the LNG obligation would increase to $3,774,405. LNG operators should expect their individual user fee assessments to reflect these levels and that the amounts in their user fee billing statements will continue to be proportional to other LNG operators of differing capacities depending on the tiers they are in. Procedures for paying the fees can be found in the annual statement and include instructions for electronic funds transfer.

PHMSA invites interested persons to comment on the user fee assessment process described in this notice. Although the policies and practices described in this notice are final for purposes of fiscal year 2014 assessments, any comments received will be considered in determining whether the fiscal year 2015 and later policies and practices should be continued or modified. Interested persons should submit comments to the docket in writing, identifying the title and docket number of this notice by September 2, 2014.

Authority: 49 U.S.C. 60301; 49 CFR 1.97.

Issued in Washington, DC, on June 27, 2014.

Jeffrey D. Wiese,

Associate Administrator for Pipeline Safety.

[FR Doc. 2014–15599 Filed 7–2–14; 8:45 am]

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