Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
*	*	*	*	*	*	*	*	
323	9–1–20	10–1–20	0.00	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, rate set 323 is added at the end of the table to read as follows:

Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
*	*	*	*	*	*	*	*	
323	9–1–20	10–1–20	0.00	4.00	4.00	4.00	7	8

Issued in Washington, DC.

Hilary Duke,

Assistant General Counsel for Regulatory Affairs, Pension Benefit Guaranty Corporation.

[FR Doc. 2020–17626 Filed 8–13–20; 8:45 am]

BILLING CODE 7709–02–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 51

[EPA–HQ–OAR–2018–0633; FRL–10011–71–OAR]

RIN 2060–AT80

Revisions to Appendix P to 40 CFR Part 51, Concerning Minimum Emission Reporting Requirements in SIPs

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is amending a regulation that specifies what State Implementation Plans (SIPs) must require of sources in four categories with respect to continuous emission monitoring, recording, and reporting. Specifically, the amendments revise provisions that specify the minimum frequency for submitting reports of excess emissions that must be included in SIPs. The minimum frequency is being revised from ''for each calendar quarter'' to ''twice per year at 6-month intervals.'' The four source categories covered are: Fossil fuel-fired steam generators; fluid bed catalytic cracking unit catalyst regenerators at petroleum refineries; sulfuric acid plants; and nitric acid plants. As a result of this revision, states may choose to revise their SIPs to reflect the revised minimum frequency specified in our regulations. This action also corrects an erroneous cross-reference in our regulations.

DATES: This final rule is effective on September 14, 2020.

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA–HQ–OAR–2018–0633. All documents in the docket are listed in the *https://www.regulations.gov* website. Although listed in the index, some information may not be publicly available, *e.g.,* Confidential Business Information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy. Publicly available docket materials are available electronically through *https://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: For further general information on this rule, contact Ms. Lisa Sutton, U.S. EPA, Office of Air Quality Planning and Standards, Air Quality Policy Division, State and Local Programs Group (C539–01), Research Triangle Park, NC 27711, telephone number (919) 541–3450, email address: *sutton.lisa@epa.gov.*

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does this action apply to me?

Entities potentially affected directly by this action include states, United States (U.S.) territories, local authorities and eligible tribes that are currently administering, or may in the future administer, EPA-approved implementation plans (collectively ''states'').[1] Entities potentially affected indirectly by this action are sources categorized as fossil fuel-fired steam generators, fluid bed catalytic cracking unit catalyst regenerators at petroleum refineries, sulfuric acid plants, or nitric acid plants. For convenience, the EPA's reference to ''affected sources'' in this rulemaking generally refers to sources affected by SIP requirements, *i.e.,* those sources to which a SIP's 40 CFR part 51, appendix P-specified monitoring requirements actually apply. While all sources among the appendix P source

[1] The EPA respects the unique relationship between the U.S. Government and tribal authorities and acknowledges that tribal concerns are not interchangeable with state concerns. Under the CAA and EPA regulations, a tribe may, but is not required to, apply for eligibility to have a tribal implementation plan (TIP). For convenience, the EPA refers to either ''states'' or ''air agencies'' in this rulemaking when meaning to refer in general to states, the District of Columbia, U.S. territories, local air permitting authorities and eligible tribes that are currently administering, or may in the future administer, EPA-approved implementation plans.

categories (when not already excepted in appendix P itself) are *potentially* affected by such requirements, it is within the state's discretion to grant an exemption in its SIP from applicability of the appendix P-specified monitoring requirements for certain sources. If you have questions regarding the applicability of this action to a particular entity, consult the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

B. What is the Agency's authority for taking this action?

This action is being taken by the EPA under the authority of sections 110(a)(2)(F) and 301(a) of the Clean Air Act (CAA).

C. Where can I get a copy of this document and other related information?

In addition to being available in the docket, an electronic copy of this **Federal Register** document will be posted at *https://www.epa.gov/air-quality-implementation-plans/develop-air-quality-sip#guidance.*

D. How is this final rulemaking organized?

The information presented in the preamble is organized as follows:

I. General Information
A. Does this action apply to me?
B. What is the Agency's authority for taking this action?
C. Where can I get a copy of this document and other related information?
D. How is this final rulemaking organized?
E. Judicial Review
II. Amendments to Appendix P
A. Background and Summary of the Proposed Rule
B. Summary of Comments on the Proposed Rule and the EPA's Responses
C. Final Action
III. Environmental Justice Considerations
IV. Statutory and Executive Order Reviews
A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review
B. Executive Order 13771: Reducing Regulations and Controlling Regulatory Costs
C. Paperwork Reduction Act (PRA)
D. Regulatory Flexibility Act (RFA)
E. Unfunded Mandates Reform Act (UMRA)
F. Executive Order 13132: Federalism
G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments
H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks
I. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution or Use
J. National Technology Transfer and Advancement Act (NTTAA)
K. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations
L. Congressional Review Act (CRA)
V. Statutory Authority

E. Judicial Review

Under CAA section 307(b)(1), judicial review of this nationally applicable final action is available only by filing a petition for review in the United States Court of Appeals for the District of Columbia Circuit (the Court) by October 13, 2020. Under CAA section 307(b)(2), the requirements established by this final rule may not be challenged separately in any civil or criminal proceedings brought by the EPA to enforce the requirements.

II. Amendments to Appendix P

A. Background and Summary of the Proposed Rule

Pursuant to CAA section 110, the EPA established procedural requirements applicable to all states concerning the preparation, adoption, and submission of SIPs and SIP revisions. These regulations, initially promulgated in 1971, comprise 40 CFR part 51, ''Requirements for Preparation, Adoption, and Submittal of Implementation Plans.'' Like the SIPs themselves, these regulations are periodically revised. The EPA in 1975 promulgated appendix P to 40 CFR part 51, setting forth minimum requirements for continuous emission monitoring that each SIP must require of certain specified categories of existing stationary sources in order to be approved under the provisions of 40 CFR 51.19 (now 40 CFR 51.214). *See* 40 FR 46240 (October 6, 1975). With respect to reporting requirements, appendix P specified under paragraph 4.1 that the SIP ''shall require owners or operators of facilities required to install continuous monitoring systems to submit a written report of excess emissions for each calendar quarter and the nature and cause of the excess emissions, if known.'' [2] The reports are required whether or not excess emissions occurred within the reporting period (*see* appendix P, paragraph 4.5). At the time of promulgation in 1975, this specification in appendix P of quarterly reporting as the minimum frequency was by design aligned with the quarterly reporting frequency generally specified for new sources under 40 CFR part 60.

[2] *Id.* at 46249/1.

Over the next many years, the EPA expanded the types of sources to be regulated pursuant to CAA sections 111 (for New Source Performance Standards (NSPS)) and 112 (for National Emission Standards for Hazardous Air Pollutants (NESHAP)), and those later regulations (*e.g.,* NSPS under 40 CFR part 60 and NESHAP under 40 CFR parts 61 and 63) increasingly allowed sources to submit such reports on a less frequent basis, semiannually or in some cases even annually.

In finalizing revisions to appendix P, the EPA is resolving a longstanding inconsistency in reporting requirements for certain categories of sources between (i) those specified as the minimum for appendix P source categories in the SIP context (under 40 CFR part 51) and (ii) those prescribed for similar sources through NSPS (under part 60) or NESHAP (under 40 CFR parts 61 and 63).

B. Summary of Comments on the Proposed Rule and the EPA's Responses

Through a notice of proposed rulemaking (NPRM) (85 FR 10121, February 21, 2020), the EPA solicited public comment on proposed revisions to appendix P to 40 CFR part 51—to change the minimum frequency of continuous emission monitoring reports specified for SIPs and to correct an erroneous cross-reference. Also through the NPRM, the EPA invited the public to comment on information collection activities in the rule; see section IV.C of this document for a brief summary of the Information Collection Request (ICR) document that the EPA prepared. The EPA received three comment submissions on its proposed revisions to appendix P to 40 CFR part 51. Two submissions were from state commenters and one submission was from an industry commenter. All comments concerned the proposed change in appendix P's minimum reporting frequency specified for SIPs. Among comments received, none were adverse comments, none were specific to the proposed correction of the cross-reference in appendix P, and none were specific to the ICR document. In this section of the final rule, the EPA summarizes and responds to comments received.

Comment: All commenters fully supported the proposed change in reporting frequency. These commenters agreed with the EPA's observation that the proposed reduced frequency of continuous emission monitor data reporting (semiannual reporting frequency) is already allowed under most Federal rules applicable to facilities among the same source

categories as those listed under appendix P. All commenters also agreed that, as the EPA described in its experience, semiannual reporting provides sufficiently timely information to ensure compliance and enable adequate enforcement of applicable requirements while imposing less burden on the affected industry than would quarterly reporting.

Response: The EPA acknowledges the commenters' support of the proposed revision to the minimum reporting frequency specified in appendix P for SIPs.

Comment: Two commenters suggested that the appendix P revisions, by allowing less frequent reporting, would potentially reduce states' burden associated with receipt and review of continuous emission monitor reports and would not compromise compliance with or enforceability of the SIPs' emissions reporting requirements.

Response: The EPA agrees that the appendix P revisions, by allowing less frequent reporting, may result in a reduction in burden associated with a state's receipt and review of reports. This rule will *directly* affect burden on a state, however, only so far as the state chooses to prepare and submit a SIP revision that includes an appendix P-related provision. The changes to appendix P made in this action do not, by themselves, revise any SIP provisions. In the case where a state does choose to revise its SIP to allow less frequent reporting by some or all sources in the four appendix P source categories, any further effect on burden, such as that associated with the state's receipt and review of reports, will depend on factors unique to that state. Those factors include, *e.g.,* the number of sources in the state among appendix P source categories and whether the SIP grants certain sources an exemption from applicability of the appendix P-specified monitoring requirements (as appendix P allows, such as because the sources are subject to NSPS requirements). Accordingly, when estimating regulatory burden associated with this rulemaking, the EPA did not address potential reduction in states' burden attributable to less frequent reporting.

Comment: All commenters asserted that the appendix P revisions would potentially reduce reporting burden for owners and operators of affected sources. As a case in point, the industry commenter referred to NSPS regulations applicable to refineries (40 CFR part 60, subpart Ja), which apply to one of the appendix P source categories (fluid bed catalytic cracking unit catalyst regenerators at petroleum refineries). The commenter calculated the approximate cost of semiannual excess emission reporting to be $4,200 per refinery per year, based on the EPA's associated burden estimate. The commenter stated that activities contributing to the reporting burden are relatively independent of the length of the reporting period and that ''quarterly reporting, where it is imposed through a SIP program, would roughly double the reporting burden cost.'' On that basis, the commenter concluded that to allow semiannual reporting in regulations imposed through a SIP ''has the potential to significantly reduce the burdens imposed on respondents.''

Response: The EPA agrees that the revision of reporting frequency requirements in SIPs may *indirectly* provide burden reduction for sources. The EPA notes, however, that this action neither revises any SIPs nor has any *direct* effect on industrial sources. Any effect on burden for potentially affected sources depends on the extent to which (or even whether) the state in which each source is located decides to revise its SIP to reflect the revisions to appendix P. Accordingly, in estimating regulatory burden associated with this rulemaking, the EPA did not include a quantitative estimate of potential burden reduction for industrial sources.

C. Final Action

The EPA is amending appendix P to 40 CFR part 51, which specifies what SIPs must require of sources among four categories with respect to continuous emission monitoring, recording, and reporting. Those four appendix P source categories are: Fossil fuel-fired steam generators; fluid bed catalytic cracking unit catalyst regenerators at petroleum refineries; sulfuric acid plants; and nitric acid plants.

All revisions proposed in the NPRM (85 FR 10121, February 21, 2020) are being finalized without substantive change in this action. This action changes the minimum reporting frequency specified in appendix P for SIPs from ''for each calendar quarter'' to ''twice per year at 6-month intervals.'' The change aligns the minimum reporting frequency specified in appendix P for SIPs with the reporting frequency that the EPA has generally established under more recently updated programs applicable to sources among the four appendix P source categories, as the EPA explained in the NPRM. As a result of this change, a state may in turn choose to revise its SIP's reporting frequency requirement applicable to appendix P source categories. With this action, the EPA is achieving its mission of protecting public health and the environment by assuring that SIPs continue to apply adequate monitoring requirements. This action does not obligate a state to revise its SIP, however. The change in minimum reporting frequency specified in appendix P does not affect any state choosing to retain a more frequent reporting frequency requirement in its SIP for affected source categories. Therefore, this action will directly affect burden on a given state only to the extent that the state voluntarily prepares and submits a SIP revision that includes an appendix P-related provision. The EPA has prepared and submitted to OMB an Information Collection Request (ICR) document to estimate the regulatory burden from information collection activities associated with this rule. That burden is attributed to states' preparation and submission of SIP revisions, a type of reporting burden. The ICR is briefly summarized in Section IV.C of this document, and a copy of the ICR is available in the docket for this rulemaking. Aside from the direct burden attributed to states' preparation and submission of SIP revisions, the EPA anticipates that the final rule will indirectly reduce reporting-related burden on certain states and affected sources located in those states, while continuing to protect public health and the environment. The EPA has found, as noted in the NPRM at section IV.A, that semiannual reporting provides sufficiently timely information to ensure compliance and enable adequate enforcement of applicable requirements while imposing less burden on the affected industry than would quarterly reporting. The EPA does not expect the change in minimum reporting frequency to result in any change in the pollutant emissions from any of the sources.

In this action, the EPA is also revising a cross-reference in appendix P under section 1.0, as explained in the NPRM at section II.A, so that it correctly refers to the continuous emission monitoring regulations at 40 CFR 51.214.

Notwithstanding the revisions to appendix P being promulgated in this action, a source that is subject to more stringent federally enforceable excess emission reporting requirements would be required to comply with the applicable provisions of those rules.

III. Environmental Justice Considerations

A change in the specified minimum frequency with which affected sources must submit continuous monitoring system data reports to states, as a result of the final rule revising appendix P, is not expected to result in any change in

the pollutant emissions from any of the affected sources. Therefore, the EPA concludes that this action will not have potential disproportionately high and adverse human health or environmental effects on minority, low-income, or indigenous populations.

IV. Statutory and Executive Order Reviews

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a significant regulatory action and was, therefore, not submitted to the Office of Management and Budget (OMB) for review.

B. Executive Order 13771: Reducing Regulations and Controlling Regulatory Costs

This action is not an Executive Order 13771 regulatory action because this action is not significant under Executive Order 12866.

C. Paperwork Reduction Act (PRA)

The information collection activities in this rule have been submitted for approval to the Office of Management and Budget (OMB) under the PRA. The Information Collection Request (ICR) document that the EPA prepared has been assigned EPA ICR number 2590.01. It will be assigned an OMB control number upon approval by OMB. You can find a copy of the ICR submitted to OMB in the docket for this rule, and it is briefly summarized here.

The regulatory burden under the information collection is attributed to states' preparation and submission of SIP revisions, a type of reporting burden. For purposes of estimating the paperwork burden, the EPA assumes that each of 56 entities, including states, the District of Columbia, and U.S. territories, would make a single SIP submission that includes an appendix P-related provision within 3 years after the effective date of the rule, corresponding to the requested 3-year collection period. There are no capital costs or operation and maintenance costs attributed to the rule.

Respondents/affected entities: All states.

Respondent's obligation to respond: Voluntary.

Estimated number of respondents: 56.

Frequency of response: One-time.

Total estimated burden: 3,080 hours per year (or 55 hours per respondent per year). Burden is defined at 5 CFR 1320.3(b).

Total estimated cost: $191,200 per year (or $3,414 per respondent per year), with no capital cost and no operation and maintenance cost.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for the EPA's regulations in 40 CFR are listed in 40 CFR part 9. When OMB approves this ICR, the Agency will announce that approval in the **Federal Register** and publish a technical amendment to 40 CFR part 9 to display the OMB control number for the approved information collection activities contained in this final rule.

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. In making this determination, the impact of concern is any significant adverse economic impact on small entities. Any agency may certify that a rule will not have a significant economic impact on a substantial number of small entities if the rule relieves regulatory burden, has no net burden or otherwise has a positive economic effect on the small entities subject to this rule. This action will not impose any requirements on small entities. Instead, this action leaves to each state the choice as to whether to reflect in its SIP a reduction in minimum reporting frequency specified for certain categories of stationary sources regulated under the CAA.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. The action imposes no enforceable duty on any state, local, or tribal governments or the private sector.

F. Executive Order 13132: Federalism

This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the National Government and the states, or on the distribution of power and responsibilities among the various levels of government.

G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

This action does not have tribal implications as specified in Executive Order 13175. It would not have a substantial direct effect on one or more Indian tribes, since no tribe has to develop a TIP under these regulatory revisions. Furthermore, these regulation revisions do not affect the relationship or distribution of power and responsibilities between the Federal Government and Indian tribes. The CAA and the Tribal Air Rule establish the relationship of the Federal Government and tribes in developing plans to attain the NAAQS, and these revisions to the regulations do nothing to modify that relationship. Thus, Executive Order 13175 does not apply to this action.

H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of ''covered regulatory action'' in section 2–202 of the Executive order. This action is not subject to Executive Order 13045 because the reduction in minimum reporting frequency specified for certain categories of sources regulated under the CAA will have no effect on any obligation to comply with emission limitations in SIPs, and so it does not concern an environmental health risk or safety risk.

I. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution or Use

This action is not a ''significant energy action'' because it is not likely to have a significant adverse effect on the supply, distribution or use of energy. This action merely allows states the option to reflect in their SIPs a reduction in minimum reporting frequency specified for certain categories of stationary sources regulated under the CAA.

J. National Technology Transfer and Advancement Act (NTTAA)

This rulemaking does not involve technical standards.

K. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations

The EPA believes that this action does not have disproportionately high and adverse human health or environmental effects on minority populations, low-income populations and/or indigenous populations as specified in Executive Order 12898 (59 FR 7629, February 16, 1994).

This action merely allows states the option to reflect in their SIPs a

reduction in minimum reporting frequency specified for certain categories of stationary sources regulated under the CAA, which will have no effect on any obligation to comply with emission limitations in SIPs.

L. Congressional Review Act (CRA)

This action is subject to the CRA, and the EPA will submit a rule report to each House of the Congress and to the Comptroller General of the United States. This action is not a ''major rule'' as defined by 5 U.S.C. 804(2).

VI. Statutory Authority

The statutory authority for this action is provided by CAA section 101 *et seq.* (42 U.S.C. 7401 *et seq.*).

List of Subjects in 40 CFR Part 51

Environmental protection, Administrative practice and procedure, Air pollution control, Carbon monoxide, Intergovernmental relations, Lead, Nitrogen dioxide, Nitrogen oxides, Opacity, Ozone, Reporting and recordkeeping requirements, Sulfur dioxide, Sulfur oxides, Transportation, Volatile organic compounds.

Andrew Wheeler,

Administrator.

For the reasons stated in the preamble, title 40, chapter I of the Code of Federal Regulations is amended as follows:

PART 51—REQUIREMENTS FOR PREPARATION, ADOPTION, AND SUBMITTAL OF IMPLEMENTATION PLANS

■ 1. The authority citation for part 51 continues to read as follows:

Authority: 23 U.S.C. 101; 42 U.S.C. 7401–7671q.

Appendix P to Part 51—[Amended]

■ 2. In appendix P to part 51:
■ a. Paragraph 1.0 is amended by removing ''40 CFR 51.165(b)'' and adding in its place ''40 CFR 51.214'';
■ b. Paragraph 4.1 is amended by removing the words ''for each calendar quarter'' and adding in their place the words ''twice per year at 6-month intervals'';
■ c. Paragraph 4.6 is amended by removing the words ''in the quarterly summaries, and'' and adding in their place the words ''as specified in paragraph 4.1 of this appendix,'';
■ d. Paragraph 5.2.3 is amended by removing the words ''quarterly summary'' and adding in their place the words ''reports submitted as specified in paragraph 4.1 of this appendix''; and
■ e. Paragraph 5.3.3 is amended by removing the words ''quarterly summary'' and replacing them with ''reports submitted as specified in paragraph 4.1 of this appendix''.

[FR Doc. 2020–15668 Filed 8–13–20; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL MARITIME COMMISSION

46 CFR Part 540

[Docket No. 20–13]

Policy Statement on Passenger Vessel Financial Responsbility

AGENCY: Federal Maritime Commission.

ACTION: Policy statement.

SUMMARY: The Federal Maritime Commission (Commission) is publishing this policy statement in order to provide guidance on possible regulatory relief with respect to COVID–19's unprecedented economic effects to passenger vessel operators.

DATES: This policy statement is effective August 14, 2020.

FOR FURTHER INFORMATION CONTACT: Cindy Hennigan, Director, Bureau of Certification and Licensing, Federal Maritime Commission, 800 North Capitol Street NW, Room 1018, Washington, DC 20573; email: *bcl@fmc.gov;* phone: 202–523–5787.

SUPPLEMENTARY INFORMATION:

I. Background

On March 14, 2020, the Centers for Disease Control and Prevention (CDC) issued a ''No Sail Order and Suspension of Further Embarkation'' causing passenger vessel operators (PVOs) in the U.S. to cease all operations. CDC later extended the term of the order, demonstrating the uncertainty associated with this coronavirus pandemic (COVID–19).

On April 30, 2020, the Commission initiated Fact Finding 30 to investigate COVID–19's impact on the cruise industry. The Commission's Fact-Finding Officer has been meeting with PVOs, marine terminal operators, and other stakeholders to understand COVID–19's effects on the cruise industry.

To overcome the effects COVID–19 has had on our economy, on May 19, 2020, President Trump issued Executive Order 13924, Regulatory Relief To Support Economic Recovery. President Trump declared that federal agencies ''should address this economic emergency by rescinding, modifying, waiving, or providing exemptions from regulations and other requirements that may inhibit economic recovery, consistent with applicable law and with protection of the public health and safety, with national and homeland security, and with budgetary priorities and operational feasibility.''

II. Policy Statement for 46 CFR Part 540 Passenger Vessel Financial Responsibility

The Commission administers Public Law 89–777, 46 U.S.C. 44101 *et seq.,* to ensure PVOs satisfy the financial responsibility requirements related to nonperformance of transportation and death or injury to passengers. The Commission set forth the procedures for PVOs to establish their financial responsibility in 46 CFR part 540.

Pursuant to the Commission's regulations, PVOs must file with the Commission evidence of financial responsibility for nonperformance of transportation in the form and amount described in the regulations. The Commission's regulations at 46 CFR 540.5 provides that the amount of coverage generally required shall be in an amount determined by the Commission to be no less than 110 percent of the unearned passenger revenue (UPR) of the applicant on the date within the two fiscal years immediately prior to the filing of the application which reflects the greatest amount of unearned passenger revenue.

The regulation, however, also provides that the Commission may, for good cause shown, consider a time period other than the previous two-fiscal-year requirement or other methods acceptable to the Commission to determine the amount of coverage required. The Commission's regulations at 46 CFR 540.9(l) further allow smaller PVOs [1] to submit a request to substitute alternative forms of financial protection to evidence the financial responsibility as otherwise provided in the regulations.

The Commission believes the sudden suspension of most cruise transportation due to COVID–19 has likely significantly reduced some PVOs' current UPR, leading to substantial disparity between current UPR and the generally required coverage amount under 46 CFR 540.5. This disparity could result in unnecessarily high premiums and required collateral for PVOs to maintain their required financial instruments. The Commission believes that COVID–19's unprecedented effects on the cruise

[1] Only PVOs whose UPR at no time during the two immediately prior fiscal years has exceeded 150% of the required cap may request alternative forms of financial responsibility under § 540.9(l).