

of 2010 (Pub. L. 111–274), and the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means each rule we publish must:

- Be logically organized;
- Use the active voice to address readers directly;
- Use clear language rather than jargon;
- Be divided into short sections and sentences; and
- Use lists and table wherever possible.

**List of Subjects in 43 CFR Part 2**

Administrative practice and procedure, Confidential information, Courts, Freedom of Information Act, Privacy Act.

For the reasons stated in the preamble, the Department of the Interior is amending 43 CFR part 2 as follows:

**PART 2—FREEDOM OF INFORMATION ACT; RECORDS AND TESTIMONY**

■ 1. The authority citation for part 2 continues to read as follows:

**Authority:** 5 U.S.C. 301, 552, 552a, 553; 31 U.S.C. 3717; 43 U.S.C. 1460, 1461, the Social Security Number Fraud Prevention Act of 2017, Pub. L. 115–59, September 15, 2017.

■ 2. Amend § 2.254 by:

- a. Revising paragraph (a)(5);
- b. Adding paragraph (b)(4);
- c. Revising paragraph (c)(15); and
- d. Adding paragraphs (d)(4), (e)(9), and (f)(2).

The additions and revisions read as follows:

**§ 2.254 Exemptions.**

\* \* \* \* \*

- (a) \* \* \*
- (5) INTERIOR/DOI–10, DOI Law Enforcement Records Management System (LE RMS).
- (b) \* \* \*
- (4) INTERIOR/DOI–10, DOI Law Enforcement Records Management System (LE RMS).
- (c) \* \* \*
- (15) INTERIOR/DOI–10, DOI Law Enforcement Records Management System (LE RMS).
- (d) \* \* \*
- (4) INTERIOR/DOI–10, DOI Law Enforcement Records Management System (LE RMS).
- (e) \* \* \*
- (9) INTERIOR/DOI–10, DOI Law Enforcement Records Management System (LE RMS).
- (f) \* \* \*

(2) INTERIOR/DOI–10, DOI Law Enforcement Records Management System (LE RMS).

\* \* \* \* \*

**Teri Barnett.**

*Departmental Privacy Officer, U.S. Department of the Interior.*

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**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**46 CFR Part 10**

[Docket No. USCG–2021–0288]

**RIN 1625–AC83**

**Exemption for Active-Duty Uniformed Service Members From Merchant Mariner Credentialing Fees**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Final rule.

**SUMMARY:** The Coast Guard is exempting certain members of the uniformed services from Merchant Mariner Credential (MMC) fees for the evaluation of an MMC application, the administration of an examination required for an MMC endorsement, and the issuance of an MMC. This final rule is in response to Executive Order 13860—Supporting the Transition of Active Duty Service Members and Military Veterans Into the Merchant Marine, and the National Defense Authorization Act for Fiscal Year 2020.

**DATES:** This final rule is effective November 4, 2024.

**ADDRESSES:** To view documents mentioned in this final rule as being available in the docket, go to [www.regulations.gov](http://www.regulations.gov), type USCG–2021–0288 in the search box and click “Search.” Next, in the Document Type column, select “Supporting & Related Material.”

**FOR FURTHER INFORMATION CONTACT:** For information about this document, call or email Mr. James Cavo, U.S. Coast Guard Office of Merchant Mariner Credentialing; telephone 202–372–1205, email [james.d.cavo@uscg.mil](mailto:james.d.cavo@uscg.mil).

**SUPPLEMENTARY INFORMATION:**

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**I. Abbreviations**

- CATEX Categorical exclusion
- CFR Code of Federal Regulations
- CG–MMC Coast Guard Office of Merchant Mariner Credentialing
- CPI Consumer Price Index
- DHS Department of Homeland Security
- GS General Schedule
- MMC Merchant Mariner Credential
- NDAA 2020 National Defense Authorization Act for Fiscal Year 2020
- NOAA National Oceanic and Atmospheric Administration
- NMC National Maritime Center
- NPRM Notice of Proposed Rulemaking
- OMB Office of Management and Budget
- RA Regulatory analysis
- § Section
- STCW International Convention on Standards of Training, Certification and Watchkeeping for Seafarers
- USPHS U.S. Public Health Service
- U.S.C. United States Code

**II. Background**

As mandated by Title 46 of the United States Code (U.S.C.), section 2110, and in accordance with 31 U.S.C. 9701, the Coast Guard has established fees associated with Merchant Mariner Credential (MMC) applications, which are codified in table 1 to § 10.219(a) of Title 46 of the Code of Federal Regulations (CFR). There are three types of credentialing fees: an evaluation fee, an examination fee, and an issuance fee. The amount of the fee varies based on the individual credential transaction an applicant seeks.

Evaluation fees for MMCs range from \$50 to \$100, and the applicant must pay the fee at the time an application is submitted to the Coast Guard. Examination fees range from \$45 to \$140, depending on the endorsement sought, and must be paid before the professional examination for an endorsement is taken.<sup>1</sup> If an applicant applies for an MMC with both a rating and an officer endorsement, the higher evaluation fee is charged. Issuance fees

<sup>1</sup> An *endorsement* is a “statement of a mariner’s qualifications.” 46 CFR 10.107(b). The particular endorsement(s) on each mariner’s MMC indicate what capacities they may serve in, such as a “Barge Supervisor” or a “Lifeboatman.” See *id.*; 46 CFR 10.109(a) through (b).

are \$45 and must be paid before an MMC is issued.<sup>2</sup>

The original issuance of an MMC, as well as any subsequent credential transactions, such as increasing the scope or raising the grade of authority, or renewing an MMC, all require a fee.<sup>3</sup> MMCs are valid for a period of 5 years and may be renewed at any time during the validity period of the credential and for 1 year after expiration.

Mariners typically seek additional endorsements after accruing the required sea service and completing required training. There are no fees associated with issuing mariner medical certificates or endorsements for the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW).

The Coast Guard does not require a fee for MMC transactions if one of the following three conditions is met:

(1) The application is for a Document of Continuity, as specified in 46 CFR 10.219(e)(3).

(2) The credential is a duplicate of a credential lost in a shipwreck or other casualty under 46 CFR 10.229(c) and reflected in table 1 to § 10.219(a).

(3) The applicant qualifies for a “no-fee” MMC under 46 CFR 10.219(h).

Currently, an applicant only qualifies for a “no-fee” MMC if they are a volunteer for, or an employee of, an organization that is youth-oriented, not-for-profit, and charitable, 46 CFR 10.219(h). The holder of a “no-fee” MMC is restricted to using vessels owned or operated by the sponsoring organization, 46 CFR 10.219(k).

In March 2019, Executive Order 13860 (Supporting the Transition of Active Duty Service Members and Military Veterans Into the Merchant Marine) directed the Coast Guard to waive the fees associated with MMC applications “for active duty service members, if a waiver is authorized and appropriate.”<sup>4</sup> That Executive Order applied only to members of the armed forces.

Subsequently, in December 2019, Congress enacted the National Defense Authorization Act for Fiscal Year 2020 (NDAA 2020).<sup>5</sup> Building upon Executive Order 13860, section 3511(c)(1) of the NDAA 2020 directed the Coast Guard to

waive evaluation, examination, and issuance fees associated with MMCs if a waiver is authorized and appropriate, not just for the armed forces (Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard), but for all “members of the uniformed services on active duty.” The uniformed services include the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) and the Commissioned Corps of the U.S. Public Health Service (USPHS) in addition to the Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard.<sup>6</sup>

In accordance with Executive Order 13860 and section 3511 of the NDAA 2020, on May 26, 2020, the U.S. Coast Guard’s Office of Merchant Mariner Credentialing (CG–MMC) issued Policy Letter 02–20, “Waiver of Fees Associated with MMC Applications for Active Duty Members of the Uniformed Services.”<sup>7</sup> CG–MMC Policy Letter 02–20 provided guidance for waiving MMC fees for active duty members of the uniformed services. The policy also provided a waiver of fees for mariners who provided documentation evidencing their eligibility for the fee waiver. This documentation could include active duty orders or a letter from their command or personnel office on official letterhead that stated the applicant was a current member of the uniformed services on active duty or a member of the Selected Reserve of the Ready Reserve of any of the armed forces or the Ready Reserve Corps of the USPHS.

On October 3, 2023, the Coast Guard published a notice of proposed rulemaking (NPRM) entitled “Exemption for Active Duty Uniformed Service Members from Merchant Mariner Credentialing Fees” (88 FR 68042). Having considered comments submitted in response to that NPRM, we are issuing this final rule to exempt certain members of the uniformed services from MMC fees for the evaluation of an MMC application, the administration of an examination required for an MMC endorsement, and the issuance of an MMC.

### III. Discussion of Comments and Changes

We received two comments on the NPRM published on October 3, 2023. These written submissions are available

in the public docket for this rulemaking, where indicated under **ADDRESSES** or use the direct link <https://www.regulations.gov/docket/USCG-2021-0288>.

One commenter expressed that the Coast Guard should research and collect data concerning the Endangered Species Act of 1973. This comment is not within the scope of this rulemaking. For this reason, we have made no changes from the proposed rule in response to this comment.

The second commenter expressed support for this final rule and inquired whether an exemption received on one MMC application applied to future applications. As proposed in the NPRM, a mariner must submit documentation of their eligibility for the exemption at the time they submit an application. A mariner who received an exemption in the past may not be eligible for an exemption on a subsequent application if their active duty or reserve status has changed. So, the applicant must demonstrate their eligibility for an exemption each time they apply for an original, renewal, or raise of grade of an MMC. For these reasons, we have made no changes from the proposed rule in response to this comment.

### IV. Legal Authority

Section 3511(c)(1) of the NDAA 2020 directed the Coast Guard to waive evaluation, examination, and issuance fees associated with MMCs for members of the uniformed services on active duty, if a waiver is authorized and appropriate. The Coast Guard has found that such a waiver is authorized and appropriate. Under 46 U.S.C. 2110(g), the Secretary of the Department of Homeland Security (DHS) may exempt a person from paying such a fee if the Secretary determines that it is in the public interest to do so. The Secretary has delegated this authority to the Coast Guard through article II, paragraph 92, subparagraph (a) of DHS Delegation No. 00170.1, Revision No. 01.4.

The Coast Guard concludes it is in the public interest to exempt members of the uniformed services (Army, Navy, Air Force, Marine Corps, Space Force, Coast Guard, Commissioned Corps of the NOAA, and Commissioned Corps of USPHS) on active duty; members of the Selected Reserve of the Ready Reserve of any of the armed forces (Army National Guard of the United States, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve, and Coast Guard Reserve); and the Ready Reserve Corps of the USPHS from fees associated with obtaining an MMC.

<sup>2</sup> A *rating endorsement* is an annotation on an MMC that allows a mariner to serve in those capacities set out in 46 CFR 10.109(b). 46 CFR 10.107(b). *Officer endorsement* means an annotation on an MMC that allows a mariner to serve in the capacities listed in 46 CFR 10.109. *Id.*

<sup>3</sup> “Increase in scope” and “raise of grade” are defined at 46 CFR 10.107.

<sup>4</sup> Executive Order 13860, section 3, paragraph (a)(ii) (84 FR 8407, March 7, 2019).

<sup>5</sup> Public Law 116–92, Dec. 20, 2019.

<sup>6</sup> Section 3511 of the NDAA 2020 is codified as a note to 46 U.S.C. 7302; “Uniformed services” defined at 10 U.S.C. 101(a)(5).

<sup>7</sup> CG–MMC Policy Letter 02–20 is available at <https://www.dco.uscg.mil/Portals/9/DCO%20Documents/5p/5ps/MMC/CG-MMC-2%20Policies/CG-MMC-Policy-Letter-02-20.pdf> (last visited 4/9/2024).

As discussed in Executive Order 13860, it is the policy of the United States to establish and maintain an effective merchant marine and to provide sufficient support and resources to active duty and separating service members who pursue or possess MMCs. The goals of not requiring these fees are to: (1) help attract active duty service members with the appropriate skills and expertise to obtain an MMC for employment in the maritime industry; (2) support U.S. national security requirements; and (3) provide meaningful, well-paying jobs to U.S. veterans.<sup>8</sup>

## V. Discussion of the Rule

The Coast Guard is amending 46 CFR 10.219 to codify this MMC fee waiver in the regulations. Specifically, the Coast Guard is exempting members of the uniformed services on active duty, members of the Selected Reserve of the Ready Reserve of any of the armed forces (Army National Guard of the United States, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve and Coast Guard Reserve), and the Ready Reserve Corps of the USPHS from paying evaluation, examination, or issuance fees for an MMC.

For purposes of this final rule, “uniformed services” has the same meaning as defined in 10 U.S.C. 101(a)(5): the Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard, as well as members of the NOAA and USPHS Commissioned Corps. Members of the Selected Reserve of the Ready Reserve of a reserve component named in 10 U.S.C. 10101 and members of the Ready Reserve Corps of the USPHS are also eligible for the exemption.<sup>9</sup>

For members of the armed forces, “active duty” has the same meaning as under 10 U.S.C. 101(d)(1). For members of the NOAA commissioned corps, “active duty” has the same meaning as under 33 U.S.C. 3002(b)(1). For members of the USPHS Commissioned Corps, “active duty” has the same meaning as defined in 42 CFR 21.72(f). “Selected Reserve” has the same meaning as under 10 U.S.C. 10143(a). This fee exemption will be located in a new paragraph (m) in 46 CFR 10.219.

## VI. Regulatory Analyses

We developed this final rule after considering numerous statutes and Executive orders related to the final

rule. Below we summarize our analyses based on these statutes and Executive orders.

### A. Regulatory Planning and Review

Executive Orders 12866 (Regulatory Planning and Review), as amended by Executive Order 14094 (Modernizing Regulatory Review), and 13563 (Improving Regulation and Regulatory Review) direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

The Office of Management and Budget (OMB) has not designated this final rule a significant regulatory action under section 3(f) of Executive Order 12866, as amended by Executive Order 14094 (Modernizing Regulatory Review). Accordingly, OMB has not reviewed this rule. A regulatory analysis (RA) follows.

### Changes From the Notice of Proposed Rulemaking

For the reasons discussed in section III of this preamble, Discussion of Comments, we have made no substantive changes to the regulatory text from the proposed rule in response to the two comments received during the NPRM comment period. However, we have made two non-substantive editorial changes to the regulatory text in 46 CFR 10.219(m) of this final rule. First, we referenced “section” instead of “subsection”. Second, we inserted the term “paragraph” before “(b)(2)” for clarity. The comments received also do not necessitate a change to either the methodology or type of data used in the RA from the NPRM. The only change to the regulatory analysis from the NPRM to this final rule is to update costs from 2021 to 2023 to utilize the most current available information.

### Summary of Regulatory Analysis

The Coast Guard issues this final rule in response to two items. The first is section 3, paragraph (a)(ii) of Executive Order 13860 (Supporting the Transition of Active Duty Service Members and Military Veterans Into the Merchant Marine) signed March 4, 2019.<sup>10</sup> The

second item is section 3511(c)(1) of the NDAA 2020.<sup>11</sup>

For purposes of the analysis, this RA is presented in two parts. Part I examines the impacts of CG–MMC Policy Letter 02–20, which was issued on May 26, 2020.<sup>12</sup> Part II examines the impacts of this final rule after the issuance of the CG–MMC Policy Letter 02–20. The policy letter and this final rule cover different populations. The difference between the two populations arises from which components of the reserves were eligible for a waiver of fees under the policy letter and which are eligible for an exemption under this final rule. The policy letter covered all current members of the reserves of the uniformed services and members of the National Guard, who were previously on active duty. This final rule, however, covers only those reservists who are currently members of the Selected Reserve, as described in 10 U.S.C. 10143(a), a reserve component named in 10 U.S.C. 10101, or the Ready Reserve of the USPHS. The population of this final rule is a subset of that of the policy letter.

The Coast Guard does not have data on the reserve and active duty status of applicants who were granted fee waivers under the policy letter. Due to this lack of data, it is not possible to estimate the differences in the affected populations between the policy letter and this final rule.<sup>13</sup> Therefore, the Coast Guard is treating the estimated difference as an unquantified impact of this final rule, though the Coast Guard explores potential cost savings effects in its analysis. Further discussion follows.

Since the policy letter and this final rule are implemented at different time periods (the policy letter was implemented in 2020, and this final rule will be implemented in 2024), two different baselines are examined. The first baseline is associated with the pre-policy baseline (covering 2020 through 2033), and the second is associated with the final rule baseline (covering 2024 through 2033).

necessary and appropriate actions to provide for the waiver of fees for active duty service members.”).

<sup>11</sup> Public Law 116–92, Dec. 20, 2019.

<sup>12</sup> Section 5e of the policy letter. A copy of the policy letter can be found in the docket.

<sup>13</sup> Although the NMC has data on the aggregate number of applicants for the fee waiver, it does not have data on the applicants broken out by subcategories such as what service they are in (or were in) or their active or reserve status. Executive Order 13860 does not require the Coast Guard to collect this data. As a result, the Coast Guard does not collect it. In addition, the Department of Defense did not publish data on the number of Selected Reservists or Ready Reservists who are currently on active duty or who were in the recent past at the time this final rule was written.

<sup>8</sup> Executive Order 13860, section 1.

<sup>9</sup> The NOAA Commissioned Corps does not have a reserve component.

<sup>10</sup> 84 FR 8407 March 7, 2019 (“With respect to NMC license evaluation, issuance, and examination, [the Coast Guard shall] take all

The pre-policy baseline analyzes the effects of Policy Letter 02–20, published in 2020, which allowed certain eligible applicants to receive a waiver of MMC fees. The pre-policy baseline estimates the costs and savings that applicants and the Coast Guard received as a result of the policy letter, as well as the costs and savings from this rulemaking.

The final rule baseline estimates the costs and savings that will occur as the result of this final rule. However, since we are unable to determine the change in population, there are no additional costs or savings that can be attributed to the final rule baseline.

Tables 1a and 1b provide a summary of all impacts from Policy Letter 02–20 and this final rule on a per-applicant

basis. Table 1a discusses the impact of the policy letter, and table 1b discusses the impact of this final rule. The dollar figures are presented in both undiscounted and discounted terms (7 percent on an annualized basis) for a 14-year period. All dollar figures presented in this final rule are in 2023 dollar terms unless otherwise stated.

**TABLE 1a—SUMMARY OF THE IMPACTS OF POLICY LETTER 02–20 PRE-POLICY BASELINE**  
[All figures in 2023 dollars]

Category	Impacts
Applicability .....	46 U.S.C. 2110, Executive Order 13860, and NDAA 2020.
Affected Population .....	Members of the uniformed services (Army, Navy, Air Force, Space Force, Marine Corps, Coast Guard, Commissioned Corps of NOAA, Commissioned Corps of USPHS), including reservists and members of the National Guard, who are on active duty at the time of application, or are current members of the reserve forces and were previously on active duty.
Estimated Fee Waivers (annually) .....	The estimated number of fee waivers in the future is 622 (annually).
Labor costs for applicants to provide documentation of eligibility for an MMC fee waiver.	\$10.23 per application. The 14-year documentation costs for the 622 yearly applicants are: <ul style="list-style-type: none"> <li>• \$89,105 (in total undiscounted dollars).</li> <li>• \$73,948.</li> </ul> \$6,365 (annualized, discounted at 7%).
Labor costs to the Coast Guard to evaluate applicant’s eligibility for MMC fee waiver.	\$8.50 per application. The 14-year costs to the Coast Guard are: <ul style="list-style-type: none"> <li>• \$74,018 (in total undiscounted dollars).</li> <li>• \$60,608 (total, discounted at 7%).</li> </ul> \$5,287 (annualized, discounted at 7%).
Transfer payments .....	The mean estimated transfer is \$159 per MMC.
(eliminated applicant’s MMC fees paid to the Federal Government).	Over the 14-year period, the transfers are estimated at: <ul style="list-style-type: none"> <li>• \$1,384,572 (in total undiscounted dollars).</li> <li>• \$1,133,720 (total, discounted at 7%).</li> </ul> \$98,898 (annualized, discounted at 7%).
Unquantified benefits .....	May provide uniformed services members greater flexibility with respect to pursuing careers after leaving the uniformed services.

**TABLE 1b—SUMMARY OF THE IMPACTS OF FINAL RULE**  
[All figures are in 2023 dollars]

Category	Impacts
Applicability .....	46 U.S.C. 2110, Executive Order 13860, and NDAA 2020.
Affected Population .....	This final rule covers only uniformed service members and reservists on active duty, members of the Selected Reserve, and members of the Ready Reserve Corps of the USPHS. This final rule involves a narrower population because Policy Letter 02–20 covers all reservists currently on active duty as well as those who were on active duty in the past.
Estimated Fee Exemptions (annually) .....	The number of fee exemptions in the future is estimated, for purposes of our analysis, at 622 (annually). However, because the only change from Policy Letter 02–20 involves a potential decrease in the reservist population, the actual number may be smaller. Due to a lack of data, it is not possible to quantify this number.
Labor costs for applicants to provide documentation of eligibility for an MMC fee exemption.	\$10.23 per application.  There are no additional labor costs to the applicants to provide documentation as this rulemaking codifies the already-existing Policy Letter 02–20.
Labor costs to the Coast Guard to evaluate applicant’s eligibility for MMC fee exemption.	\$8.50 per application.  There are no additional labor costs expected from the implementation of this rulemaking as it codifies the already-existing Policy Letter 02–20.
Transfer payments (eliminated applicant’s MMC fees paid to the Federal Government).	Codifies MMC Fee Waiver. The mean estimated transfer is \$159 per MMC.
Unquantified benefits .....	There are no additional transfer payments expected from the implementation of this final rule as it codifies the already existing Policy Letter 02–20. May reduce the burden on the affected population by increasing efficiency and transparency, as opposed to remaining a standalone policy letter.

**Note:** Aggregate total numbers in the table have been rounded to the closest whole dollar.

Part I. CG–MMC Policy Letter 02–20 (Pre-Policy Baseline)

A policy letter was published to immediately implement Executive Order 13860 and section 3511(c)(1) of the NDAA 2020. Implementing the policy letter had three impacts. The first impact was the time that applicants were required to provide documentation to show eligibility for the MMC fee waiver.<sup>14</sup> The second impact involved the labor costs for the Coast Guard to evaluate documentation for eligibility of the fee waiver. Before the policy letter was implemented, the Coast Guard did not have to evaluate such documentation, so there was no cost to the Government. The third impact of the policy letter was in the form of transfer payments, which are monetary payments from one group to another that do not affect the total resources

available to society. Before the Coast Guard implemented the policy letter, the affected population was required to pay the MMC fees. Following publication of the policy letter, the Federal Government incurred the cost of those fees. These three factors comprise the effects of the of Policy Letter 02–20.

Affected Population for Policy Letter 02–20

In accordance with Executive Order 13860, section 3511 of the NDAA 2020, and the authority under 46 U.S.C. 2110(g), the Coast Guard waived MMC fees for members of the uniformed services (Army, Navy, Air Force, Marine Corps, Space Force, Coast Guard, and the Commissioned Corps of NOAA and the USPHS), including reservists and members of the National Guard, if they were on active duty at the time of

application, or a member of the reserve forces and were previously on active duty.<sup>15</sup> The fee waiver was implemented through Policy Letter 02–20. This policy letter took effect on May 26, 2020. Data is available for all these categories of personnel except the Ready Reserve Corps of the USPHS. The Ready Reserve Corps of the USPHS was authorized and funded by the Coronavirus Aid, Relief and Economic Security Act and signed into law on March 27, 2020. It only began to accept applications in the fall of 2020.<sup>16</sup>

With respect to the other groups mentioned, the maximum potentially affected population was 2,145,035. That was the total number of personnel who may have been eligible for an MMC fee waiver. A detailed breakdown of this population can be found below in table 2.

TABLE 2—MAXIMUM TOTAL POTENTIALLY AFFECTED POPULATION BY POLICY LETTER 02–20

Service branch	Number	Source	Notes
<b>Members of Uniformed Services</b>			
Army .....	466,172	Defense Manpower Data Center DMDC website, <a href="https://dwp.dmdc.osd.mil/dwp/app/dod-data-reports/workforce-reports">https://dwp.dmdc.osd.mil/dwp/app/dod-data-reports/workforce-reports</a> (last visited 4/9/2024).	This data is as of the quarter ending March 2022. <sup>1</sup>
Navy .....	340,390		
Air Force and Space Force .....	329,257		
Marines .....	176,259		
Coast Guard .....	40,308		
Commissioned Corps of NOAA ...	327	Information from NOAA, provided May 27, 2021 .....	
Commissioned Corps of USPHS	6,100		
Total Active Uniformed Service Members.	1,358,813	Department of Health and Human Services website <a href="https://uscg.sharepoint-mil.us/sites/PWA-DCO-5P/ActiveRulemakingProjects/CG-REGActiveRulemakingProjects/Undocketed-MMCFeeWaiver/ECON/NPRM/Data/Population/In-ScopeOldPreMay26,2021/PopulationSetActiveDuty/USPHSSize.pdf?CT=1712845632479&amp;OR=ItemsView">https://uscg.sharepoint-mil.us/sites/PWA-DCO-5P/ActiveRulemakingProjects/CG-REGActiveRulemakingProjects/Undocketed-MMCFeeWaiver/ECON/NPRM/Data/Population/In-ScopeOldPreMay26,2021/PopulationSetActiveDuty/USPHSSize.pdf?CT=1712845632479&amp;OR=ItemsView</a> (last visited 4/11/24).	
<b>Members of Selected Reserve of the Ready Reserve</b>			
Army Reserve .....	180,647	Defense Manpower Data Center website, <a href="https://dwp.dmdc.osd.mil/dwp/app/dod-data-reports/workforce-reports">https://dwp.dmdc.osd.mil/dwp/app/dod-data-reports/workforce-reports</a> , (last visited 4/9/2024). Downloaded from section “military personal, Military and civilian personnel by service/agency by state/ country, March 2022”.	This data is as of March 2022. <sup>2</sup>
Army National Guard of the U.S.	333,182		
Navy Reserve .....	56,017		
Air Force Reserve .....	69,697		
Air National Guard of the U.S. ....	106,964		
Marine Corps Reserves .....	33,607		
Coast Guard Reserves .....	6,108		
Commissioned Corps of USPHS (Ready Reserve).	N.A. <sup>3</sup>		
Space Force Reserve .....	40		
Total Members of Selected Reserve of the Ready Reserve.	786,222		
Total Active Uniformed Service Members + Members of Selected Reserve of the Ready Reserve.	2,145,035		

<sup>1</sup> This table does not include personnel on temporary duty or deployed in support of contingency operations. The data is the latest available as of June 2022.

<sup>2</sup> Latest available data as of the search date, September 1, 2022.

<sup>3</sup> USPHS Ready Reserve was created in March 2020 and started to take applications in Fall 2020.

<sup>4</sup> The Space Force, as of September 1, 2022, does not have a reserve element.

<sup>14</sup> Applicants must submit documentation consistent with CG–MMC Policy Letter 02–20 to show that they are eligible for the fee exemption. Documentation may include a copy of active duty

orders citing Titles 10 or 14 of the U.S.C., or a letter from the relevant command or personnel office on official letterhead stating that the applicant is a current member of the uniformed services.

<sup>15</sup> The legal authority is discussed in greater detail in section II of this preamble, Background.

<sup>16</sup> <https://www.usphs.gov/ready-reserve> (last visited 4/9/2024).

Of the 2,145,035 eligible persons, only a small number applied for an MMC and received a fee waiver. Based on available data, 2020 through 2022 inclusively, an average of 622 eligible persons were granted a waiver of MMC fees per year. The Coast Guard assumes that, in the 10-year period following

implementation of Policy Letter 02–20, an average of 622 persons will continue to annually request and receive a waiver of MMC fees.

**MMC Fees To Be Exempted**

Table 3 provides the MMC evaluation, examination, and issuance fees waived

for qualifying individuals based on Policy Letter 02–20.<sup>17</sup> The column on the right side shows the aggregated evaluation, examination, and issuance fees for each type of credential transaction. The average fee for an MMC, as can be seen at the bottom of table 3, is \$159.38.<sup>18</sup>

**TABLE 3—FEE FOR MMCs AND ASSOCIATED ENDORSEMENTS FROM TABLE 1 TO § 10.219(a) IN 46 CFR 10.219(a)**

If you apply for	Evaluation, then the fee is . . . .	Examination, then the fee is . . . .	Issuance, then the fee is . . . .	Total
<b>MMC with officer endorsement:</b>				
Original:				
Upper level 1 .....	\$100	\$110	\$45 .....	\$255
Lower level 2 .....	100	95	45 .....	240
Renewal .....	50	45	45 .....	140
Raise of grade .....	100	45	45 .....	190
Modification or removal of limitation or scope .....	50	45	45 .....	140
<b>Radio Officer endorsement:</b>				
Original .....	50	45	45 .....	140
Renewal .....	50	n/a	45 .....	95
<b>Staff officer endorsements:</b>				
Original .....	90	n/a	45 .....	135
Renewal .....	50	n/a	45 .....	95
<b>MMC with rating endorsement:</b>				
Original endorsement for ratings other than qualified ratings .....	95	n/a	45 .....	140
Original endorsement for qualified rating .....	95	140	45 .....	280
Upgrade or raise of grade .....	95	140	45 .....	280
Renewal endorsement for ratings other than qualified ratings .....	50	n/a	45 .....	95
Renewal endorsement for qualified rating .....	50	45	45 .....	140
Modification or removal of limitation or scope .....	50	45	45 .....	140
<b>STCW endorsement:</b>				
Original .....	0	0	0 .....	n/a
Renewal .....	0	0	0 .....	n/a
Reissuance, replacement, and duplicate .....	n/a	n/a	45 .....	45
			<b>Summary Statistics</b>	
			Mean .....	\$159.38
			Lower Bound .....	\$45.00
			Upper Bound .....	\$280.00
			Credential transaction types that require fees.	16

**Cost and Transfer Impacts of Policy Letter 02–20**

As stated previously, there were three impacts of the policy letter. The first was it resulted in a cost to applicants to provide the documentation needed to show eligibility for the MMC fee waiver. The second was the cost to the Coast Guard to process this documentation. The third was the transfer price associated with the costs of the fees being shifted from individual applicants to the Federal Government. The costs to

applicants are discussed in detail in section (1), the costs to the Coast Guard are discussed in section (2), the combined costs to applicants and the Coast Guard are discussed in section (3), and the transfer costs are detailed in section (4).

**(1) Labor Costs for Applicants Providing Documentation Showing Eligibility for MMC Fee Waiver**

Applicants for an MMC fee waiver, under Policy Letter 02–20, provided

documentation to show eligibility. Examples of documentation include, but are not limited to, active duty orders citing Titles 10 or 14 of the U.S.C., a letter from the command or personnel office on official letterhead stating that the applicant was serving under Titles 10 or 14 of the U.S.C., or similar documentation. The applicant submitted the documentation with their application for an MMC.<sup>19</sup>

<sup>17</sup> See Table 1 to 10.219(a)—Fees in 46 CFR 10.219.

<sup>18</sup> The \$159.38 is the nominal figure. Converting this into 2021 dollar terms, from 2023, it is \$139.28. The conversion process, along with its impact on

the RA, is discussed in more detail further in the RA.

<sup>19</sup> In order to provide maximum flexibility to applicants, the acceptable forms of documentation will be provided in updated guidance that the Coast

Guard is planning to publish when this final rule is published.

The National Maritime Center (NMC) estimated that it took applicants 15 minutes to obtain eligibility documentation and include it with an MMC application.<sup>20 21</sup> The Coast Guard estimates the mean hourly rate of active duty uniformed service members at \$40.93 per hour (in 2023 dollars).<sup>22</sup> To estimate hourly rates, the Coast Guard divides \$85,416.12 (the average annual pay of all active duty military personnel, rounded) by 2,087, which the Office of Personnel and Management uses as the number of working hours in a year, per 5 U.S.C. 5504(b)(1).<sup>23</sup>

Therefore, the Coast Guard estimates the average hourly rate of active duty uniformed service members, in 2023 dollar terms, is \$40.93<sup>24</sup> (\$85,416.12 ÷ 2,087, rounded).

The Coast Guard estimates it takes 15 minutes to provide the documentation showing eligibility for the fee waiver and forecasts 622 applicants per year. We estimate the total cost (in 2023 dollars) for all applicants to be \$6,365 per year, rounded (622 applicants × \$40.93 per hour × (15 minutes ÷ 60 minutes)<sup>25</sup>).

Table 4 shows the estimated nominal cost over a 14-year period, including discounted and annualized figures. Because the policy letter became effective in 2020, table 4 shows the estimated costs for the 14-year period covering 2020 through 2033.<sup>26</sup> Table 4 shows the pre-policy letter baseline, which is the 14-year period following the implementation of the policy letter. All dollar figures in table 4, as with all other tables in this Regulatory Analysis, are in 2023 dollars unless otherwise stated.

TABLE 4—LABOR COSTS FOR APPLICANTS COMPLETING MMC FEE WAIVER DOCUMENTATION  
[Policy Letter 02–20 impact, pre-policy letter implementation baseline]

Year	Nominal	3%	7%
Year 1 (2020)	\$6,365	\$6,955	\$7,797
Year 2 (2021)	6,365	6,752	7,287
Year 3 (2022)	6,365	6,556	7,797
Year 4 (2023)	6,365	6,365	6,365
Year 5 (2024)	6,365	6,179	5,948
Year 6 (2025)	6,365	5,999	5,559
Year 7 (2026)	6,365	5,825	5,195
Year 8 (2027)	6,365	5,655	4,856
Year 9 (2028)	6,365	5,490	4,538
Year 10 (2029)	6,365	5,330	4,241
Year 11 (2030)	6,365	5,175	3,964
Year 12 (2031)	6,365	5,024	3,704
Year 13 (2032)	6,365	4,878	3,462
Year 14 (2033)	6,365	4,736	3,235
<b>Total</b>	<b>89,105</b>	<b>80,919</b>	<b>73,948</b>
NPV of nominal stream		71,895	55,662
Annualized		6,365	6,365

Please note totals may not sum up exactly due to rounding.

(2) Labor Costs to the Coast Guard To Evaluate and Process Documentation Showing Eligibility for MMC Fee Waivers

Just as there are labor costs for applicants to submit documentation,

there are labor costs to the Coast Guard to evaluate and process the documentation showing eligibility for an MMC fee waiver. The NMC estimates that the time to process the typical documentation is 10 minutes, or 0.17 hours (10 ÷ 60). The processing is

performed by personnel holding positions at the Government General Schedule (GS) pay scale of GS–07. According to Commandant Instruction 7310.1W,<sup>27</sup> the hourly loaded rate for a GS–07 Coast Guard employee is

<sup>20</sup>The NMC is responsible for receiving and evaluating MMC applications and issuing MMCs to qualified mariners.

<sup>21</sup>The Coast Guard, in its calculations, has assumed that applicants provide their own documentation as opposed to command personnel providing the documentation on their behalf. The Coast Guard does not have information on the breakdown between the two groups.

<sup>22</sup>This dollar figure for uniformed service members is provided in nominal terms, as opposed to a loaded rate (adjusted for benefits). This is due to the complexity of measuring and obtaining readily available data on the uniformed service members benefit compensation package. We compared civilian employees and uniformed service members and concluded that the comparison is not appropriate, since civilian employees and uniformed service members receive significantly different benefits. Uniformed personnel, for example, are provided full housing (or equivalent financial compensation), food or

partial food stipend, full medical coverage for themselves and their families, significant educational benefits during their time in service and, upon completing terms of military service, pensions (for those who complete the requisite amount of service) complete moving expenses throughout their careers, and other benefits that are dependent upon an individual’s assignment. By comparison, few employees in the private sector receive such benefits.

<sup>23</sup>The \$85,416.12 figure was estimated using the January 2023 Monthly Basic Pay Table on the Department of Defense website, <https://militarypay.defense.gov/Portals/3/Documents/2023%20Basic%20Pay%20Table.pdf> (last visited 4/9/2024), which in turn was found under “active-duty pay” at <https://militarypay.defense.gov/Pay/Basic-Pay/Active-Duty-Pay/> (last visited 4/9/2024). In calculating this average, we excluded all zero cells in the table, as they are fields for which wages cannot exist. For example, it is not possible to obtain a 0-to-10 rating with fewer than 20 years of

experience. Hence, the zeros in the table for that rating, for years of experience under 20, were excluded from our calculations. After deriving the unweighted monthly average from this table (\$7,118.01), the figure was annualized by multiplying by 12 to obtain \$85,416.12. It should be noted that this figure may not be exact due to rounding.

<sup>24</sup> Rounded to nearest whole cent.

<sup>25</sup> This figure is rounded to the nearest whole cent.

<sup>26</sup> It should be noted that for the 3 years (2020 through 2022, inclusively), we are implicitly applying our assumptions regarding the final rule’s population numbers and costs for 2022 the years that follow. The same reasoning applies to analysis later in this RA on the 2020 through 2022 periods examined for Policy Letter 02–20.

<sup>27</sup> This was the latest Commandant Instructions for Reimbursable Standard Rates available as of the time this final rule was written, January 15, 2024.

\$50.00.<sup>28</sup> This rate is in 2023 dollars. Thus, the labor cost to the Coast Guard to process the eligibility documentation is \$8.50 (0.17 hours × \$50.00 per hour) per applicant (in 2023 dollars).

As stated previously, the Coast Guard assumes 622 applicants will receive a

MMC fee waiver each year. Given this, the Coast Guard predicts it will spend \$5,287 per year to evaluate and process documentation provided by applicants showing eligibility for fee waivers (622 × \$8.50 = \$5,287, rounded to the nearest

whole dollar). The Coast Guard estimates the aggregate 14-year cost to the Government is \$60,608, with an annualized figure of \$5,287, discounted at 7 percent. Table 5 provides the labor costs by year.

**TABLE 5—LABOR COSTS TO COAST GUARD TO EVALUATE ELIGIBILITY FOR MMC FEE WAIVER**  
[Policy Letter 02–20 impact, pre-policy letter implementation baseline]

Year	Nominal	3%	7%
Year 1 (2020)	\$5,287	\$5,777	\$6,477
Year 2 (2021)	5,287	5,609	6,053
Year 3 (2022)	5,287	5,446	5,657
Year 4 (2023)	5,287	5,287	5,287
Year 5 (2024)	5,287	5,133	4,941
Year 6 (2025)	5,287	4,984	4,618
Year 7 (2026)	5,287	4,838	4,316
Year 8 (2027)	5,287	4,697	4,033
Year 9 (2028)	5,287	4,561	3,770
Year 10 (2029)	5,287	4,428	3,523
Year 11 (2030)	5,287	4,299	3,292
Year 12 (2031)	5,287	4,174	3,077
Year 13 (2032)	5,287	4,052	2,876
Year 14 (2033)	5,287	3,934	2,688
<b>Total</b>	<b>74,018</b>	<b>67,218</b>	<b>60,608</b>
<b>Annualized</b>		<b>5,287</b>	<b>5,287</b>

Please note totals may not sum due to rounding.

(3) Aggregated Labor Costs for Applicants and the Coast Guard Associated With Documentation of Eligibility for an MMC Fee Waiver

The Coast Guard estimates the total costs related to the documentation of eligibility for applicants and the Coast Guard shown in tables 4 and 5 for the 14-year period following the implementation of the policy letter in

table 6. The estimated total costs to evaluate and process the documentation for applicants and the Coast Guard for the 14-year period is \$133,569, with an annualized cost of \$11,652, discounted at 7 percent.

**TABLE 6—TOTAL COSTS TO APPLICANTS AND COAST GUARD TO EVALUATE AND PROCESS DOCUMENTATION OF ELIGIBILITY FOR MMC FEE WAIVER**  
[Policy Letter 02–20 impact, pre-policy letter implementation baseline]

Year	Nominal	3%	7%
Year 1 (2020)	\$11,652	\$12,732	\$14,274
Year 2 (2021)	11,652	12,361	13,340
Year 3 (2022)	11,652	12,001	12,467
Year 4 (2023)	11,652	11,652	11,652
Year 5 (2024)	11,652	11,312	10,889
Year 6 (2025)	11,652	10,983	10,177
Year 7 (2026)	11,652	10,663	9,511
Year 8 (2027)	11,652	10,352	8,889
Year 9 (2028)	11,652	10,051	8,307
Year 10 (2029)	11,652	9,758	7,764
Year 11 (2030)	11,652	9,474	7,256
Year 12 (2031)	11,652	9,198	6,781
Year 13 (2032)	11,652	8,930	6,338
Year 14 (2033)	11,652	8,670	5,923
<b>Total</b>	<b>163,123</b>	<b>148,137</b>	<b>133,569</b>
<b>NPV of nominal stream</b>		<b>131,617</b>	<b>101,899</b>
<b>Annualized</b>		<b>11,652</b>	<b>11,652</b>

Please note totals may not sum due to rounding.

<sup>28</sup> Page two of enclosure 2 to Commandant Instruction 7310.1W (<https://media.defense.gov/>)

2022/Aug/24/2003063079/-1/-1/0/CI\_7310\_1W.PDF) (last visited 4/9/2024).



(4) Eliminating Transfer Payments to Federal Government of Providing MMC Fee Waivers

Before the Coast Guard implemented Policy Letter 02–20, applicants had to pay evaluation, examination, and issuance fees to obtain an MMC.<sup>29</sup> Implementing the policy letter eliminated this requirement for applicants eligible for a fee waiver. No longer requiring applicants to pay MMC fees represents a loss of revenue to the Federal Government and an equal gain to eligible MMC applicants. This is

referred to as a transfer payment. For those MMC fees that were eliminated by the policy letter, the Federal Government will face a shortfall in revenues. The revenues from those fees will need to be made up through alternative means (for example, increased taxes, new or increased fees for other services, or similar sources of revenue or in some other manner). Thus, there will be no net social benefit or cost with respect to transfer payments.

As stated previously, the average annual number of uniformed service

members who received a waiver of MMC fees between 2020 and 2022 (inclusively) was 622. The estimated average fee associated with the applications for these MMCs was \$159 each (in 2023 dollars).<sup>30</sup>

For this population, the cost was \$98,898 per year in nominal terms (622 × \$159.00 = \$98,898). Thus, for the 14 years after the implementation of the policy letter, the Coast Guard estimates transfer payments will total \$1,133,720, with an annualized amount of \$98,898, discounted at 7 percent. These estimates can be seen in table 7.

TABLE 7—TRANSFER PAYMENTS—ELIMINATED  
[Policy Letter 02–20 impact, pre-policy letter implementation baseline]

Year	Nominal	3%	7%
Year 1 (2020)	\$98,898	\$108,069	\$121,154
Year 2 (2021)	98,898	104,921	113,228
Year 3 (2022)	98,898	101,865	105,821
Year 4 (2023)	98,898	98,898	98,898
Year 5 (2024)	98,898	96,017	92,428
Year 6 (2025)	98,898	93,221	86,381
Year 7 (2026)	98,898	90,506	80,730
Year 8 (2027)	98,898	87,870	75,449
Year 9 (2028)	98,898	85,310	70,513
Year 10 (2029)	98,898	82,826	65,900
Year 11 (2030)	98,898	80,413	61,589
Year 12 (2031)	98,898	78,071	57,560
Year 13 (2032)	98,898	75,797	53,794
Year 14 (2033)	98,898	73,589	50,275
Total	1,384,572	1,257,372	1,133,720
NPV of nominal stream		1,117,159	864,909
Annualized		98,898	98,898

Please note totals may not sum due to rounding.

Benefits of Policy Letter 02–20

The Coast Guard has identified one qualitative benefit of Policy Letter 02–20 stemming from the elimination of the MMC fees referred to in Executive Order 13860. The fee waiver may provide eligible uniformed service members greater flexibility with respect to pursuing careers after leaving the uniformed services.

Part II. Final Rule

This final rule codifies Policy Letter 02–20 in terms of required actions.<sup>31</sup> In addition, it covers only a subset of the affected population of the policy letter. This final rule covers only the Selected Reserves and Ready Reserves of the uniformed services while the policy letter covered all current members of the reserves of the uniformed services and National Guard who were on active duty in the past. As a result, this final rule covers a smaller portion of the affected

population than the policy letter. However, as discussed previously, there is no available data to accurately estimate this difference. The reason there is no available data is because the NMC only collects data on those receiving the NMC fee exemptions and does so on an aggregate basis. The NMC does not collect more detailed data such as what branch they are in or whether they are in the reserve. Due to the smaller number of eligible applicants, the Coast Guard surmises that when compared to the policy letter, this final rule will result in a small cost savings to the applicant and the Coast Guard for no longer needing to provide and review the documentation for the fee waiver.

The following cost analysis discusses the impact of the difference in the reservist populations on the number of MMC applications. However, due to a lack of data, it is not possible to quantify the cost difference.

Affected Population for Final Rule

As this final rule covers a narrower definition of reservists than Policy Letter 02–20, it will cover fewer than 622 persons per year. Due to a lack of data, the Coast Guard assumes that, for this final rule, the number of applicants for MMC exemptions is 622.

Cost Analysis for Final Rule

This final rule involves a narrower population than Policy Letter 02–20, as the Policy Letter covered current, and previously serving, members of the reserves of the uniformed services and National Guard while this final rule covers only those who are currently on active duty or are members of the Selected Reserve or Ready Reserve. The final rule, unlike the Policy Letter, does not include those who were on active duty in the past. As the Coast Guard does not have data on the differences between the two populations, and

<sup>29</sup> Listed in table 3 of this RA.

<sup>30</sup> This number is rounded to the closest whole number. The number can be found in table 3 of this RA.

<sup>31</sup> This is as opposed to the final rule population. The issues regarding the final rule population are discussed below.

therefore cannot quantify the difference, it assumes that the reduction in the number of waivers from the policy letter and exemptions from this final rule is zero.<sup>32</sup>

If the number of applicants seeking exemptions under this final rule is fewer than the number of waivers under the policy letter, there will be a decrease in the costs of this final rule when compared to the costs of the policy letter. For every applicant that does not seek an exemption under this final rule (as opposed to a waiver under the policy letter), this final rule will result in a cost savings of \$10.24 per applicant related to providing the necessary documentation, and a cost savings of \$8.50 per applicant for the Coast Guard, related to reviewing that documentation. If this final rule results in any decrease in the number of individuals seeking an exemption from MMC fees, the amount will be \$159 (rounded to the closest dollar) per applicant (the average MMC fee paid by an applicant).

As stated previously, this final rule codifies an already existing policy letter. The only difference between the policy letter and this final rule is that this final rule does not cover a subset of the reserve forces that the policy letter covers. Due to a lack of data regarding this potential difference, it is not possible to estimate differences in costs or benefits. The lack of data also makes it impossible to even determine whether there actually is a difference in populations between this final rule and the policy letter. If there is a difference between the policy letter and this final rule in populations, the costs and cost savings differences will amount to the figures cited in the previous paragraph on a per individual basis.

#### Benefits of the Final Rule

The Coast Guard believes that updating regulations in the CFR with this final rule may reduce the burden on the affected population by increasing efficiency and transparency, as opposed to remaining a standalone policy letter.<sup>33</sup>

<sup>32</sup> For a more detailed discussion of the cost difference discussions between this final rule and the policy letter in the “Cost and Transfer Impacts of Cost Analysis of Policy Letter 02–20” section of the RA.

<sup>33</sup> This final rule also incorporates greater flexibility with respect to pursuing careers. As this has already been achieved by issuing the policy letter, independent of this final rule, we list only the increased clarity and transparency that would be obtained through codifying the Coast Guard’s policy for exempting MMC fees through this final rule.

#### Regulatory Alternatives Considered

In developing this final rule, the Coast Guard considered three alternatives to the exemption (fourth alternative).

The first alternative was the exemption of the MMC fees listed in table 1 to § 10.219(a) in 46 CFR 10.219(a), as shown in table 3 of this final rule. Because this alternative would not fulfill the requirements of Executive Order 13860 or the NDAA 2020, the Coast Guard rejected this alternative.

The second alternative was to make no change to the user fee schedule for members of the uniformed services, but to establish program to reimburse MMC fees for uniformed service members. Under this alternative, the population applying for MMCs would initially pay MMC fees and then file a request for reimbursement with their service in order to be compensated for the cost. However, the process to reimburse fees would be a greater burden than this final rule’s framework for eligible applicants, who would pay MMC fees out of pocket and then request compensation through their service. Filing a request for reimbursement would also increase the amount of documentation applicants would be required to file and would add an administrative burden to the services in establishing and implementing reimbursement programs. The Coast Guard rejected this alternative.

The third alternative was to extend the exemption only to the portion of the population consisting of members of the Selected Reserve of the Ready Reserve of any of the armed forces (Army National Guard of the United States, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve and Coast Guard Reserve), and the Ready Reserve Corps of the USPHS who are on “active duty,”<sup>34</sup> while excluding those simply in an “active status.”<sup>35</sup> The Coast Guard rejected this alternative because it does not best support the intent of Executive Order 13860 and the NDAA 2020 to help attract active duty service members to obtain an MMC, and provide meaningful, well-paying jobs to

<sup>34</sup> *Active duty* is defined here as under 10 U.S.C. 101(d)(1). Under that section it means “full-time duty in the active military service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. Such term does not include full-time National Guard duty.”

<sup>35</sup> All members of the Ready Reserve are in active status. Selected Reserves are only part of that group. Individual ready reserves are also active status.

U.S. veterans in support of U.S. national security requirements.

The Coast Guard believes that the intent of Executive Order 13860 and NDAA 2020 is best supported through a fourth alternative—extending the eligibility for MMC fee exemptions to members of the Selected Reserve of the Reserves of the Army, Navy, Air Force, Marines, Coast Guard and Space Force (such as Selected and Ready Reservists), and not limiting eligibility to only members of the uniformed services on active duty. This alternative best supports the intent of Executive Order 13860 and the NDAA 2020 by ensuring a wide range of service members who wish to pursue an MMC are provided support and by expanding the population eligible to receive an exemption from MMC fees. The Coast Guard believes this alternative will result in a larger number of credentialed mariners available to support U.S. national security requirements and provide meaningful, well-paying jobs to U.S. veterans.

#### B. Small Entities

Under the Regulatory Flexibility Act, 5 U.S.C. 601–612, the Coast Guard has considered whether this final rule has a significant economic impact on a substantial number of small entities. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

This final rule codifies certain actions taken in the previously implemented Policy Letter 02–20. Therefore, this final rule exempts fees for the evaluation of an MMC application, the administration of a required examination, and the issuance of an MMC for members of the uniformed services. Since the impacts discussed above in the RA affect individuals and not business (firms), not-for-profit organizations, and State or Local governmental jurisdictions, this final rule will not impact small entities as defined by the Small Business Administration in 13 CFR 121.201. Based on this analysis, this final rule will not affect a substantial number of small entities.

#### C. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104–121, the Coast Guard wants to assist small entities in understanding this final rule so that they can better evaluate its effects on them and participate in the rulemaking. The Coast

Guard will not retaliate against small entities that question or complain about this final rule or any policy or action of the Coast Guard.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1-888-REG-FAIR (1-888-734-3247).

#### D. Collection of Information

This final rule codifies actions taken under the previously implemented Policy Letter 02-20, therefore, this final rule calls for a change to an existing collection of information under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3520. As defined in 5 CFR 1320.3(c), "collection of information" comprises reporting, recordkeeping, monitoring, posting, labeling, and other similar actions. The title and description of the information collections, a description of those who must collect the information, and an estimate of the total annual burden, follow. The estimate covers the time for reviewing instructions, searching existing sources of data, gathering and maintaining the data needed, and completing and reviewing the collection.

The information collection associated with this final rule is the currently approved collection, OMB Control Number 1625-0040, "Applications for Merchant Mariner Credentials and Medical Certificates." In order to process the fee exemptions in this final rule, the Coast Guard will require eligible applicants for an MMC to provide documentation of their eligibility for a fee exemption.<sup>36</sup> In addition, it will require the NMC to evaluate and process this documentation part of an evaluation for an MMC.

*reTitle:* Applications for Merchant Mariner Credentials and Medical Certificates.

*OMB Control Number:* 1625-0040  
*Summary of the Collection of Information:* The Coast Guard currently collects information from individuals seeking to obtain an MMC, renew an

MMC, and obtain a merchant mariner medical certificate. The final rule requires applicants who are members of the uniformed services (622 applicants per year), and who sought a waiver of MMC fees, to provide documentation of eligibility for the MMC fee waiver as part of an MMC application (form CG-719B).

*Need for Information:* Title 46 CFR, section 10.217(a), requires MMC applicants to apply at one of the Coast Guard's 17 Regional Exam Centers, located nationwide or any other location designated by the Coast Guard. The Coast Guard is responsible for issuing MMCs to applicants within the qualifying age, character, and habits of life, experience, professional qualifications, and physical fitness. The instruments contained within OMB Control No. 1625-0040 serve as a means for the applicant to apply for an MMC and a merchant mariner medical certificate.

*Use of Information:* The Coast Guard conducts this collection of information solely for the purposes of determining eligibility for issuance of an MMC in accordance with applicable statutes and regulations. The Coast Guard evaluates the collected information to determine whether applicants are qualified to serve under the authority of the requested credential with respect to their professional qualifications and suitability.

*Description of the Respondents:* All applicants for an MMC, whether original, renewal, duplicate, raise of grade, or to add a new endorsement on a previously issued MMC, are included in this collection. The respondent population includes the number of uniformed service members applying for MMCs who receive a waiver of MMC fees (622 applicants annually).

*Number of Respondents:* The currently approved number of respondents is 310,604.<sup>37</sup> This final rule will add an additional 622 respondents per year.

*Frequency of Response:* The frequency of response is once per year.<sup>38</sup>

*Burden of Response:* The collection of information from this final rule requires the population to spend 15 minutes (0.25 hours) to provide evidence of eligibility for an MMC fee exemption.

*Estimate of Total Annual Burden:* The current collection of information

estimates the total number of respondent's hours at 62,004. The Coast Guard estimates this final rule will increase the annual burden by 156 (0.25 × 622 = 155.5, rounded up to nearest whole number) hours. Hence this final rule is expected to result in a new total burden hour total of 62,160.<sup>39</sup>

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

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

#### E. Federalism

A rule has implications for federalism under Executive Order 13132 (Federalism) if it has a substantial direct effect on States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this final rule under Executive Order 13132 and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132. Our analysis follows.

It is well settled that States may not regulate in categories reserved for regulation by the Coast Guard. It is also well settled that all of the categories covered in 46 U.S.C. 3306, 3703, 7101, and 8101 (design, construction, alteration, repair, maintenance, operation, equipping, personnel qualification, and manning of vessels), as well as the reporting of casualties and any other category in which Congress intended the Coast Guard to be the sole source of a vessel's obligations, are within the field foreclosed from regulation by the States. See the Supreme Court's decision in *United States v. Locke*, 529 U.S. 89, 529 U.S. 89, 120 S.Ct. 1135 (2000). Therefore, because the States may not regulate within these categories, this final rule is consistent with the fundamental federalism principles and preemption requirements described in Executive Order 13132.

#### F. Unfunded Mandates

The Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531-1538, requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions

<sup>36</sup> In order to provide maximum flexibility to applicants, the Coast Guard is planning to issue updated guidance on the acceptable forms of documentation for this final rule after this final rule is published.

<sup>37</sup> This is the latest Collection of Information, OMB control number 1625-0040, dated April 14, 2023. This was the latest Collection of Information available as of the time the Regulatory Analysis for this final rule was written.

<sup>38</sup> Please note there 622 applicants are expected every year. We are not implying that each individual applicant will be applying every year.

<sup>39</sup> 62,004 + 156 = 62,160.

that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100 million (adjusted for inflation) or more in any one year. Although this final rule will not result in such an expenditure, we do discuss the potential effects of this final rule elsewhere in this preamble.

#### G. Taking of Private Property

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

#### H. Civil Justice Reform

This final rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988 (Civil Justice Reform) to minimize litigation, eliminate ambiguity, and reduce burden.

#### I. Protection of Children

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

#### J. Indian Tribal Governments

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

#### K. Energy Effects

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

#### L. Technical Standards

The National Technology Transfer and Advancement Act, codified as a note to 15 U.S.C. 272, directs agencies to use voluntary consensus standards in

their regulatory activities unless the agency provides Congress, through OMB, with an explanation of why the use of these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (for example, specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies.

This final rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

#### M. Environment

We have analyzed this final rule under DHS Management Directive 023-01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4370f), and have determined that this action falls under a category of actions that do not individually or cumulatively have a significant effect on the human environment. A Record of Environmental Consideration supporting this determination is available in the docket. For instructions on locating the docket, see the **ADDRESSES** section of this preamble. This final rule is categorically excluded under paragraphs L54 and L56 of Appendix A, table 1 of DHS Instruction Manual 023-01-001-01, Rev. 1. The categorical exclusion (CATEX) L54 pertains to regulations that are editorial or procedural, and CATEX L56 pertains to regulations concerning training, qualifying, licensing, and disciplining maritime personnel.

This final rule involves the fees for MMCs and associated endorsements.

#### List of Subjects in 46 CFR Part 10

Penalties, Personally identifiable information, Reporting and recordkeeping requirements, Seafarers.

For the reasons discussed in the preamble, the Coast Guard amends 46 CFR part 10 as follows:

#### PART 10—MERCHANT MARINER CREDENTIAL

■ 1. The authority citation for part 10 is revised to read as follows:

**Authority:** 14 U.S.C. 503; 31 U.S.C. 9701; 46 U.S.C. 2101, 2103, 2104, 2110; 46 U.S.C. chapters 71, 73, and 75; 46 U.S.C. 7701, 8903, 8904, and 70105; Executive Order 10173;

DHS Delegation No. 00170.1, Revision No. 01.4.

■ 2. Amend § 10.219 by adding paragraph (m) to read as follows:

#### § 10.219 Fees.

\* \* \* \* \*

(m) For members of the uniformed services, a qualified applicant under this section is exempt from paying evaluation, examination, or issuance fees for an MMC as described in paragraph (b)(2) of this section.

(1) For purposes of paragraph (m) of this section, *qualified applicant* means an individual who, at the time of submission of an application, is—

(i) A member of the uniformed services listed in 10 U.S.C. 101(a)(5) on active duty;

(ii) A member of the Selected Reserve, as described in 10 U.S.C. 10143(a), of a reserve component named in 10 U.S.C. 10101; or

(iii) A member of the Ready Reserve Corps of the Public Health Service established in 42 U.S.C. 204(a)(1).

(2) For purposes of paragraph (m)(1)(i) of this section—

(i) For the members of the armed forces, as defined in 10 U.S.C. 101(a)(4), active duty is defined by 10 U.S.C. 101(d)(1);

(ii) For the commissioned corps of the National Oceanic and Atmospheric Administration, active duty has the same meaning as found in 33 U.S.C. 3002(b)(1); and

(iii) For the members of the commissioned corps of the Public Health Service, active duty has the meaning defined in 42 CFR 21.72(f).

Dated: July 29, 2024.

**W.R. Arguin,**

*Rear Admiral, U.S. Coast Guard Assistant Commandant for Prevention Policy.*

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## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### 50 CFR Part 300

[Docket No. 240730-0208]

RIN 0648-BM87

### International Fisheries; Western and Central Pacific Fisheries for Highly Migratory Species; Changes to Bigeye Tuna Catch Limits in Longline Fisheries

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and