

TABLE 1A.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR

Large urban areas		Other areas	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
2,791.45	1,134.64	2,747.26	1,116.68

TABLE 1C.—ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR

	Large urban areas		Other areas	
	Labor	Nonlabor	Labor	Nonlabor
National	2,767.78	1,125.02	2,767.78	1,125.02
Puerto Rico	1,331.29	535.88	1,310.21	527.40

TABLE 1D.—CAPITAL STANDARD FEDERAL PAYMENT RATE

	Rate
National	377.25
Puerto Rico	180.73

TABLE 1E.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR "TEMPORARY RELIEF" HOSPITALS, LABOR/NONLABOR

Large urban areas		Other areas	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
2,799.77	1,138.02	2,755.44	1,120.01

TABLE 1F.—ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR "TEMPORARY RELIEF" HOSPITALS IN PUERTO RICO, LABOR/NONLABOR

	Large urban areas		Other areas	
	Labor	Nonlabor	Labor	Nonlabor
National	2,776.03	1,128.37	2,776.03	1,128.37
Puerto Rico	1,335.26	537.48	1,314.11	528.97

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program; No. 93.773 Medicare—Hospital Insurance; and No. 93.774, Medicare—Supplementary Medical Insurance)

Dated: May 8, 1998.

Neil J. Stillman,

Deputy Assistant Secretary for Information Resource Management.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

46 CFR Parts 1 and 10

[USCG-1998-3824]

RIN 2115-AF58

Maritime Course Approval Procedures

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to revise the regulations which govern Maritime Course Approval Procedures, by streamlining the process by which courses are submitted to and reviewed by the Coast Guard. We also propose to add a mechanism to allow us to suspend or revoke approvals for courses. Although the regulations govern training schools with approved courses, only a methodology for course approval is provided. Revising the regulations to include a mechanism for withdrawal of approval will motivate schools to maintain a uniformly high standard, improve compliance with course approval regulations, and ultimately promote public safety.

DATES: Comments must reach the Docket Management Facility on or before July 13, 1998.

ADDRESSES: You may mail comments to the Docket Management Facility,

(USCG-1998-3824), U.S. Department of Transportation, room PL-401, 400 Seventh Street SW., Washington, DC 20590-0001, or deliver them to room PL-401, located on the Plaza Level of the Nassif Building at the same address between 10 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-366-9329.

The Docket Management Facility maintains the public docket for this rulemaking. Comments will become part of this docket and will be available for inspection or copying at room PL-401, located on the Plaza Level of the Nassif Building at the same address between 10 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also access this docket on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: For questions about the docket, contact Ms. Paulette Twine, Chief, Documentary Services Division, Department of

Transportation, telephone 202-366-9329. For questions about this notice, contact Gerald Miente, Project Manager, National Maritime Center (NMC), 703-235-0018.

SUPPLEMENTARY INFORMATION:

Request for Comments

The Coast Guard encourages you to submit written data, views, or arguments. If you submit comments, you should include your name and address, identify this notice (USCG-1998-3824) and the specific section or question in this document to which your comments apply, and give the reason for each comment. Please submit one copy of all comments and attachments in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing to the DOT Docket Management Facility at the address under **ADDRESSES**. If you want us to acknowledge receiving your comments, please enclose a stamped, self-addressed postcard or envelope.

The Coast Guard will consider all comments received during the comment period.

The Coast Guard plans no public meeting. You may request a public meeting by submitting a request to the address under **ADDRESSES**. The request should include the reasons why a meeting would be beneficial. If the Coast Guard determines that a public meeting should be held, it will hold the meeting at a time and place announced by a later notice in the **Federal Register**.

Background and Purpose

Regulations for merchant mariner course approvals have been in place for several years and are found in 46 CFR part 10. Courses were first approved for education mandated by regulation such as radar observer, fire-fighting, and first aid. Courses were then approved for formal training instead of required sea service for both renewal and raise in grade of license or an endorsement, and to substitute for a Coast Guard examination.

With the publication of a Focus Group Study, *Licensing 2000 and Beyond* in 1993, the Coast Guard began approving courses to substitute for certain modules of examination, especially for lower level licenses. Now, with the implementation of the 1995 Amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 (STCW) of the International Maritime Organization (IMO), requirements for basic entry-level education, structured shipboard training programs, and specific assessment protocols, the course

approval burden has increased considerably.

Presently, the Coast Guard has approved in excess of 500 courses presented by over 200 schools and the number is growing weekly. As part of a Quality Standard System (QSS), Coast Guard Regional Examination Centers (RECs) are charged with oversight of these widespread training institutions.

The majority of schools consistently operate according to the regulations governing course approvals. There are times, however, when audits of a particular school show evidence of infractions ranging from incomplete recordkeeping to major deficiencies dealing with examination tampering, operating outside the conditions of the course approval, and outright misrepresentation of course material. Some primary reasons for suspending or revoking a course approval would include (but are not limited to):

- Failure to comply with the provisions of the course approval.
- Failure to comply with the provisions of parts 10, 12, 13 or 15 of Title 46, Code of Federal Regulations (46 CFR) especially Part 10, Subpart C.
- Scheduling and teaching an approved course at a location other than the site required in the application for approval and authorized in the approval letter unless prior site approval is requested of and granted by the Officer in Charge, Marine Inspection (OCMI) of the Regional Exam Center in whose area of responsibility the "remote site" is located.
- Not adhering to the approved length of the course; cutting short instructional time on a daily or weekly basis. Substituting "homework" or "preparation time," either on computer-based questions or artificially drawn-out plotting exercises for quality classroom instructional contact hours.
- Using unqualified instructors, substandard facilities or otherwise presenting the course in a manner that is not sufficient for or conducive to achieving the learning objectives of the course.
- Not giving a final (end-of-course) exam equal in scope and difficulty to the Coast Guard exam for that particular license or endorsement. Also, for not giving a final exam or a "re-take" exam which is totally different than any homework, classroom "practice exercise" or exam previously viewed by the student.
- Issuing certificates of course completion to students who have not demonstrated competency or who have not otherwise met the course requirements.

• Advertising, holding a course, or issuing certificates of course completion to students as having passed a course of instruction for which the school does not hold a valid Coast Guard approval.

• Assisting a student in passing the final (end-of-course) exam by either directly or indirectly providing any assistance including, but not limited to, supplying answers, hinting at the correct answer, grading and returning the exam for completion and indicating that certain answers or choices are incorrect prior to grading.

• Giving a student a final (end-of-course) exam orally. The authority to give an oral examination rests with the OCMI per 46 CFR 10.205.

• Allowing a student to enroll or join the course after the beginning of course instruction.

In order to prevent these infractions, and ensure the integrity of Coast Guard approved courses, it is necessary to establish suspension, revocation, and appeal provisions in our regulations.

Discussion of Proposed Rule

1. The Coast Guard proposes to amend section 10.302(a) to require training organizations seeking course approval to submit course packages to the Commanding Officer, National Maritime Center, (NMC) directly rather than via the OCMI.

Amended paragraph (a) would also reflect that the title of the Director, National Maritime Center has been changed to the Commanding Officer, National Maritime Center.

At present, course packages are submitted to the OCMI who then conducts a preliminary review of the course, including an inspection of the proposed teaching facility and a review of instructor qualifications. Upon completion of this preliminary review, the course package is then forwarded to the NMC with the OCMI's recommendation for approval or disapproval. The NMC then conducts its review of the course and either issues or denies approval. Under the proposed rule, courses will be submitted directly to the NMC, who will then direct the OCMI to conduct an inspection of the teaching facility and evaluation of the proposed instructors. This will allow the OCMI and NMC to conduct their reviews concurrently thereby reducing the time between initial submission of the course by the training organization and approval of the course by the NMC.

Paragraph (a) would be amended to indicate that the Coast Guard now approves training that satisfies regulatory requirements or that substitutes for a Coast Guard

examination or a portion of a sea service requirement.

2. The Coast Guard proposes to amend section 10.302, paragraphs (c) and (d), to add, in each paragraph, that approvals expire when a school closes or when a school no longer offers the course.

3. The Coast Guard also proposes to add three paragraphs to section 10.302. New paragraph (e) would enumerate the conditions that allow the NMC or OCMI to suspend a course approval. Approval may be suspended if the Coast Guard determines that a specific course does not comply with 46 CFR Parts 10, 12, 13 or 15 or the requirements specified in the course approval, if the course substantially deviates from the course framework that was initially submitted for approval, or if the course is presented in a manner that is not sufficient for, or conducive to, achieving learning objectives. If such a determination is made, the cognizant OCMI may suspend the approval, may direct the surrender of the certificate of approval and/or direct the holder to cease claiming the course is Coast Guard approved. In the event of suspension, the cognizant OCMI will notify the approval holder in writing of the impending suspension, and give them an opportunity to correct the reasons for suspension. If the approval holder fails to correct the reasons for suspension, the course will be suspended and the matter referred to the Commanding Officer, NMC. Upon such suspension, the Commanding Officer, National Maritime Center will notify the approval holder that the course fails to meet applicable requirements and will explain how those deficiencies can be corrected. The NMC may grant the approval holder up to 60 days in which to correct the deficiencies.

New paragraph (f) would identify conditions that allow the Commanding Officer, National Maritime Center to revoke an approval. Approval(s) may be revoked for failure to correct deficiencies identified by the Commanding Officer, National Maritime Center. The Coast Guard may also revoke any or all course approvals held by an approval holder if there has been a determination that the approval holder has a demonstrated history of failure to comply with applicable requirements of their course approvals. In such instances, the approval holder has shown a clear disregard for the terms of their approval such that it is reasonable to infer that they are not adhering to their approval in any of their courses. This revocation would ensure the integrity of Coast Guard approved training by revoking all approvals if that

approval holder's conduct is such that there is reasonable cause to suspect that all training offered by that approval holder is not being conducted in compliance with the Code of Federal Regulations or the requirements of their course approvals. Course approvals can also be revoked if there is a demonstrated history of substantial deviations from course curricula or, presenting courses in a manner that is not sufficient for, or conducive to, achieving learning objectives.

New paragraph (g) would outline the appeal procedure for any of the above actions. Persons directly affected by a suspension or revocation of an approval may appeal to the Commandant via the Commanding Officer, National Maritime Center as provided for by 46 CFR Part 1.03-15.

Regarding appeals, 46 CFR 1.03-15(h)(3) and 1.03-45 would be amended to reflect that the title of the Director, National Maritime Center has been changed to Commanding Officer, National Maritime Center, and would add language about appeals regarding suspension or revocation of course approvals.

4. In addition, the Coast Guard proposes to amend section 10.303(e) to require training organizations to submit change requests to approved courses to the Commanding Officer, National Maritime Center (NMC-4B) directly rather than via the OCMI.

Regulatory Evaluation

This proposed rule is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. It has not been reviewed by the Office of Management and Budget under that Order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this proposed rule to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary.

Course approval suspensions, revocations, or expirations do not impose specific requirements on any course holder that would cause an economic effect. Rather, this rule establishes a standard enforcement method for the rare number of course approval holders who do not comply with applicable statutes, regulations, and the terms of course approval.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard considers whether this proposed rule, if adopted, would have a significant economic impact on a substantial number of small entities. "Small entities" include 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.

The small entities affected by this rule are privately owned and operated schools with one to several employees, community colleges, and maritime labor union owned and operated schools. Suspension or revocation of an approval for a course or courses depends on the nature and severity of the infraction with the resultant loss of revenue for the specific period.

However, we realize that most schools operate within the confines of course approval regulations, guidelines and letters. This notice of proposed rulemaking would provide a standard mechanism, in regulation, for the rare instances when a school might deviate from those course approval regulations, guidelines and letters. Also, this rule would provide an opportunity for the approval holder to correct any deficiencies prior to revocation.

Therefore, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule, if adopted, will not have a significant economic impact on a substantial number of small entities. If, however, you think that your business or organization qualifies as a small entity and that this proposed rule will have a significant economic impact on your business or organization, please submit a comment (see ADDRESSES) explaining why you think it qualifies and in what way and to what degree this proposed rule will economically affect it.

Assistance for Small Entities

In accordance with section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121), the Coast Guard wants to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking process. We will mail copies of the notice of proposed rulemaking to all schools teaching approved courses to facilitate small businesses' ability to respond with comments. If your small business or organization is affected by this rule and you have questions concerning its provisions or options for compliance

please contact Gerald Miente, 703-235-0018.

Collection of Information

This proposed rule contains no new collection-of-information requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). Collection of information control number OMB 2115-0111 is assigned to this section.

Federalism

The Coast Guard has analyzed this proposed rule under the principles and criteria contained in Executive Order 12612 and has determined that this proposed rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

Environment

The Coast Guard considered the environmental impact of this proposed rule and concluded that under paragraph 2.B.2.e.(34)(a) of Commandant Instruction M16475.1B, this proposed rule is categorically excluded from further environmental documentation. A "Categorical Exclusion Determination" is available in the docket for inspection or copying where indicated under ADDRESSES.

List of Subjects

46 CFR Part 1

Administrative practice and procedure, Organization and functions (Government agencies), Reporting and recordkeeping requirements.

46 CFR Part 10

Reporting and recordkeeping requirements, Schools, Seamen.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 46 CFR parts 1 and 10 as follows:

PART 1—ORGANIZATION, GENERAL COURSE AND METHODS GOVERNING MARINE SAFETY FUNCTIONS

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

Authority: 5 U.S.C. 552; 14 U.S.C. 633; 46 U.S.C. 7701; 49 CFR 1.45, 1.46; § 1.01-35 also issued under the authority of 44 U.S.C. 3507.

2. In § 1.03-15, revise paragraph (h)(3) to read as follows:

§ 1.03-15 General.

* * * * *

(h) * * *

(3) Commanding Officer, National Maritime Center, for appeals involving vessel documentation issues and suspension or revocation of course approvals.

* * * * *

3. Revise § 1.03-45 to read as follows:

§ 1.03-45 Appeals from decisions or actions involving documentation of vessels and suspension or revocation of course approvals.

Any person directly affected by a decision or action of an officer or employee of the Coast Guard acting on or in regard to the documentation of a vessel under part 67 or suspension or revocation of course approvals under part 10 of this chapter, may make a formal appeal of that decision or action to the Commandant (G-MO) via the Commanding Officer, National Maritime Center, in accordance with procedures contained in §§ 1.03-15 through 1.03-25 of this subpart.

PART 10—LICENSING OF MARITIME PERSONNEL

4. The authority citation for part 10 continues to read as follows:

Authority: 31 U.S.C. 9701; 46 U.S.C. 2101, 2103, 2110; 46 U.S.C. Chapter 71; 46 U.S.C. 7502, 7505, 7701; 49 CFR 1.45, 1.46; Sec. 10.107 also issued under the authority of 44 U.S.C. 3507.

5. In § 10.302, in paragraphs (c) and (d), immediately preceding the words "or on the date of", add the words "when the school closes, when the school no longer offers the course,"; revise paragraph (a) introductory text; and add paragraphs (e), (f), and (g) to read as follows:

§ 10.302 Course approval.

(a) The Coast Guard approves courses satisfying regulatory requirements and those that substitute for a Coast Guard examination or a portion of a sea service requirement. The owner or operator of a training school desiring to have a course approved by the Coast Guard shall submit a written request to the Commanding Officer, National Maritime Center, NMC-4B, 4200 Wilson Boulevard, Suite 510, Arlington, VA 22203-1804, that contains:

* * * * *

(e) *Suspension of approval.* If the Coast Guard determines that a specific course does not comply with the provisions of 46 CFR parts 10, 12, 13 or 15, or the requirements specified in the course approval; or substantially deviates from the course curriculum package as submitted for approval; or if the course is being presented in a manner that is insufficient to achieve learning objectives; the cognizant OCMI may suspend the approval, may require the holder to surrender the certificate of approval, if any, and may direct the holder to cease claiming the course is

Coast Guard approved. The cognizant OCMI will notify the approval holder in writing of its intention to suspend the approval and the reasons for suspension. If the approval holder fails to correct the reasons for suspension, the course will be suspended and the matter referred to the Commanding Officer, National Maritime Center. The Commanding Officer, National Maritime Center, will notify the approval holder that the specific course fails to meet applicable requirements, and explain how those deficiencies can be corrected. The Commanding Officer, National Maritime Center may grant the approval holder up to 60 days in which to correct the deficiencies.

(f) *Revocation of approval.* (1) The Commanding Officer, National Maritime Center may revoke approval for any course when the approval holder fails to correct the deficiency(ies) of a suspended course approval within a time period allowed under paragraph (e) of this section.

(2) The Commanding Officer, National Maritime Center may revoke approval of any or all courses by an approval holder upon a determination that the approval holder has demonstrated a pattern or history of:

- (i) Failing to comply with the applicable regulations or the requirements of course approvals;
- (ii) Substantial deviations from their approved course curricula; or
- (iii) Presenting courses in a manner that is insufficient to achieve learning objectives.

(g) *Appeals of suspension and revocation of approval.* Anyone directly affected by a decision to suspend or revoke an approval may appeal the decision to the Commandant via the Commanding Officer, National Maritime Center, as provided in § 1.03-45 of this chapter.

6. In § 10.303, revise paragraph (e) to read as follows:

§ 10.303 General standards.

* * * * *

(e) Not change its approved curriculum unless approved, in writing, after the request for change has been submitted in writing to the Commanding Officer, National Maritime Center (NMC-4B).

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Dated: April 13, 1998.
Joseph J. Angelo,
Acting Assistant Commandant for Marine Safety and Environmental Protection.
 [FR Doc. 98-12659 Filed 5-12-98; 8:45 am]
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