

other factors that HUD determines may be relevant to this calculation.

Taking these factors into consideration, HUD determined that the fee for disbursements made under loan guarantee commitments awarded in FY 2016 is 2.58 percent, which will be applied only at the time of loan disbursements. Note that future notices may provide for a combination of up-front and periodic fees for loan guarantee commitments awarded in future fiscal years but will be subject to the public comment provisions of § 570.712(b)(2) of the final rule.

As HUD discusses in response to public comment on the amount of the fee, the expected cost of a Section 108 loan guarantee is difficult to estimate using historical program data because there have been no defaults in the history of the program that required HUD to invoke its full faith and credit guarantee or use the credit subsidy reserved each year for future losses.<sup>2</sup> This is due to a variety of factors, including the availability of Community Development Block Grant (CDBG) funds as security. As authorized by Section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5308), borrowers may make payments on Section 108 loans using CDBG grant funds. Borrowers may also make Section 108 loan payments from other anticipated sources but continue to have CDBG funds available should they encounter shortfalls in the anticipated repayment source.

The fee of 2.58 percent of the principal amount of the loan will offset the expected cost to the government due to default, financing costs, and other relevant factors. To arrive at this measure, HUD analyzed data on comparable municipal debt over an extended 16 to 23 year period. The estimated rate is based on the default and recovery rates for general purpose municipal debt and industrial development bonds. The cumulative default rates on industrial development bonds (14.62 percent) were higher than the default rates on general purpose municipal debt (0.25 percent) during the period from which the data were taken. (The recovery rates for industrial development bonds and general purpose debt were 74.76 and 90.27 percent, respectively.) These two subsectors of municipal debt were chosen because their purposes and loan terms most closely resemble those of Section 108 guaranteed loans. In this regard, Section

108 guaranteed loans can be broken down into two categories: (1) Loans that finance public infrastructure and activities to support subsidized housing (other than financing new construction) and (2) other development projects (e.g., retail, commercial, industrial). The 2.58 percent fee was derived by weighting the default and recovery data for general purpose municipal debt and the data for industrial development bonds according to the expected composition of the Section 108 portfolio by corresponding project type. Based on dollar amount of Section 108 loan guarantee commitments awarded during the period from FY 2010 through FY 2014, HUD expects that 25 percent of the Section 108 portfolio will be similar to general purpose municipal debt and 75 percent of the portfolio will be similar to industrial development bonds. In setting the fee at 2.58 percent of the principal amount of the guaranteed loan, HUD believes that the amount generated will fully offset the cost to the Federal government associated with making guarantee commitments awarded in FY 2016.

Dated: October 26, 2015.

**Harriet Tregoning,**

*Principal Deputy Assistant, Secretary for Community Planning and Development.*

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## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 100

[Docket Number USCG-2015-0949]

RIN 1625-AA08

#### Special Local Regulation; Mavericks Surf Competition, Half Moon Bay, CA

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing a temporary special local regulation in the navigable waters of Half Moon Bay, CA, near Pillar Point in support of the Mavericks Surf Competition, an annual invitational surf competition held at the Mavericks Break. This special local regulation will temporarily restrict vessel traffic in the vicinity of Pillar Point and prohibit vessels and persons not participating in the surfing event from entering the surf competition area. This regulation is necessary to provide for the safety of life on the navigable waters immediately prior to, during, and immediately after

the surfing competition, which is held only one day during the period of November 1, 2015, through March 31, 2016.

**DATES:** *Effective date:* This rule is effective November 3, 2015 through March 31, 2016.

*Enforcement date:* This rule will be enforced on the competition day, which, if defined wave and wind conditions are met, will occur one day during the period from November 1, 2015, through March 31, 2016. This rule will be enforced from 6 a.m. until 6 p.m. on the actual competition day.

**ADDRESSES:** To view documents mentioned in this preamble as being available in the docket, go to <http://www.regulations.gov>, type USCG-2015-0949 in the "SEARCH" box and click "SEARCH." Click on Open Docket Folder on the line associated with this rule.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about this rulemaking, call or email Lieutenant Junior Grade Christina Ramirez, U.S. Coast Guard Sector San Francisco; telephone (415) 399-3585, email at [D11-PF-MarineEvents@uscg.mil](mailto:D11-PF-MarineEvents@uscg.mil).

#### SUPPLEMENTARY INFORMATION:

##### I. Table of Abbreviations

CFR Code of Federal Regulations  
DHS Department of Homeland Security  
E.O. Executive order  
FR Federal Register  
Pub. L. Public Law  
§ Section  
U.S.C. United States Code  
OCMI Officer in Charge of Marine Inspections  
NPRM Notice of Proposed Rulemaking

##### II. Background Information and Regulatory History

The Mavericks Surf Competition is a one day "Big Wave" surfing competition between the top 24 big wave surfers. The competition only occurs when 15-20 foot waves are sustained for over 24 hours and are combined with mild easterly winds of no more than 5-10 knots. The rock and reef ridges that make up the sea floor of the Pillar Point area, combined with optimal weather conditions, create the large waves that Mavericks is known for. Due to the hazardous waters surrounding Pillar Point at the time of the surfing competition, the Coast Guard is establishing a special local regulation in the vicinity of Pillar Point that restricts navigation in the area of the surf competition and in neighboring hazardous areas.

The Coast Guard is issuing this temporary rule without prior notice and opportunity to comment pursuant to

<sup>2</sup> U.S. Department of Housing and Urban Development, Study of HUD's Section 108 Loan Guarantee Program, (prepared by Econometrica, Inc. and The Urban Institute), September 2012.

authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.”

Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. It is impracticable to publish an NPRM because we must establish this special local regulation by November 1, 2015, and the competition would occur before the notice-and-comment rulemaking process would be completed. The rule needs to be effective by that date to respond to the potential safety hazards associated with the dangers posed by the surf conditions during the Mavericks Surf Competition. The regulated area is necessary to provide for the safety of event participants, spectator craft, and other vessels transiting the event area.

### III. Legal Authority and Need for Rule

Under 33 CFR 100.35, the Coast Guard District Commander has authority to promulgate certain special local regulations deemed necessary to ensure the safety of life on the navigable waters immediately before, during, and immediately after an approved regatta or marine parade. The Commander of Coast Guard District 11 has delegated to the Captain of the Port (COTP) San Francisco the responsibility of issuing such regulations.

The Cartel Management Inc. will sponsor the Mavericks Surf Competition. The Mavericks Surf Competition will take place on a day that presents favorable surf conditions on one day during the period from November 1, 2015, through March 31, 2016, from 6 a.m. until 6 p.m. in the navigable waters of Half Moon Bay, CA near Pillar Point in approximate position 37°29'34" N., 122°30'02" W. (NAD 83) as depicted in National Oceanic and Atmospheric Administration (NOAA) Chart 18682. The regulation is issued to establish a regulated area on the waters surrounding the competition. This regulated area is bounded by an arc extending 1000 yards from Sail Rock (37°29'34" N., 122°30'02" W.) excluding the waters within Pillar Point Harbor. The regulated area is necessary to ensure the safety of mariners transiting the area.

### IV. Discussion of the Rule

The Coast Guard will enforce a regulated area in navigable waters defined by an arc extending 1000 yards from Sail Rock between 6 a.m. and 6 p.m. on the day of the actual competition. Mavericks Surf Competition can only occur when 15–20 foot waves are sustained for over 24 hours and are combined with mild easterly winds of no more than 5–10 knots. Unpredictable weather patterns and the event's narrow operating window limit the Coast Guard's ability to notify the public of the event. The Coast Guard will issue notice of the event as soon as practicable, but no later than 24 hours before competition day via the Broadcast Notice to Mariners and will issue a written Boating Public Safety Notice at least 24 hours in advance of Competition day. Also, the zones that would be established by this rule will be prominently marked by at least 8 buoys throughout the course of the event.

The Mavericks Surf Competition will occur in the navigable waters of Half Moon Bay, CA, in the vicinity of Pillar Point as depicted in National Oceanic and Atmospheric Administration (NOAA) Chart 18682. The Coast Guard will enforce a regulated area defined by an arc extending 1000 yards from Sail Rock (37°29'34" N., 122°30'02" W.) excluding the waters within Pillar Point Harbor. All restrictions would apply only between 6 a.m. and 6 p.m. on the day of the actual competition.

The effect of this regulation will be to restrict navigation in the vicinity of Pillar Point during the Mavericks Surf Competition. During the enforcement period, the Coast Guard will direct the movement and access of all vessels within the regulated area. The regulated area will be divided into two zones. Zone 1 will be designated as the competition area, and the movement of vessels within Zone 2 will be controlled by the Patrol Commander (PATCOM).

This regulation is needed to keep spectators and vessels a safe distance away from the event participants and the hazardous waters surrounding Pillar Point. Past competitions have demonstrated the importance of restricting access to the competition area to only vessels in direct support of the competitors. Failure to comply with the lawful directions of the Coast Guard could result in additional vessel movement restrictions, citation, or both.

### V. Regulatory Analyses

We developed this rule after considering numerous statutes and executive orders (E.O.s) related to

rulemaking. Below we summarize our analyses based on a number of these statutes and E.O.'s, and we discuss First Amendment rights of protestors.

#### A. Regulatory Planning and Review

E.O.s 12866 and 13563 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. E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has not been designated a “significant regulatory action,” under E.O. 12866. Accordingly, the rule has not been reviewed by the Office of Management and Budget.

We expect the economic impact of this rule does not rise to the level of necessitating a full Regulatory Evaluation. The regulated area and associated regulations are limited in duration, and are limited to a narrowly tailored geographic area. In addition, although this rule restricts access to the waters encompassed by the regulated area, the effect of this rule will not be significant because the local waterway users will be notified via public Broadcast Notice to Mariners to ensure the regulations will result in minimum impact. The entities most likely to be affected are small commercial vessels, and pleasure craft engaged in recreational activities.

#### B. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, as amended, requires Federal agencies to consider the potential impact of regulations on small entities during rulemaking. The Coast Guard certifies under 5 U.S.C. 605(b) that this rule would not have a significant economic impact on a substantial number of small entities.

This rule may affect small commercial vessels, and pleasure craft engaged in recreational activities and sightseeing. This regulated area would not have significant economic impact on a substantial number of small entities for the following reasons. This regulated area would be activated, and thus subject to enforcement, for a limited duration. The maritime public will be advised in advanced of this regulated area via Broadcast Notice to Mariners.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions

concerning its provisions or options for compliance, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

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

#### C. Collection of Information

This rule would not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

#### D. Federalism and Indian Tribal Governments

A rule has implications for federalism under E.O. 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this rule under that Order and determined that this rule does not have implications for federalism.

Also, this rule does not have tribal implications under E.O. 13175, Consultation and Coordination with Indian Tribal Governments, because it does 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. If you believe this rule has implications for federalism or Indian tribes, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section above.

#### E. Unfunded Mandates Reform Act

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 that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or

more in any one year. Though this rule would not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

#### F. Environment

We have analyzed this rule under Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.ID, 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 is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This rule involves a regulated area of an arc extending 1000 yards and lasting less than 12 hours. It is categorically excluded from further review under paragraph 34(h) and 35(b) of Figure 2-1 of Commandant Instruction M16475.ID. An environmental analysis checklist supporting this determination and a Categorical Exclusion Determination are available in the docket where indicated under **ADDRESSES**. We seek any comments or information that may lead to the discovery of a significant environmental impact from this rule.

#### G. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places, or vessels.

#### List of Subjects in 33 CFR Part 100

Marine safety, Navigation (water), Reporting and recordkeeping requirements, and Waterways.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 100 as follows:

#### PART 100—REGATTAS AND MARINE PARADES

■ 1. The authority citation for part 100 is revised to read as follows:

**Authority:** 33 U.S.C. 1233; 33 CFR 1.05-1.

■ 2. Effective November 4, 2015 through March 31, 2016, suspend § 100.1106.

■ 3. Effective November 4, 2015 through March 31, 2016, add § 100.T11-739 to read as follows:

#### § 100.T11-739 Special Local Regulation; Mavericks Surf Competition.

(a) *Location.* This special local regulation establishes a regulated area on the waters of Half Moon Bay, located in the vicinity of Pillar Point, excluding the waters within Pillar Point Harbor. This regulated area is defined in paragraph (c) of this section.

(b) *Enforcement period.* This section will be enforced between 6 a.m. and 6 p.m. on Competition day, which if defined wave and wind conditions are met, will occur for one day one day during the period from November 1, 2015, through March 31, 2016. Notice of the specific enforcement date of this section will be announced via Broadcast Notice to Mariners and issued in writing by the Coast Guard in a Boating Public Safety Notice at least 24 hours in advance of Competition day.

(c) *Definitions.* As used in this section—

*Competition day* means the one day between November 1 of each year and March 31 of the following year, that Mavericks Surf Competition will be held. The Mavericks Surf Competition will only be held if 15 to 20 foot waves are sustained for over 24 hours and are combined with mild easterly winds of no more than 5 to 10 knots.

*Competitor* means a surfer enrolled in the Mavericks Surf Competition.

*Patrol Commander* or *PATCOM* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer, or a Federal, State, or local officer designated by the Captain of the Port San Francisco (COTP), to assist in the enforcement of the special local regulation.

*Regulated area* means the area in which the Maverick's Surf Competition will take place. This area is bounded by an arc extending 1000 yards from Sail Rock (37°29'34" N., 122°30'02" W.) excluding the waters within Pillar Point Harbor. All coordinates are North American Datum 1983. Within the regulated area, at least two zones will be established and marked by buoys on the day of the competition. Due to the dynamic and changing nature of the surf, the exact size and location of the zones will not be made public until the competition day. The zones will be prominently marked by at least 8 buoys, placed and maintained throughout the course of the event by the event sponsor in a pattern approved by the PATCOM. In addition, the USCG will notify the public of the zone locations via Broadcast Notice to Mariners on the day of the event.

*Spectator vessel* means any vessel or person, including human powered craft,

which is not designated by the sponsor as a support vessel.

*Support vessel* means a vessel, including jet skis, which is designated and conspicuously marked by the sponsor to provide direct support to the competitors. Support vessels must be pre-designated and approved to serve as such for this event by the Officer in Charge of Marine Inspection (OCMI) prior to the competition.

*Zone 1* means the competition area within the regulated area. Zone 1 will generally be located to the northwest of a line drawn between Sail Rock (37°29'34" N., 122°30'02" W.) and Pillar Point Entrance Lighted Gong Buoy 1 (37°29'10.410" N., 122°30'21.904" W.).

*Zone 2* means the area within the regulated area where the Coast Guard may direct the movement of all vessels, including restricting vessels from this area. Zone 2 will generally be located to the southeast of a line drawn between Sail Rock (37°29'34" N., 122°30'02" W.) and Pillar Point Entrance Lighted Gong Buoy 1 (37°29'10.410" N., 122°30'21.904" W.).

(d) *Special local regulations.* The following regulations apply between 6 a.m. and 6 p.m. on the competition day.

(1) Only support vessels may be authorized by the Patrol Commander (PATCOM) to enter Zone 1 during the competition.

(2) Entering the water in Zone 1 by any person other than the competitors is prohibited. Competitors may enter the water in Zone 1 from authorized support vessels only.

(3) Spectator vessels and support vessels within Zone 2 must maneuver as directed by PATCOM. Given the changing nature of the surf in the vicinity of the competition, PATCOM may close Zone 2 to all vessels due to hazardous conditions. Due to weather and sea conditions, the Captain of the Port may deny access to Zone 2 and the remainder of the regulated area to all vessels other than competitors and support vessels on the day of the event

(4) Entering the water in Zone 2 by any person is prohibited.

(5) Rafting and anchoring of vessels are prohibited within the regulated area.

(6) Only vessels authorized by the PATCOM will be permitted to tow other watercraft within the regulated area.

(7) Spectator and support vessels in Zones 1 and 2 must operate at speeds which will create minimum wake, in general, 7 miles per hour or less.

(8) When hailed or signaled by the PATCOM by a succession of sharp, short signals by whistle or horn, the hailed vessel must come to an immediate stop and comply with the lawful directions issued. Failure to

comply with a lawful direction may result in additional operating restrictions, citation for failure to comply, or both.

(9) During the events, vessel operators may contact the PATCOM on VHF-FM channel 13.

Dated: October 15, 2015.

**Gregory G. Stump,**

*Captain, U.S. Coast Guard, Captain of the Port San Francisco.*

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## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 165

[Docket Number USCG-2014-0987]

RIN 1625-AA11

#### Regulated Navigation Area; Herbert C. Bonner Bridge, Oregon Inlet, NC

**AGENCY:** Coast Guard, DHS.

**ACTION:** Final rule.

**SUMMARY:** The Coast Guard is establishing a Regulated Navigation Area (RNA) on the navigable waters of Oregon Inlet, NC surrounding the Herbert C. Bonner Bridge. This RNA will allow the Coast Guard to enforce vessel traffic restrictions within the RNA when necessary to safeguard people and vessels from the hazards associated with potential catastrophic structural damage that could occur due to vessel allisions with the bridge.

**DATES:** This rule is effective on December 3, 2015.

**ADDRESSES:** Comments received from the public, as well as documents mentioned in this preamble are part of Docket Number USCG-2014-0987. To view documents mentioned in this preamble as being available in the docket, go to <http://www.regulations.gov>, type the docket number in the "SEARCH" box and click "SEARCH." Click on "Open Docket Folder" on the line associated with this rulemaking. You may also visit the Docket Management Facility in Room W12-140 on the ground floor of the Department of Transportation West Building, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or email LT Derek Burrill, Waterways Management Division Chief, U.S. Coast

Guard Sector North Carolina, telephone (910) 772-2230, email [Derek.J.Burrill@uscg.mil](mailto:Derek.J.Burrill@uscg.mil).

#### SUPPLEMENTARY INFORMATION:

##### Table of Acronyms

COTP Captain of the Port  
DHS Department of Homeland Security  
FR Federal Register  
RNA Regulated Navigation Area

#### A. Regulatory Information

On December 17, 2014, we published an interim final rule and request for comments entitled "Regulated Navigation Area; Herbert C. Bonner Bridge, Oregon Inlet, North Carolina" in the **Federal Register** (79 FR 75050). We received five comments coming from two submitters on the Interim Final Rule. No public meeting was requested, and none was held.

#### B. Background and Purpose

This rulemaking is authorized by 33 U.S.C. 1231; 46 U.S.C. Chapter 701, 3306, 3703; 50 U.S.C. 191, 195; 33 CFR 1.05-1, 6.04-1, 6.04-6, 160.5; Pub. L. 107-295, 116 Stat. 2064; and DHS Delegation No. 0170.1. Under these authorities the Coast Guard may establish a RNA in defined water areas that are determined to have hazardous conditions and in which vessel traffic can be regulated in the interest of safety. The purpose of this RNA is to reduce the risk of a bridge strike resulting from a vessel transiting through alternative spans of the Herbert C. Bonner Bridge, which are not intended for navigation. In addition, this RNA will serve to ensure vessels transiting the area are restricted to those that may do so safely, and will not impose unnecessary risk of harm to themselves or other maritime traffic. A bridge strike to unprotected structural elements of the Bonner Bridge would introduce a clear and present danger to stability of the bridge, motorists, mariners, and indirect impacts on local businesses and residents of Hatteras Island, NC. A grounded vessel in this heavily trafficked waterway would also greatly increase the risk of a bridge strike by another vessel.

When shoaling is present in the vicinity of the navigation span, vessels attempt to transit through alternate spans. Transiting through alternate spans is hazardous. Mariners transiting near and through the unprotected structural components increase the potential of a bridge strike; these spans do not have fenders or other mechanisms to protect the bridge from vessel strikes. Vessels that transit alternate bridge spans pose a risk to safe navigation as there are no advertised