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 will 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.lD, 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 the establishment of a safety zone for a bridge based pyrotechnics display on the Main Branch of the Chicago River in Chicago, IL. It is categorically excluded from further review under paragraph 34(g) of Figure 2–1 of the Commandant Instruction. A Record of Environmental Consideration (REC) supporting this determination is available in the docket where indicated in the **ADDRESSES** section of this preamble. 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 165

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

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

■ 1. The authority citation for part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 0170.1.

■ 2. Add § 165.T09–0614 to read as follows:

§ 165.T09–0614 Safety Zone; Main Branch of the Chicago River, Chicago, IL.

(a) *Location.* All U.S. navigable waters of the Main Branch of the Chicago River, between the Wells Street Bridge and Dearborn Street Bridge in Chicago, IL.

(b) *Enforcement period.* This rule will be enforced on each day from 8:15 p.m. through 8:45 p.m. on July 11, 2017, August 8, 2017, and September 12, 2017.

(c) *Regulations.* (1) In accordance with the general regulations in § 165.23 of this part, entry into, transiting, or anchoring within this safety zone is prohibited unless authorized by the Captain of the Port Lake Michigan or a designated on-scene representative.

(2) This safety zone is closed to all vessel traffic, except as may be permitted by the Captain of the Port Lake Michigan or a designated on-scene representative.

(3) The ''on-scene representative'' of the Captain of the Port Lake Michigan is any Coast Guard commissioned, warrant or petty officer who has been designated by the Captain of the Port Lake Michigan to act on his or her behalf.

(4) Vessel operators desiring to enter or operate within the safety zone shall contact the Captain of the Port Lake Michigan or an on-scene representative to obtain permission to do so. The Captain of the Port Lake Michigan or an on-scene representative may be contacted via VHF Channel 16 or contact Sector Lake Michigan at (414) 747–7182. Vessel operators given permission to enter or operate in the safety zone must comply with all directions given to them by the Captain of the Port Lake Michigan, or an on-scene representative.

Dated: July 6, 2017.

A.B. Cocanour,

Captain, U.S. Coast Guard, Captain of the Port, Lake Michigan.

[FR Doc. 2017–14531 Filed 7–11–17; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 74

RIN 2900–AP93

VA Veteran-Owned Small Business Verification Guidelines

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: This document implements a portion of the Veterans Benefits, Health Care, and Information Technology Act of 2006, which requires the Department of Veterans Affairs (VA) to verify ownership and control of veteran-owned small businesses (VOSBs), including service-disabled veteran-owned small businesses (SDVOSBs) in order for these firms to participate in VA acquisitions set-aside for SDVOSB/VOSBs. This rule contains a minor revision to require re-verification of SDVOSB/VOSB status once every three years rather than biennially. The purpose of this change is to reduce the administrative burden on SDVOSB/VOSBs regarding participation in VA acquisitions set asides for these types of firms.

DATES: *Effective Date:* July 12, 2017.

FOR FURTHER INFORMATION CONTACT: Thomas McGrath, Director, Center for Verification and Evaluation (00VE), Department of Veterans Affairs, 810 Vermont Ave. NW., Washington, DC 20420, phone (202) 461–4300.

SUPPLEMENTARY INFORMATION: On February 21, 2017, VA published in the **Federal Register** (82 FR 11154) an interim final rule to revise VA's rules regarding the length of the eligibility period for inclusion in the Vendor Information Pages database. Interested persons were invited to submit written comments on or before April 24, 2017. VA received numerous comments from members of the public.

In a final rule published in the **Federal Register** on February 8, 2010, (75 FR 6098), VA established 38 Code of Federal Regulations (CFR) part 74, which set forth a mechanism for verifying ownership and control of VOSBs and SDVOSBs. At that time, VA anticipated that annual examinations were necessary to ensure the integrity of the Verification Program and was deemed consistent with the annual Federal size and status recertification requirement in the Central Contractor Registry. In June of 2012, the eligibility period was extended to two years.

VA has determined that a biennial examination is not necessary to adequately maintain the integrity of the program and proposed a three year eligibility period. This change is appropriate because VA conducts a robust examination of personal and company documentation to verify ownership and control by Veterans of applicant businesses. In addition to verifying individual owners' service-disabled veteran status or veteran status, VA reviews the following documents in accordance with 38 CFR 74.12: An applicant's financial statements; Federal personal and business tax returns; personal history statements; articles of incorporation/organization; corporate by-laws or operating agreements; organizational, annual, and board/member meeting records; stock ledgers and certificates; state-issued certificates of good standing; contract, lease, and loan agreements; payroll records; bank account signature cards; and licenses. Given the depth of this review, biennial re-verification examinations have become an unnecessary administrative burden on both participants and VA.

Moreover, VA is confident that the integrity of the verification program will not be compromised by establishing a three year eligibility period. This is evidenced by fiscal year 2016 data from VA's Center for Verification and Evaluation (CVE), which administers the verification program, which shows that from a total of 1,109 reverification applications, only 11 were denied. Therefore, only 0.9 percent of firms submitting re-verification applications were found to be ineligible after two years. Furthermore, other aspects of the verification program ensure that establishing a three year eligibility period will not undermine the integrity of the verification program. For example, 38 CFR 74.15(a) mandates that the participant, once verified, must maintain its eligibility during its tenure. Moreover, if ownership or control changes occur, the participant must inform VA's CVE of any changes that would adversely affect its eligibility. Additionally, in accordance with 38 CFR 74.20(a), VA has the right to conduct random, unannounced site examinations of participants or conduct a further examination upon receipt of specific and credible information that a participant is no longer eligible. Lastly, status protests provide VA contracting officers and SDVOSB/VOSBs alike an opportunity, where appropriate, to challenge the SDVOSB/VOSB status of a verified firm in connection with SDVOSB/VOSB set-aside acquisitions.

Additionally, establishment of a longer, three year eligibility period is consistent with other Federal set-aside programs. With respect to the Historically Underutilized Business Zone (HUBZone) small business certification program, U.S. Small Business Administration (SBA) regulations at 13 CFR 126.500 require that any qualified HUBZone small business concern seeking to remain on the HUBZone approved list must recertify every three years with SBA. With regard to SBA's Section 8(a) Business Development program, SBA authorizes a program term of up to nine years in 13 CFR 124.2.

Furthermore, VA's determination that an eligibility period of three years is reasonable given the mandatory nature of VA's SDVOSB/VOSB set-aside authority. In accordance with 38 United States Code (U.S.C.) 8127 and VA Acquisition Regulation, 48 CFR part 819, VA is required to set aside any open market procurement for SDVOSBs and VOSBs, if two or more such concerns are reasonably anticipated to submit offers at fair and reasonable pricing. Given the large volume of appropriated funds subject to these set-aside requirements, a three year eligibility period prior to re-examination is appropriate to balance the burden on SDVOSB/VOSBs and to protect the integrity of the program.

VA received comments requesting clarification as to whether currently verified SDVOSBs/VOSBs would be automatically extended. All firms that were verified and in the VIP database automatically had their eligibility term extended by one year.

Numerous commenters expressed support for the extension of the eligibility period, asserting that it allows veterans more time to focus on the success of their businesses, and reduces their administrative burden of gathering and submitting the required documentation. One such commenter supported the extension, but suggested that firms should be required to submit a certified statement stating that the firm's ownership stake has not changed, and based on the original certifying criteria that they are still eligible for their status at the two year mark. The comment continues to suggest that any firm unable to provide the statement would be required to re-verify at that time. However, VA's risk analysis on the extension has shown that risk of extending the period from two to three years is very low, and that requiring firms to submit a statement at the two year mark is an unnecessary administrative burden on both the firm and the government. Therefore, we will not make any changes to the rule based on this comment.

Another commenter asserted that VA should have issued this change as a proposed rule rather than an interim final rule because the determination of good cause that exempts this rule from the notice and comment procedures is incorrect; the notice and comment is not impracticable, unnecessary, or contrary to public interest. VA has determined that relieving the administrative burden on both program participants and verifying officials, and eliminating delays in verification caused by repetitive biennial reviews, is in the best interest of the public. Therefore, we will not make any changes to the rule based on this comment.

VA appreciates the comments submitted in response to the interim final rule. This final rule adopts the interim final rule as a final rule without change.

Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 U.S.C. 601–612, applies to this final rule. This final rule is generally neutral in its effect on small businesses because it relates only to small businesses applying for verified status in VA's SDVOSB/VOSB verified database. The overall impact of the rule benefits small businesses owned by veterans or service-disabled veterans because it reduces the administrative burden associated with maintaining verified status by extending the period for re-verification from two years to three years. VA has estimated the cost to an individual business to be insignificant. Increasing the verification period will decrease the frequency of any costs associated with document submission. On this basis, the Secretary certifies that the adoption of this final rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. Therefore, under 5 U.S.C. 605(b), this regulation is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Executive Orders 12866 and 13563

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

Review) defines a ''significant regulatory action,'' which requires review by the Office of Management and Budget, as ''any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.''

The economic, interagency, budgetary, legal, and policy implications of this regulatory action have been examined and it has been determined not to be a significant regulatory action under Executive Order 12866.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more (adjusted annually for inflation) in any given year. This final rule has no such effect on state, local, and tribal governments, or on the private sector.

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521).

Catalog of Federal Domestic Assistance

This final rule affects the verification guidelines of veteran-owned small businesses, for which there is no Catalog of Federal Domestic Assistance program number.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs, approved this document on July 5, 2017, for publication.

List of Subjects in 38 CFR Part 74

Administrative practice and procedures, Privacy, Reporting and recordkeeping requirements, Small business, Veteran, Veteran-owned small business, Verification.

Dated: July 7, 2017.

Michael Shores,

Director, Regulation Policy & Management, Office of the Secretary, Department of Veterans Affairs.

PART 74—VETERANS SMALL BUSINESS REGULATIONS

Accordingly, the interim rule amending 38 CFR part 74 which was published at 82 FR 11154 on February 21, 2017, is adopted as final without change.

[FR Doc. 2017–14600 Filed 7–11–17; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Part 578

[Docket No. NHTSA–2016–0136]

RIN 2127–AL82

Civil Penalties

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Final rule; delay of effective date.

SUMMARY: NHTSA is delaying the effective date of the final rule entitled ''Civil Penalties,'' published in the **Federal Register** on December 28, 2016, because NHTSA is reconsidering the appropriate level for CAFE civil penalties.

DATES: As of July 7, 2017, the effective date of the final rule published in the **Federal Register** on December 28, 2016, at 81 FR 95489, is delayed indefinitely pending reconsideration.

FOR FURTHER INFORMATION CONTACT: Rebecca Schade, Office of Chief Counsel, at (202) 366–2992.

SUPPLEMENTARY INFORMATION: On July 5, 2016, NHTSA published an interim final rule updating the maximum civil penalty amounts for violations of statutes and regulations administered by NHTSA, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Inflation Adjustment Act). The penalty for exceeding an applicable Corporate Average Fuel Economy (CAFE) standard was among the penalties adjusted for inflation in the interim final rule. In accordance with the Inflation Adjustment Act and guidance on calculating the inflationary adjustment mandated by the Act issued by the Office of Management and Budget, NHTSA increased the civil penalty for failing to meet an applicable CAFE standard from $5.50 per tenth of a mile per gallon (mpg) to $14 per tenth of an mpg.

The Auto Alliance and Global Automakers jointly petitioned NHTSA for reconsideration of the interim final rule regarding the inflationary adjustment of CAFE non-compliance penalties (hereafter, the Alliance and Global petition will be referred to as the ''Industry Petition'') [1] on August 1, 2016. The Industry Petition argued that NHTSA used the wrong base year to calculate the inflationary adjustment to the CAFE civil penalty and raised concerns about applying the adjusted civil penalty retroactively. The Industry Petition also argued that in the event that NHTSA chose not to adopt the base year suggested in the petition, NHTSA should seek comment on whether NHTSA should adopt a lower penalty level than the one in the interim final rule based on ''negative economic impacts,'' as permitted by the Inflation Adjustment Act.

On December 28, 2016, NHTSA published a final rule in response to the Industry Petition.[2] To address concerns raised in the Industry Petition about applying the adjusted penalty retroactively, NHTSA delayed application of the $14 per tenth of an mpg penalty until the 2019 model year, which begins in October 2018 for most manufacturers. The final rule did not address the other points raised in the Industry Petition.

The December 28, 2016 final rule is not yet effective and would currently become effective on July 10, 2017.[3]

NHTSA is now reconsidering the final rule because the final rule did not give adequate consideration to all of the relevant issues, including the potential economic consequences of increasing CAFE penalties by potentially $1 billion per year, as estimated in the Industry Petition. Thus, in a separate document

[1] Jaguar Land Rover North America, LLC also filed a petition for reconsideration in response to the July 5, 2016 interim final rule raising the same concerns as those raised in the Industry Petition. Both petitions can be found in Docket No. NHTSA–2016–0075, accessible via *www.regulations.gov*.

[2] 81 FR 95489.

[3] 82 FR 8694 (Jan. 30, 2017); 82 FR 15302 (Mar. 28, 2017); 82 FR 29009 (June 27, 2017).