

Issued: September 20, 2012

**FEDERAL MARITIME COMMISSION**

**46 CFR Part 501**

**DOCKET NO. 12-08**

**RIN 3072-AC50**

**Reporting and Supervision of Inspector General**

**AGENCY:** Federal Maritime Commission.

**ACTION:** Final Rule.

**SUMMARY:** The Federal Maritime Commission (FMC or Commission) amends its regulations relating to agency organization to reflect changes in reporting requirements for the Office of Inspector General, implemented in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**DATES:** Effective Date: September 27, 2012.

**FOR FURTHER INFORMATION CONTACT:**

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**SUPPLEMENTARY INFORMATION:** The FMC amends Part 501 of Title 46 of the Code of Federal Regulations to reflect a change in reporting requirements for Inspectors General of Designated Federal Entities, implemented in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376, July 21, 2010 (Dodd-Frank). In Dodd-Frank, signed into law on July 21, 2010, Congress amended Section 8G of the Inspector General Act of

1978 (IG Act), to provide, as pertinent here, that the term “head of the designated Federal entity” means “the board or commission of the designated Federal entity.” Pub. L. No. 111-203, sec. 989B (1)(A), 124 Stat. 1376, 1945. Because Section 8G of the IG Act provides that Inspectors General report to and are under the general supervision of the head of a designated Federal entity, the effect of the changed definition of “head of the designated Federal entity” in the Dodd-Frank amendment is that the FMC’s Inspector General reports to and is under the general supervision of the entire Commission. This change in the reporting and supervision of the Inspector General necessitates minor amendments in the Commission’s rules dealing with lines of responsibility (46 CFR 501.4), and functions of the organizational components of the Commission (46 CFR 501.5).

With respect to lines of responsibility, 46 CFR 501.4(a) is amended to eliminate the Office of Inspector General from the list of offices that report to the Chairman, and a new paragraph, 46 CFR 501.4(b), is added to reflect that the Inspector General reports to the Commission. With regard to functions of organizational components of the Commission, 46 CFR 501.5(a), which sets out the functions of the Chairman, is amended to eliminate the Office of Inspector General from the list of offices that receive management direction from the Chairman, to remove 46 CFR 501.5(a)(2) from this section, and to renumber 46 CFR 501.5(a)(3) and 46 CFR 501.5(a)(4) as 46 CFR 501.5(a)(2) and 46 CFR 501.5(a)(3) respectively. Finally, 46 CFR 501.5(b), which sets out the functions of

the Commissioners, is amended by adding language providing that the Inspector General reports to and is under the general supervision of the Commission, and by adding section 501.5(b)(1) to describe the functions of the Office of Inspector General.

Because the changes made in this Final Rule address only internal agency organization, which do not require notice and public comment pursuant to the Administrative Procedure Act, 5 U.S.C. 553, this rule is published as final. This rule is not a “major rule” under 5 U.S.C. 804(2).

### **List of Subjects**

#### **46 CFR Part 501**

Administrative practice and procedure, Authority delegations, Organization and functions, Seals and insignia.

For the reasons stated in the preamble, the Federal Maritime Commission amends 46 CFR Part 501 as follows:

### **PART 501 – THE FEDERAL MARITIME COMMISSION – GENERAL**

1. The authority citation for Part 501 continues to read as follows:

Authority: 5 U.S.C. 551-557, 701-706, 2903, and 6304; 31 U.S.C. 3721; 41 U.S.C. 414 and 418; 44 U.S.C. 501-520 and 3501-3520; 46 U.S.C. 301-307, 40101-41309, 42101-42109, 44101-44106; Reorganization Plan No. 7 of 1961, 26 FR 7315, August 12, 1961; Pub. L. 89-56, 70 Stat. 195; 5 CFR Part 2638; Publ. L. 104-320, 110 Stat. 3870.

2. Amend § 501.4 as follows:

- a. In paragraph (a) by removing the reference “the Office of the Inspector General,”;
- b. Redesignate paragraph (b) as paragraph (c); and

c. Add a new paragraph (b) to read as follows:

**§ 501.4 Lines of Responsibility.**

\* \* \* \* \*

(b) *Commission.* The Inspector General reports to the Commission.

\* \* \* \* \*

3. Amend § 501.5 as follows:

- a. In paragraph (a) introductory text by removing the reference “Inspector General,” from the second sentence and by removing the reference “(a)(4)” and adding the reference “(a)(3)” in its place in the last sentence;
- b. Remove paragraph (a)(2);
- c. Redesignate paragraphs (a)(3) and (4) as (a)(2) and (3) respectively; and
- d. In paragraph (b) introductory text by adding a sentence to the end.
- e. Add paragraph (b)(1) and reserve paragraph (b)(2).

**§ 501.5 Functions of the organizational components of the Federal Maritime Commission.**

\* \* \* \* \*

(b) \* \* \* In addition, the Inspector General reports to and is under the general supervision of the Commission.

(1) Under the direction and management of the Inspector General, the *Office of Inspector General* conducts, supervises and coordinates audits and

investigations relating to the programs and operations of the Commission; reviews existing and proposed legislation and regulations pertaining to such programs and operations; provides leadership and coordination and recommends policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect waste, fraud and abuse in, such programs and operations; and advises the Commission and the Congress fully and currently about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

(2) [Reserved]

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By the Commission.

Rachel E. Dickon  
Assistant Secretary