



FEDERAL MARITIME COMMISSION

Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation - Cap Adjustment

AGENCY: Federal Maritime Commission.

ACTION: Notice.

DATES: The Adjusted Cap amount will be effective [Insert Date 60 days after date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT:

Sandra L. Kusumoto, Director, Bureau of Certification and Licensing, 202-523-5787, skusumoto@fmc.gov.

SUPPLEMENTARY INFORMATION: In accordance with the Final Rule published in the *Federal Register* (FR) of February 27, 2013 (78 FR 13268), the Director, Bureau of Certification and Licensing is required to calculate the Adjusted Cap amount for financial responsibility for indemnification of passengers for nonperformance of transportation and transmit that information to the Commission's Office of the Secretary for publication on the Commission's website and in the *Federal Register*. The cap automatically adjusts every two years after the date the cap reached \$30 million (April 2, 2015), based on changes in the U.S. Bureau of Labor Statistics' (BLS) Consumer Price Index for all Urban Consumers (CPI-U), and is rounded to the nearest \$1 million.

The formula used to determine the percent change is as follows:

$$\text{Percent Change in the Annual CPI-U} = \frac{(\text{Annual CPI-U for 2018} - \text{Annual CPI-U for 2015})}{\text{Annual CPI-U for 2015}} \times 100$$

Based on the percent change calculated, the Escalation Formula for the cap adjustment is calculated. The formula uses a Base Cap of \$30 million set from April 2, 2015, as the cap upon which all subsequent cap adjustment calculations will be determined. The

calculation for the Adjusted Cap is then rounded to the nearest \$1 million. The following is the Escalation Formula used to determine the Adjusted Cap:

$$\text{Adjusted Cap} = \frac{(\text{Base Cap} \times \text{Change in the Annual CPI} - U)}{100} + \text{Base Cap}$$

The index percent change for use in 2019 was calculated to be 5.945 and the Adjusted Cap was calculated to be \$31.8 million. The Adjusted Cap rounded to the nearest \$1 million is \$32 million. The current cap of \$30 million remains in effect until the Adjusted Cap of \$32 million becomes effective. Thereafter and until the next adjustment, the cap for financial responsibility for indemnification of passengers for nonperformance of transportation shall increase to \$32 million. The next adjustment will be conducted in 2021.

Rachel Dickon,
Secretary.

Billing Code: 6731-AA

[FR Doc. 2019-08374 Filed: 4/24/2019 8:45 am; Publication Date: 4/25/2019]