§ 42.1 Policy.

(a) It is the policy of the Department of Justice to seek to eliminate discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, marital status, political affiliation, age, or physical or mental handicap in employment within the Department and to assure equal employment opportunity for all employees and applicants for employment.

(b) No person shall be subject to retaliation for opposing any practical prohibited by the above policy or for participating in any stage of administrative or judicial proceedings related to this policy.

Dated: June 26, 1996.

Janet Reno,

Attorney General.

[FR Doc. 96–16888 Filed 7–2–96; 8:45 am]

BILLING CODE 4410–01–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 256

RIN 1010–AC18

Leasing of Sulphur or Oil and Gas in the Outer Continental Shelf

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: This rule amends the regulations of MMS to allow the authorized officer to extend the 90-day time period within which we must accept or reject the high bids received on Outer Continental Shelf (OCS) tracts offered for sale. Unforeseen circumstances including a flood, a furlough, and an extremely high bid response may create a need for more time to evaluate bids. The rule gives the authorized officer authority to extend the time period for 15 working days or longer, beyond 90 days after the date on which the bids are opened, when circumstances warrant.

EFFECTIVE DATE: This rule is effective July 18, 1996.

FOR FURTHER INFORMATION CONTACT: Dr. Marshall Rose, Chief, Economic Evaluation Branch, telephone (703) 787–1536.

SUPPLEMENTARY INFORMATION: The time to accept or reject bids is established under the regulations at 30 CFR 256.47. The authorized officer must accept or reject the high bids within 90 days after the bid opening, except for tracts or blocks identified by the Secretary of the Interior as subject to:

(1) Another nations's claims of jurisdiction and control which conflict with the claims of the United States, or

(2) Defense-related activities that may be incompatible with mineral exploration/development activities. Any bid not accepted within that period is deemed rejected.

In the Central Gulf of Mexico Sale 157, held April 24, 1996, we received 1,381 bids on 924 tracts, 632 of which passed to Phase 2 for detailed reviews. This unprecedented response by industry in Sale 157 resulted from the enactment of the Outer Continental Shelf Deep Water Royalty Relief Act (Pub. L. 104–58, DWRRA) and other factors, such as higher natural gas and oil prices. Consequently, MMS is unable to conduct and complete the entire bid review process within the 90 days, i.e., by July 22, 1996. If we do not modify the timing restriction before the 90 days expire for Sale 157, dozens of high bids received on tracts offered in that sale may be rejected because of our inability to complete the statutorily mandated review for fair market value. Therefore, in accordance with 5 U.S.C. 553(b)(3)(B), this rule is effective July 18, 1996. It is in the public interest to ensure that adequate time is available to give all high bids a full and appropriate review and to ensure the receipt of fair market value.

The 90-day period was established in 1982 because of the change from nomination to areawide sales and from presale to postsale evaluations. Since then, MMS has held mainly areawide sales. The DWRRA amended the Outer Continental Shelf Lands Act and defined a new bidding system which provides for royalty suspensions. The deep water incentive law did not amend the requirement that we receive fair market value for tracts leased. Any lease sale held before November 28, 2000, must use the new bidding system for all tracts located in water depths of 200 meters or more in the Gulf of Mexico west of 87 degrees, 30 minutes west longitude. The large number of bids received in response to the new statutory requirements resulted in an increased workload which we expect will exceed our ability to complete the bid review process within 90 days as required by 30 CFR 256.47(e)(2).

This rule allows the authorized officer authority to extend the time period for 15 working days or longer when circumstances warrant. Recent examples include floods and furloughs; however, other circumstances such as an excessive unanticipated workload may arise which could warrant the need for a longer time for bid evaluation.

This rule addresses a housekeeping issue and will enable us to adjust the bid acceptance/rejection time period to meet changing conditions. It recognizes that 90 days may not be enough time to complete the review process, which would result in the rejection of the high bids which we fail to evaluate within 90 days. This would result in fewer leases being issued because of failure to complete the bid review process within time and resource constraints. The Government may receive less bonus and rental monies.

Today, without authority to extend the bid review period, the 1982 90-day rule is arbitrarily too rigid and may not allow sufficient time given the current complexities inherent in evaluating certain tracts. It is in the public interest to ensure that adequate time is available to give all high bids a full and appropriate review, to ensure the receipt of fair market value, and ultimately to increase natural gas and oil supplies.

This rulemaking finalizes the rule, with one substantive modification, as originally proposed and published in the Federal Register (61 FR 24466, May 15, 1996). Seven respondents—a trade organization and six companies—submitted comments on the proposed rule during the public comment period. The MMS reviewed and analyzed the comments. The following is a discussion of the comments received and our response.

Narrative Responses to Comments

Comment: Although MMS now pays interest on the one-fifth bonus held during the evaluation period, industry must set aside the four-fifths of the bonus and first year rental to pay for the lease when and if awarded. Delays in rejecting a lease may cause a company to miss participating in a significant opportunity elsewhere. Delays in awarding leases can cause delays in planning further seismic evaluation, hazard surveys, rig commitment, and budgeting of wells. On the other hand, industry does not want the retention of the 90-day period to result in the rejection of the high bids because MMS does not have sufficient time to evaluate them.

Response: We realize that any extension beyond the 90 days could result in some missed opportunities and impact exploration and development activities, but MMS must fulfill its duty to obtain fair market value for offshore leased tracts. Because we accept tracts sequentially during the bid review period, on only a small portion of tracts will MMS require more than 90 days to

complete the evaluation. We plan to extend the bid review period only when circumstances beyond our control arise, such as weather conditions, furloughs, or an unusually large number of unanticipated tracts receiving bids causing disruptions in our workload. We would rather ensure that adequate time is available to give all high bids a full and appropriate review, than have to reject high bids for insufficient time to evaluate, which could be the case without this rule. To accommodate the concern to keep the review time extension as short as possible, MMS has reduced the minimum extension time from 30 days as proposed to 15 working days in the final rule.

Comment: The ''authorized officer'' should not be allowed authority to extend the time period for more than 30 days. This extension of time should only apply to the evaluation of Sale 157 bids and should not be for additional time caused by a change in the bid adequacy procedures, for example, elimination of the 3-bid rule.

Response: Our recent experience with floods and furloughs, which resulted in extensions of the bid review period for 14 and 9 days each, would indicate that it is unlikely that the authorized officer will extend the time period for more than 15 working days. As a result, we have modified the proposed 30 days to 15 working days. However, in those rare circumstances that may arise which could warrant a longer time for bid evaluation, this rule gives the authorized officer the flexibility to respond appropriately and in the public interest. With respect to Sale 157, more than three times the normal number of tracts went to Phase 2 for further evaluation, only a small percentage of which was attributable to the elimination of the 3-bid rule. The excessive workload burden is a result primarily of industry competition and bidding in Sale 157 and not a change in the bid adequacy procedures.

Comment: The fact that a tract is covered by the DWRRA should not be a factor in evaluating the high bid on that tract.

Response: The MMS must fulfill its duty to obtain fair market value for offshore leased tracts. The fact that a tract may benefit from the DWRRA will normally cause the bidders to adjust their bids accordingly. Therefore, any bid review procedure should take this effect into consideration as well.

Comment: The regulation and the notice granting the extension should make clear the event or circumstances which require the extension.

Response: Based on past experience, the rule does not list all possible reasons, or combination of reasons, that could trigger an extension. Examples of circumstances that might apply are: Inclement weather that results in closing the office; damage to the building (e.g., explosion, fire, or water); lack of electrical power; etc. Any announcement of an extension beyond the 90-day period will include the reasons warranting the extension.

Comment: An extension to accept or reject the high bids is acceptable provided the additional time is warranted, and the sale schedule in the Central and Western Gulf of Mexico is not seriously affected. The alternative of rejecting high bids not evaluated because of insufficient time does not serve the best interest of the companies or the Government.

Response: We, like the companies, do not want to extend the bid review period any more than absolutely necessary because MMS wants to continue to meet our sales schedule. We also realize that companies might delay exploration and development decisions because considerable amounts of financial resources, which could be better employed elsewhere, are tied up during this period. Any extensions should be for the minimum time warranted and affect a small number of tracts.

Comment: The 90-day period would be sufficient if MMS limited its evaluation efforts in Phase 2 to those tracts where there is current activity or new production offsetting a tract receiving bids.

Response: Because we are required to receive fair value for all tracts leased, the existing bid adequacy procedures do not limit Phase 2 evaluation efforts only to those tracts where there is current activity or new production offsetting a tract receiving bids. The rule recognizes that more than 90 days may be needed to complete the process. We will continue to review our procedures and, based on knowledge gained from experience in lease sales, may identify modifications which might reduce the length of the bid review period.

Author: This document was prepared by Mary Vavrina, Offshore Resource Evaluation Division, MMS.

Executive Order (E.O.) 12866

This rule does not meet the criteria for a significant rule requiring review by the Office of Management and Budget (OMB) under E.O. 12866.

Regulatory Flexibility Act

The Department of the Interior (DOI) has determined that this rule will not have a significant economic effect on a substantial number of small entities. Any direct effects of this rulemaking will primarily affect the lessees and operators—entities that are not, by definition, small due to the technical complexities and financial resources necessary to conduct OCS activities. Small entities are more likely to operate onshore or in State waters—areas not covered by this rule. The indirect effect of this rulemaking on small entities that provide support for offshore activities has also been determined to be small. When small entities work on the OCS, they are more likely to be contractors rather than lessees. While these contractors must follow the rules governing OCS operations, we are not changing the rules that govern actual operations on a lease. We are only modifying the rules governing the actual acceptance or rejection of a high bid for a lease.

Paperwork Reduction Act

The rule has been examined under the Paperwork Reduction Act of 1995 and has been found to contain no new reporting and information collection requirements.

Takings Implication Assessment

The DOI certifies that this rule does not represent a governmental action capable of interference with constitutionally protected property rights. A Takings Implication Assessment prepared under E.O. 12630, Government Action and Interference with Constitutionally Protected Property Rights, is not required.

E.O. 12988

The DOI has certified to OMB that the rule meets the applicable reform standards provided in Section 3(b)(2) of E.O. 12988.

National Environmental Policy Act

The DOI has determined that this rule does not constitute a major Federal action significantly affecting the quality of the human environment; therefore, an environmental impact statement is not required.

Unfunded Mandate Reform Act of 1995

The DOI has determined and certifies according to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 et seq., that this rule will not impose a cost of $100 million or more in any given year on local, tribal, or State governments or the private sector.

List of Subjects in 30 CFR Part 256

Administrative practices and procedures, Continental shelf, Government contracts, Incorporation by reference, Oil and gas exploration,

Public lands—mineral resources, Reporting and recordkeeping requirements, Surety bonds.

Dated: June 27, 1996.

Sylvia V. Baca,

Assistant Secretary, Land and Minerals Management.

For the reasons set forth in the preamble, we amend 30 CFR part 256 as follows:

PART 256—LEASING OF SULPHUR OR OIL AND GAS IN THE OUTER CONTINENTAL SHELF

1. The Authority citation for part 256 continues to read as follows:

Authority: 43 U.S.C. 1331 *et seq.*

2. Section 256.47(e)(2) is revised to read as follows:

§ 256.47 Award of leases.

* * * * *

(e) * * *

(2) The authorized officer must accept or reject the bid within 90 days. The authorized officer may extend the time period for acceptance or rejection of a bid for 15 working days or longer, if circumstances warrant. Any bid not accepted within the prescribed time period, including any extension thereof, is deemed rejected.

* * * * *

[FR Doc. 96–17013 Filed 7–2–96; 8:45 am]

BILLING CODE 4310–MR–M

DEPARTMENT OF DEFENSE

Department of the Army

Corps of Engineers

33 CFR Part 334

Chesapeake Bay Off Fort Monroe, VA, and Canaveral Harbor Adjacent to the Navy Pier at Port Canaveral, FL; Restricted Areas, and Pacific Ocean, Hawaii, Danger Zones

AGENCY: U.S. Army Corps of Engineers, DOD.

ACTION: Final rule.

SUMMARY: The Corps is amending the regulations which establish a restricted area in the waters off of Fort Monroe, Virginia, which is located at Hampton Roads in the Chesapeake Bay. The purpose of the amendment is to increase the size of the restricted area to protect sensitive test equipment operated by the Navy in that area. The equipment is susceptible to damage by commercial fishing vessels, anchoring and dragging. The Corps is amending the regulations which establish a restricted area in Canaveral Harbor in the waters adjacent to the Navy pier at Port Canaveral, Florida. This amendment concerns the replacement of a warning light system in the Canaveral area. The change is necessary because the existing rules refer to the display of a nonexistent red ball and the Port Canaveral water tower which has been dismantled. The marker light has been relocated. The Corps is also making several editorial changes to the regulations which establish danger zones in the waters offshore of Hawaii. The amendments reflect a change in the use of a danger zone and the identity of the Agency responsible for enforcement of the regulations. The changes are being made as a result of an ongoing review of the regulations.

EFFECTIVE DATE: August 2, 1996.

ADDRESSES: HQUSACE, CECW–OR, Washington, D.C. 20314–1000.

FOR FURTHER INFORMATION CONTACT: Mr. Ralph Eppard, Regulatory Branch, CECW–OR at (202) 761–1783, or questions concerning the Fort Monroe restricted area may be directed to Ms. Alice G. Riley of the Norfolk District at (804) 441–7389, and questions concerning the Port Canaveral restricted area may be directed to Ms. Shirley Stokes of the Jacksonville District at (904) 232–1668.

SUPPLEMENTARY INFORMATION: Pursuant to its authorities in Section 7 of the Rivers and Harbors Act of 1917 (40 Stat. 266; 33 U.S.C. 1) and Chapter XIX of the Army Appropriations Act of 1919 (40 Stat. 892; 33 U.S.C. 3), the Corps is amending the regulations in 33 CFR Part 334.360, 334.530 and 334.1340.

The Commanding Officer, Naval Surface Warfare Center, Dahlgren Detachment, Fort Monroe, Virginia has requested an amendment to the regulations in 33 CFR 334.360, which establish a restricted area in the Chesapeake Bay off Fort Monroe, Virginia. In addition, the Commanding Officer, Naval Ordnance Test Unit, Cape Canaveral, Florida, has requested an amendment to the restricted area regulations in 33 CFR 334.530 to delete a reference to a red warning light on a water tower and refer in its place to a new warning light system. We published these proposed amendments to the regulations in the notice of proposed rulemaking section of the Federal Register on February 27, 1996, with the comment period expiring on April 12, 1996 (61 FR 7231–7132). We received no comments in response to the proposed rule. The Commander, Naval Base, Pearl Harbor has requested that minor editorial changes be made to the regulations which establish several danger zones in the waters offshore of Hawaii to remove obsolete material. The title of the danger zone in 33 CFR 1340(a)(4) is changed from ''*Aerial bombing and naval shore bombardment area, Kahoolawe Island Hawaii*'' to ''*Submerged unexploded ordnance danger zone, Kahoolawe Island, Hawaii*'' and the enforcing authority in paragraph (c) is changed from ''Commander, Third Fleet, Pearl Harbor'' to ''Commander, Naval Base, Pearl Harbor, Hawaii 96860–5020.'' These amendments to the danger zones in 33 CFR 334.1340 are being promulgated without being published as proposed rules with opportunity for public comment because the changes are editorial in nature and since the revisions do not change the boundaries or increase or decrease the restrictions on the public's use or entry into the designated danger zones, the changes will have practically no effect on the public, and accordingly, public comment is unnecessary and impractical.

Economic Assessment and Certification

This final rule is issued with respect to a military function of the Defense Department and the provisions of Executive Order 12866 do not apply. This final rule has been reviewed under the Regulatory Flexibility Act (Pub. L. 96–354), which requires the preparation of a regulatory flexibility analysis for any regulation that will have a significant economic impact on a substantial number of small entities (i.e., small businesses and small governments). The Corps expects that the economic impact of the changes to the restricted areas will have practically no impact on the public, no anticipated navigational hazard or interference with existing waterway traffic and accordingly, certifies that this final rule will have no significant economic impact on small entities.

National Environmental Policy Act Certification

An environmental assessment has been prepared for each of these actions. We have concluded, based on the minor nature of these amendments, that these amendments to danger zones and restricted areas will not have a significant impact to the human environment, and preparation of an environmental impact statement is not required. Copies of the environmental assessment may be reviewed at the District Offices listed at the end of **SUPPLEMENTARY INFORMATION,** above.

List of Subjects in 33 CFR Part 334

Navigation (water), Transportation, Danger Zones.