committee's tribal caucus presented a consensus recommendation to the Assistant Secretary for distribution of fiscal year 2002 IRR program funds. We have evaluated any potential effects on federally recognized Indian tribes and have determined that there are no potential adverse effects and have determined that this rule preserves the integrity and consistency of the relative need formula process we have used since 1993 to distribute IRR funds. We are making a change from previous years (which we also made for fiscal years 2000, 2001, and the first part of fiscal year 2002 IRR program funds (see **Federal Register** notices at 65 FR 37697 and 66 FR 17073)) to modify the FHWA Price Trends Report indices for non-reporting states which do not have current price trends data reports. The yearly FHWA Report is used as part of the process to determine the cost-to-improve portion of the relative need formula. As in fiscal year 2001, this rule will provide for up to $35,000 per tribe for administrative capacity building and other eligible transportation activities by reserving $19.53 million from this distribution. Consultation with tribal governments and tribal organizations is ongoing as part of the TEA–21 negotiated rulemaking process and this distribution uses the TEA–21 Negotiated Rulemaking Committee's tribal caucus recommendation.

List of Subjects in 25 CFR Part 170

Highways and Roads, Indians-lands.

For the reasons set out in the preamble, we are amending Part 170 in Chapter I of Title 25 of the Code of Federal Regulations as follows.

PART 170—ROADS OF THE BUREAU OF INDIAN AFFAIRS

1. The authority citation for part 170 continues to read as follows:

Authority: 36 Stat. 861; 78 Stat. 241, 253, 257; 45 Stat. 750 (25 U.S.C. 47; 42 U.S.C. 2000e(b), 2000e–2(i); 23 U.S.C. 101(a), 202, 204), unless otherwise noted.

2. Revise § 170.4b to read as follows:

§ 170.4b What formula will BIA use to distribute the remaining 25 percent of fiscal year 2002 Indian Reservation Roads program funds?

On July 8, 2002 we will distribute the remaining 25 percent of fiscal year 2002 IRR Program funds authorized under Section 1115 of the Transportation Equity Act for the 21st Century, Public Law 105–178, 112 Stat. 154. We will distribute the funds to Indian Reservation Roads projects on or near Indian reservations using the relative need formula established and approved in January 1993. The formula has been modified to account for non-reporting states by inserting the latest data reported for those states for use in the relative need formula process. Of this remaining 25 percent of fiscal year 2002 IRR program funds, $19.53 million is available for immediate distribution to provide for up to $35,000 for each tribe for administrative capacity building and other eligible transportation activities based on approved contracts, agreements, or requests for such funds by the deadline of August 15, 2002.

Dated: May 9, 2002.

Neal A. McCaleb,

Assistant Secretary, Indian Affairs.

[FR Doc. 02–16636 Filed 7–1–02; 8:45 am]

BILLING CODE 4310–LY–P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 250

RIN 1010–AC92

Oil and Gas and Sulphur Operations on the Outer Continental Shelf—Suspension of Operations for Exploration Under Salt Sheets

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: MMS is modifying regulations that govern suspensions of operations for oil and gas leases on the Outer Continental Shelf (OCS). The amendment covers instances where oil and gas lessees begin timely interpretation of geophysical data early in the lease term, but the analysis proves inconclusive because of problems caused by the existence of salt sheets underlying the seabed and overlying possible hydrocarbon deposits. In such cases, the rule allows lessees to apply for a suspension of operations to complete the necessary geophysical interpretation before drilling a well. To qualify for a suspension of operations, the lessee must show it has made and will continue to make substantial efforts and financial commitment to process and reprocess its geophysical data.

DATES: This rule is effective August 1, 2002.

FOR FURTHER INFORMATION CONTACT: John Mirabella, Engineering and Operations Division, (703) 787–1598.

SUPPLEMENTARY INFORMATION: When a lessee obtains an oil and gas lease on the OCS, MMS regulations allow the lessee flexibility to schedule activities during the primary term. At the end of the primary term, the lease can continue in force only by production, suspension, drilling, or well reworking operations as approved by the Secretary of the Interior. MMS regulations at 30 CFR 250.168–177 authorize suspensions before discovery of oil or gas in paying quantities only in limited circumstances. Generally, when a lease reaches the end of the primary term, the lessee must conduct drilling operations until it has made a discovery of oil or gas and a commitment to proceed to development and production.

Although lessees have made great progress in imaging potential objectives in areas under salt sheets, processing, analyzing, and interpreting geophysical, geological, and other relevant data and information is complex and time-consuming. As a result, lessees have been faced with the end-of-lease-term decisions to either allow the lease to expire or drill a well without sufficient geophysical information.

On December 21, 2000, MMS issued a Notice to Lessees (NTL) 2000–G22, Subsalt Lease Term Extension. That NTL provides for an extension of lease terms for subsalt exploration in cases where the lessee has drilled a well on the lease during the primary term but needs additional time to process geophysical data before drilling another well. The NTL did not provide additional time to process geophysical data in cases where a well had not been drilled. This rule authorizes MMS to grant a suspension for a lease when the operator has conducted timely analysis and interpretation of the geophysical data that may ultimately lead to a drilling objective but, due to the complexity of the salt sheet, needs additional time to complete the geophysical analysis before drilling.

MMS published a proposed rule on January 9, 2002 (67 FR 1171). The public comment period ended on February 8, 2002. Seven interested parties responded with comments and recommendations during the comment period. Commenters agreed with the need to encourage drilling in areas under salt sheets and supported the change, although they made specific recommendations about the rule and its implementation.

Comments: One commenter noted that the effect of the regulation will delay the commencement of drilling on the lease. He asked that MMS closely scrutinize requests made under the rule to ensure that lessees are diligently working toward drilling activities.

Response: We agree with the commenter that this rule should be

applied only to the limited set of circumstances detailed in the rule, with the ultimate goal being development of the lease. It is for this reason that the provision includes specific details with regard to eligibility and diligence.

Comments: One commenter encouraged MMS to establish a 10-year lease term for all leases in the Gulf of Mexico (GOM). The rationale given was that capital commitment and technical complexities warrant a 10-year lease. Another commenter requested consideration of broader changes in leasehold management, lease term extension, and unit formation. The rationale was that the changes are needed to tap the vast potential in the GOM.

Response: The MMS appreciates the concerns expressed by all commenters. However, these comments are outside the scope of this rulemaking and were not adopted.

Comments: Several commenters were uncertain of the definition of the western GOM and others recommended that the rule apply to the entire OCS, not just to the western GOM. Since granting of a suspension of operations is discretionary, the commenter thought that limiting the rule to one geographical area was unnecessary.

Response: To avoid confusion and to provide the discretion needed to avoid premature drilling of wells if these conditions were found to exist in other areas, we have removed the clause limiting the rule to the western GOM.

Comments: One commenter recommended that the suspension not be limited to 3 years. Another commenter recommended that the provision clarify that a lessee can receive more than one suspension on a lease.

Response: Lessees who apply for a suspension will be required to specify the activities leading to the drilling of a subsalt well and, if the suspension is granted, it will be for a length of time warranted to complete specified activities. If in the course of completing the specified work, the lessee encounters further complications and needs additional time, the lessee may apply for additional suspensions under the provision. MMS expects that a suspension of even 3 years will be very unusual. However, since we will only be giving the time necessary to complete the proposed activity, we have eliminated the 3-year maximum and will determine the appropriate length of suspensions on a case-by-case basis. When not otherwise specified, suspensions under MMS regulations are for a maximum of 5 years as specified in 30 CFR 250.170(a) and can be obtained multiple times when warranted.

Comment: One commenter recommended that the rule apply to a variety of salt structures other than salt sheets.

Response: We did not make this change. Companies have historically operated near salt structures, and it is not our intention to provide more time for all companies who find potential discoveries near a salt structure. This provision is intended to specifically address the needs of companies who are exploring in deep areas under or near a salt sheet.

Comments: Several commenters made recommendations concerning the specific wording of the proposed rule. In § 250.175(b)(2), one commenter recommended that ''collected'' be changed to ''acquired'' to recognize that some lessees will be purchasing or licensing rather than collecting data and that ''analyzed'' be changed to ''interpreted'' to be more representative of the work. Another commenter recommended that the rule be modified to clarify that the provision applies to leases already beyond the third year. The commenter read the rule to imply that leases beyond their third year when the rule becomes effective will not be eligible for a suspension under the new provision.

Response: Any lessee will be eligible to apply for a suspension under the new provision. We revised the wording from ''collected'' to '' acquired'' and replaced ''analyzed'' with ''interpreted.'' All lessees who hold leases that meet the requirements of the provision and are active at the time this rule becomes effective, or are issued after that date, will be eligible to apply for the suspension.

Comment: One commenter recommended that the 3-year period in § 250.175(b)(2), during which lessees must complete specified geophysical work, be lengthened by the length of any suspensions of operations received during the 3 years.

Response: In rare cases where a suspension is directed within the first 3 years of a primary term, the suspension would not be expected to require the lessee to delay geophysical work. We therefore have not adopted the commenter's suggestion.

Comments: Several commenters made recommendations concerning the discussion of § 250.175(b)(3) in the preamble to the proposed rule which stated that as a measure of whether the lessee has conducted timely analysis of geophysical information, MMS will require the lessee to have collected and analyzed geophysical information (i.e., full 3-D depth migration beneath the salt sheet and over the entire lease area) before the end of the third lease year. The commenters stated that either (1) 3-D ''time'' migration, rather than depth migration, be acceptable as the seismic activity reasonably expected to have been concluded with the first 3 years of the lease term; or (2) the lessee commit financially (by contract) to perform a depth migration before the end of the third year. The preamble also stated that the lessee must have completed additional data reprocessing before MMS will grant a suspension. The commenters wanted more time to complete the pre-stack depth migration because conducting the interpretations prematurely would limit the information that would be gained from the depth migration.

Response: We did not accept this suggested change. Prior to encountering complications due to the salt sheet, the lessee should be on a schedule to drill in the primary term. The complications being addressed by this rule would not be apparent until after the lessee has completed the depth migration. If the lessee is not on a schedule to complete the depth migration by the end of the third year, then our experience has shown that the schedule would not provide for drilling during a 5-year primary term. In considering whether the interpretation of geophysical information is timely, MMS will require the lessee to have acquired and interpreted geophysical information (i.e., full 3-D depth migration beneath the salt sheet and over the entire lease area) before the end of the third lease year. This is consistent with the criteria included in the preamble to the proposed rule, and this criterion has been included in the final rule at § 250.175(b)(3).

Comment: A commenter recommended that because of the uncertainty of contractor availability, the criteria for timely analysis be that the lessee had issued a contract for depth migration rather than to have completed the depth migration by the end of the third year.

Response: MMS did not make this change. Contractors conduct a significant portion of OCS operations. Whether the work is drilling a well or conducting geophysical exploration, the lessee is ultimately responsible for the timeliness of the contractor's activities.

Comment: In § 250.175(b)(3), commenters recommended that the word ''confirms'' be changed to ''indicates'' to better reflect the geophysical phase of exploration and the term ''beneath the salt sheet'' be modified to recognize that a drillable

objective may not be entirely under the salt sheet.

Response: We revised the final rule to reflect these recommendations, which are found in § 250.175(b)(2).

Comments: In § 250.175(b)(4), commenters recommended changing ''completing'' to ''completing or nearing the completion of'' to not penalize a company who is diligent but has not completed a specific interpretation, and adding ''covering all or a portion of the applicable geophysical area'' to allow the lessee to concentrate on special areas of interest.

Response: We revised the final rule to address these recommendations and to place the emphasis on the information that justifies the application.

Comment: One commenter recommended that § 250.175(b)(5) be changed to allow time to determine the best location to drill and to plan the well.

Response: MMS recognizes that determining the best location to drill and planning the well are necessary steps to be taken prior to drilling. If a lessee meets the conditions necessary to receive a suspension of operations, the lessee, in accordance with § 250.171(b), will submit a request that includes a schedule of activities leading up to commencement or restoration of the suspended activity. In this case, the lessee would include a schedule leading up to the commencement of drilling. If that schedule includes a reasonable length of time for determining a location to drill and planning the well, then the length of the suspension will, if granted, include time for those activities.

In § 250.175(b)(5), the text was revised to reflect changes made in other paragraphs.

Procedural Matters

Regulatory Planning and Review (Executive Order 12866)

This document is not a significant rule as determined by the Office of Management and Budget (OMB) and is not subject to review under Executive Order 12866.

Over the next 5 years, MMS anticipates that companies would make three to five requests each year under the rule. We estimate that in three of the cases each year, this new rule will prevent unnecessary drilling of wells that may not otherwise have been drilled had the geophysical interpretation been sufficient. Depending on the water depth and the well depth, we estimate that drilling each well, on average, would have cost $10 million. Selective suspensions will help reduce potential environmental impact and produce approximately $30 million in private sector savings.

(1) This rule will not have an annual effect of $100 million or more on the economy. It will not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.

(2) This rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency. Issuance of a suspension for a lease does not interfere with the ability of other agencies to exercise their authority.

(3) This rule does not alter the budgetary effects of entitlements, grants, user fees, or loan programs or the rights or obligations of their recipients. This rule will have no effect on the rights of the recipients of entitlements, grants, user fees, or loan programs.

(4) This rule does not raise novel legal or policy issues.

Regulatory Flexibility (RF) Act

The Department of the Interior (DOI) certifies that this rule will not have a significant economic effect on a substantial number of small entities under the RF Act (5 U.S.C. 601 *et seq.*).

This rule may directly or indirectly affect lessees and operators of leases on the OCS. This includes about 130 different companies. These companies are generally classified under the North American Industry Classification System (NAICS) code 211111, which includes companies that extract crude petroleum and natural gas. For this NAICS code classification, a small company is one with fewer than 500 employees. Based on these criteria, we estimate that about 70 percent of these companies are considered small. We expect few, if any, of the small companies to apply for a suspension under this rule. This is because the wells that will be drilled into the subsalt areas are expected to be drilled to depths sometimes in excess of 30,000 feet. These wells will be substantially more expensive than the average well on the OCS. As stated earlier, the costs of the wells are expected to average $10 million. Some small companies may benefit by being included in partnerships with larger companies that are exploring in the subsalt areas.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small business about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of MMS, call toll-free 1–888–734–3247. You may comment to the Small Business Administration without fear of retaliation. Disciplinary action for retaliation by an MMS employee may include suspension or termination from employment with the Department of the Interior.

Small Business Regulatory Enforcement Fairness Act (SBREFA)

This rule is not a major rule under the SBREFA (5 U.S.C. 804(2)). This rule:

(1) Does not have an annual effect on the economy of $100 million or more.

(2) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions.

(3) Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises.

We do not expect this rule to have a significant effect because, as discussed above, this rule will have a positive effect on the private sector of approximately $30 million per year in avoided costs.

Paperwork Reduction Act (PRA) of 1995

The PRA provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information and assigns a control number, you are not required to respond. The revisions to 30 CFR 250, subpart A, refer to, but do not change the information collection requirements in the current regulations. OMB has approved the referenced information collection requirements under OMB control number 1010–0114, current expiration date of September 30, 2002. The rule includes no new reporting or recordkeeping requirements, and an OMB form 83–I submission to OMB under the PRA is not required.

Federalism (Executive Order 13132)

With respect to Executive Order 13132, the rule does not have Federalism implications. This rule does not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this rule does not affect that role.

Takings (Executive Order 12630)

With respect to Executive Order 12630, the rule does not have significant Takings implications. A Takings Implication Assessment is not required. The rulemaking is not a governmental action capable of interfering with constitutionally protected property rights.

Energy Supply, Distribution, or Use (Executive Order 13211)

This rule is not a significant rule and is not subject to review by OMB under Executive Order 12866. The rule may have a small positive effect on energy supplies.

Civil Justice Reform (Executive Order 12988)

With respect to Executive Order 12988, the Office of the Solicitor has determined that this rule does not unduly burden the judicial system and meets the requirements of sections 3(a) and 3(b)(2) of the Executive Order.

National Environmental Policy Act (NEPA) of 1969

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. The DOI has established that ''issuance and/or modification of regulations'' is considered a categorically excluded action, as it results only in administrative effects causing no significant impacts on the environment. Therefore, this action will not require preparation of an environmental assessment or impact statement. MMS has determined that this action does not represent an exception to the categorical exclusion. A detailed statement under NEPA is not required.

Unfunded Mandate Reform Act (UMRA) of 1995 (Executive Order 12866)

This rule does not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than $100 million per year. The rule does not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by the UMRA (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 30 CFR Part 250

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Public lands-mineral resources, Public lands—right-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

Dated: June 20, 2002.

Rebecca W. Watson,

Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Minerals Management Service amends 30 CFR part 250 as follows:

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 250 continues to read as follows:

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

2. In § 250.175, redesignate the existing text as paragraph (a) and add a new paragraph (b) to read as follows:

§ 250.175 When may the Regional Supervisor grant an SOO?

* * * * *

(b) The Regional Supervisor may grant an SOO when all of the following conditions are met:

(1) The lease was issued with a primary lease term of 5 years, or with a primary term of 8 years with a requirement to drill within 5 years;

(2) Before the end of the third year of the primary term, you or your predecessor in interest must have acquired and interpreted geophysical information that indicates:

(i) The presence of a salt sheet;

(ii) That all or a portion of a potential hydrocarbon-bearing formation may lie beneath or adjacent to the salt sheet; and

(iii) The salt sheet interferes with identification of the potential hydrocarbon-bearing formation.

(3) The geologic information required under paragraph (b)(2) of this section must include full 3-D depth migration beneath the salt sheet and over the entire lease area.

(4) Before requesting the suspension, you have conducted or are conducting additional data processing or interpretation of the geophysical information with the objective of identifying a potential hydrocarbon-bearing formation.

(5) You demonstrate that additional time is necessary to:

(i) complete current processing or interpretation of existing geophysical data or information;

(ii) acquire, process, or interpret new geophysical data or information; or

(iii) drill into the potential hydrocarbon-bearing formation identified as a result of the activities conducted in paragraphs (b)(2), (b)(4), and (b)(5) of this section.

[FR Doc. 02–16633 Filed 7–1–02; 8:45 am]

BILLING CODE 4310–MR–P

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 165

[CGD09–02–036]

RIN 2115–AA97

Safety Zone; Saginaw River, Bay City, MI

AGENCY: Coast Guard, DOT.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for the Bay City Fireworks Festival in Bay City, MI. This safety zone is necessary to control vessel traffic within the immediate location of the fireworks launch site and to ensure the safety of life and property during the event. This safety zone is intended to restrict vessel traffic from a portion of the Saginaw River.

DATES: This temporary final rule is effective from 10 p.m. on July 4, 2002 until 11 p.m. on July 6, 2002.

ADDRESSES: Documents indicated in this preamble as being available in the docket, are part of docket [CGD09–02–036] and are available for inspection or copying at U.S. Coast Guard Marine Safety Office Detroit, 110 Mt. Elliott Ave., Detroit, MI 48207, between 8 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: LTJG Brandon Sullivan, U. S. Coast Guard Marine Safety Office Detroit, at (313) 568–9558.

SUPPLEMENTARY INFORMATION:

Regulatory Information

We did not publish a notice of proposed rulemaking (NPRM) for this regulation. Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing an NPRM, and under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. The permit application was not received in time to publish an NPRM followed by a final rule before the necessary effective date. Delaying this rule would be contrary to the public interest of ensuring the safety of spectators and vessels during this event and immediate action is necessary to prevent possible