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DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

**25 CFR Parts 140, 141, 211, 213, 225,
226, 227, 243, 249**

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RIN 1076–AF70

Civil Penalties Inflation Adjustments; Annual Adjustments

AGENCY: Bureau of Indian Affairs,
Interior.

ACTION: Final rule.

SUMMARY: This rule provides for annual adjustments to the level of civil monetary penalties contained in Bureau of Indian Affairs (Bureau) regulations to account for inflation under the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and Office of Management and Budget (OMB) guidance.

DATES: This rule is effective on March 9, 2022.

FOR FURTHER INFORMATION CONTACT: Steven Mullen, Federal Register Liaison, Office of Regulatory Affairs and Collaborative Action, Office of the Assistant Secretary—Indian Affairs; telephone (202) 924–2650, RACA@bia.gov.

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I. Background

On November 2, 2015, the President signed into law the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Sec. 701 of Pub. L. 114–74) (“the Act”). The Act requires Federal agencies to adjust the level of civil monetary penalties with an initial “catch-up” adjustment through rulemaking and then make subsequent annual adjustments for inflation. The purpose of these adjustments is to maintain the deterrent effect of civil penalties and to further the policy goals of the underlying statutes.

The Office of Management and Budget (OMB) issued guidance for Federal agencies on calculating the catch-up adjustment. See February 24, 2016, Memorandum for the Heads of Executive Departments and Agencies, from Shaun Donovan, Director, Office of Management and Budget, re: *Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* (M–16–06). Under the guidance, the Department identified applicable civil monetary penalties and calculated the catch-up adjustment. A civil monetary penalty is any assessment with a dollar amount that is levied for a violation of a Federal civil statute or regulation, and is assessed or enforceable through a civil action in Federal court or an administrative proceeding. A civil monetary penalty does not include a penalty levied for violation of a criminal statute, or fees for services, licenses, permits, or other regulatory review. The calculated catch-up adjustment is based on the percent change between the Consumer Price Index for all Urban Consumers (CPI-U) for the month of October in the year of the previous adjustment (or in the year of establishment, if no adjustment has been made) and the October 2015 CPI–U.

The Bureau issued an interim final rule providing for calculated catch-up adjustments on June 30, 2016 (81 FR 42478) with an effective date of August 1, 2016, and requesting comments post-promulgation. The Bureau issued a final

rule affirming the catch-up adjustments set forth in the interim final rule on December 2, 2016 (81 FR 86953). The Bureau then issued a final rule making the next scheduled annual inflation adjustment for 2017 on January 23, 2017 (82 FR 7649), for 2018 on February 6, 2018 (83 FR 5192), for 2019 on April 15, 2019 (84 FR 15098), for 2020 on February 19, 2020 (85 FR 9366), and for 2021 on January 28, 2021 (86 FR 7344).

II. Calculation of 2022 Annual Adjustments

OMB recently issued guidance to assist Federal agencies in implementing the annual adjustments required by the Act, which agencies must complete by January 15, 2022. See December 15, 2021, Memorandum for the Heads of Executive Departments and Agencies, from Shalanda D. Young, Acting Director, Office of Management and Budget, re: *Implementation of Penalty Inflation Adjustments for 2022, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* (M–21–10). The guidance states that the cost-of-living adjustment multiplier for 2022, based on the Consumer Price Index (CPI–U) for the month of October 2021, not seasonally adjusted, is 1.06222. (The annual inflation adjustments are based on the percent change between the October CPI–U preceding the date of the adjustment, and the prior year’s October CPI–U. For 2022, OMB explains, October 2021 CPI–U (276.589)/October 2020 CPI–U (260.388) = 1.06222.) The guidance instructs agencies to complete the 2022 annual adjustment by multiplying each applicable penalty by the multiplier, 1.06222, and rounding to the nearest dollar. Further, agencies should apply the multiplier to the most recent penalty amount that includes the initial catch-up adjustment required by the Act.

The annual adjustment applies to all civil monetary penalties with a dollar amount that are subject to the Act. This final rule adjusts the following civil monetary penalties contained in the Bureau’s regulations for 2022 by multiplying 1.06222 (*i.e.*, the cost-of-living adjustment multiplier for 2022) by each penalty amount as updated by the adjustment made in the prior year (2021):

CFR citation	Description of penalty	Current penalty including catchup adjustment	Annual adjustment (multiplier)	Adjusted penalty for 2022
25 CFR § 140.3	Penalty for trading in Indian country without a license	\$1,368	1.06222	\$1,453

CFR citation	Description of penalty	Current penalty including catchup adjustment	Annual adjustment (multiplier)	Adjusted penalty for 2022
25 CFR § 141.50	Penalty for trading on Navajo, Hopi or Zuni reservations without a license.	1,368	1.06222	1,453
25 CFR § 211.55	Penalty for violation of leases of Tribal land for mineral development, violation of part 211, or failure to comply with a notice of non-compliance or cessation order.	1,645	1.06222	1,747
25 CFR § 213.37	Penalty for failure of lessee to comply with lease of restricted lands of members of the Five Civilized Tribes in Oklahoma for mining, operating regulations at part 213, or orders.	1,368	1.06222	1,453
25 CFR § 225.37	Penalty for violation of minerals agreement, regulations at part 225, other applicable laws or regulations, or failure to comply with a notice of noncompliance or cessation order.	1,741	1.06222	1,849
25 CFR § 226.42	Penalty for violation of lease of Osage reservation lands for oil and gas mining or regulations at part 226, or noncompliance with the Superintendent's order.	976	1.06222	1,037
25 CFR § 226.43(a)	Penalty per day for failure to obtain permission to start operations	97	1.06222	103
25 CFR § 226.43(b)	Penalty per day for failure to file records	97	1.06222	103
25 CFR § 226.43(c)	Penalty for each well and tank battery for failure to mark wells and tank batteries.	97	1.06222	103
25 CFR § 226.43(d)	Penalty each day after operations are commenced for failure to construct and maintain pits.	97	1.06222	103
25 CFR § 226.43(e)	Penalty for failure to comply with requirements regarding valve or other approved controlling device.	195	1.06222	207
25 CFR § 226.43(f)	Penalty for failure to notify Superintendent before drilling, redrilling, deepening, plugging, or abandoning any well.	390	1.06222	414
25 CFR § 226.43(g)	Penalty per day for failure to properly care for and dispose of deleterious fluids.	976	1.06222	1,037
25 CFR § 226.43(h)	Penalty per day for failure to file plugging and other required reports	97	1.06222	103
25 CFR § 227.24	Penalty for failure of lessee of certain lands in Wind River Indian Reservation, Wyoming, for oil and gas mining to comply with lease provisions, operating regulations, regulations at part 227, or orders.	1,368	1.06222	1,453
25 CFR § 243.8	Penalty for non-Native transferees of live Alaskan reindeer who violates part 243, takes reindeer without a permit, or fails to abide by permit terms.	6,451	1.06222	6,852
25 CFR § 249.6(b)	Penalty for fishing in violation of regulations at part 249 (Off-Reservation Treaty Fishing).	1,368	1.06222	1,453

Consistent with the Act, the adjusted penalty levels for 2022 will take effect immediately upon the effective date of the adjustment. The adjusted penalty levels for 2022 will apply to penalties assessed after that date including, if consistent with agency policy, assessments associated with violations that occurred on or after November 2, 2015 (the date of the Act). The Act does not, however, change previously assessed penalties that the Bureau is collecting or has collected. Nor does the Act change an agency's existing statutory authorities to adjust penalties.

III. Procedural Requirements

A. Regulatory Planning and Review (E.O. 12866 and 13563)

Executive Order 12866 provides that the Office of Information and Regulatory Affairs in the Office of Management and Budget will review all significant rules. The Office of Information and Regulatory Affairs has determined that this rule is not significant.

Executive Order 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the nation's

regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The executive order directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed this rule in a manner consistent with these requirements.

B. Reducing Regulation and Controlling Regulatory Costs (Executive Order 13771)

This rule is not an E.O. 13771 regulatory action because this rule is not significant under Executive Order 12866.

C. Regulatory Flexibility Act

This rule will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) because the rule makes adjustments for inflation.

D. Small Business Regulatory Enforcement Fairness Act

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule:

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

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

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

E. Unfunded Mandates Reform Act

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 Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

F. Takings (E.O. 12630)

This rule does not affect a taking of private property or otherwise have taking implications under Executive Order 12630. A takings implication assessment is not required.

G. Federalism (E.O. 13132)

Under the criteria in section 1 of Executive Order 13132, this rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. A federalism summary impact statement is not required.

H. Civil Justice Reform (E.O. 12988)

This rule complies with the requirements of Executive Order 12988. Specifically, this rule: (a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and (b) meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

I. Consultation With Indian Tribes (E.O. 13175 and Departmental Policy)

The Department of the Interior strives to strengthen its government-to-government relationship with Indian tribes through a commitment to consultation with Indian Tribes and recognition of their right to self-governance and Tribal sovereignty. We have evaluated this rule under the Department's consultation policy and under the criteria in Executive Order 13175 and have determined that it has no substantial direct effects on federally recognized Indian Tribes and that consultation under the Department's Tribal consultation policy is not required.

J. Paperwork Reduction Act

This rule does not contain information collection requirements, and a submission to the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) is not required. We may not conduct or sponsor, and you are not

required to respond to, a collection of information unless it displays a currently valid OMB control number.

K. National Environmental Policy Act

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under the National Environmental Policy Act of 1969 (NEPA) is not required because the rule is covered by a categorical exclusion. This rule is excluded from the requirement to prepare a detailed statement because it is a regulation of an administrative nature. (For further information see 43 CFR 46.210(i)). We have also determined that the rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

L. Effects on the Energy Supply (E.O. 13211)

This rule is not a significant energy action under the definition in Executive Order 13211. A Statement of Energy Effects is not required.

M. Administrative Procedure Act

The Act requires agencies to publish annual inflation adjustments by no later than January 15, of each year, notwithstanding section 553 of the Administrative Procedure Act (APA) (5 U.S.C. 553). OMB has interpreted this direction to mean that the usual APA public procedure for rulemaking—which includes public notice of a proposed rule, an opportunity for public comment, and a delay in the effective date of a final rule—is not required when agencies issue regulations to implement the annual adjustments to civil penalties that the Act requires. Accordingly, we are issuing the annual adjustments as a final rule without prior notice or an opportunity for comment and with an effective date immediately upon publication in the **Federal Register**.

Section 553(b) of the Administrative Procedure Act (APA) provides that, when an agency for good cause finds that “notice and public procedure . . . are impracticable, unnecessary, or contrary to the public interest,” the agency may issue a rule without providing notice and an opportunity for prior public comment. Under section 553(b), the Bureau finds that there is good cause to promulgate this rule without first providing for public comment. It would not be possible to meet the deadlines imposed by the Act if we were to first publish a proposed rule, allow the public sufficient time to submit comments, analyze the

comments, and publish a final rule. Also, the Bureau is promulgating this final rule to implement the statutory directive in the Act, which requires agencies to publish a final rule and to update the civil penalty amounts by applying a specified formula. The Bureau has no discretion to vary the amount of the adjustment to reflect any views or suggestions provided by commenters. Accordingly, it would serve no purpose to provide an opportunity for public comment on this rule prior to promulgation. Thus, providing for notice and public comment is impracticable and unnecessary.

Furthermore, the Bureau finds under section 553(d)(3) of the APA that good cause exists to make this final rule effective immediately upon publication in the **Federal Register**. In the Act, Congress expressly required Federal agencies to publish annual inflation adjustments to civil penalties in the **Federal Register** by January 15 of each year, notwithstanding section 553 of the APA. Under the statutory framework and OMB guidance, the new penalty levels take effect immediately upon the effective date of the adjustment. The statutory deadline does not allow time to delay this rule's effective date beyond publication. Moreover, an effective date after January 15 would delay application of the new penalty levels, contrary to Congress's intent.

List of Subjects

25 CFR Part 140

Business and industry, Indians, Penalties.

25 CFR Part 141

Business and industry, Credit, Indians—business and finance, Penalties.

25 CFR Part 211

Geothermal energy, Indians—lands, Mineral resources, Mines, Oil and gas exploration, Reporting and recordkeeping requirements.

25 CFR Part 213

Indians—lands, Mineral resources, Mines, Oil and gas exploration, Reporting and recordkeeping requirements.

25 CFR Part 225

Geothermal energy, Indians—lands, Mineral resources, Mines, Oil and gas exploration, Penalties, Reporting and recordkeeping requirements, Surety bonds.

25 CFR Part 226

Indians—lands.

25 CFR Part 227

Indians—lands, Mineral resources, Mines, Oil and gas exploration, Reporting and recordkeeping requirements.

25 CFR Part 243

Indians, Livestock.

25 CFR Part 249

Fishing, Indians.

For the reasons given in the preamble, the Department of the Interior amends chapter 1 of title 25 Code of Federal Regulations as follows.

PART 140—LICENSED INDIAN TRADERS

- 1. The authority citation for part 140 continues to read as follows:

Authority: Sec. 5, 19 Stat. 200, sec. 1, 31 Stat. 1066 as amended; 25 U.S.C. 261, 262; 94 Stat. 544, 18 U.S.C. 437; 25 U.S.C. 2 and 9; 5 U.S.C. 301; and Sec. 701, Pub. L. 114–74, 129 Stat. 599, unless otherwise noted.

§ 140.3 [Amended]

- 2. In § 140.3, remove “\$1,368” and add in its place “\$1,453”.

PART 141—BUSINESS PRACTICES ON THE NAVAJO, HOPI AND ZUNI RESERVATIONS

- 3. The authority citation for part 141 continues to read as follows:

Authority: 5 U.S.C. 301; 25 U.S.C. 2 and 9; and Sec. 701, Pub. L. 114–74, 129 Stat. 599, unless otherwise noted.

§ 141.50 [Amended]

- 4. In § 141.50, remove “\$1,368” and add in its place “\$1,453”.

PART 211—LEASING OF TRIBAL LANDS FOR MINERAL DEVELOPMENT

- 5. The authority citation for part 211 continues to read as follows:

Authority: Sec. 4, Act of May 11, 1938 (52 Stat. 347); Act of August 1, 1956 (70 Stat. 744); 25 U.S.C. 396a-g; 25 U.S.C. 2 and 9; and Sec. 701, Pub. L. 114–74, 129 Stat. 599, unless otherwise noted.

§ 211.55 [Amended]

- 6. In § 211.55, in paragraph (a), remove “\$1,645” and add in its place “\$1,747”.

PART 213—LEASING OF RESTRICTED LANDS FOR MEMBERS OF FIVE CIVILIZED TRIBES, OKLAHOMA, FOR MINING

- 7. The authority citation for part 213 continues to read as follows:

Authority: Sec. 2, 35 Stat. 312; sec. 18, 41 Stat. 426; sec. 1, 45 Stat. 495; sec. 1, 47 Stat.

777; 25 U.S.C. 356; and Sec. 701, Pub. L. 114–74, 129 Stat. 599. Interpret or apply secs. 3, 11, 35 Stat. 313, 316; sec. 8, 47 Stat. 779, unless otherwise noted.

§ 213.37 [Amended]

- 8. In § 213.37, remove “\$1,368” and add in its place “\$1,453”.

PART 225—OIL AND GAS, GEOTHERMAL AND SOLID MINERALS AGREEMENTS

- 9. The authority citation for part 225 continues to read as follows:

Authority: 25 U.S.C. 2, 9, and 2101–2108; and Sec. 701, Pub. L. 114–74, 129 Stat. 599.

§ 225.37 [Amended]

- 10. In § 225.37, in paragraph (a), remove “\$1,741” and add in its place “\$1,849”.

PART 226—LEASING OF OSAGE RESERVATION LANDS FOR OIL AND GAS MINING

- 11. The authority citation for part 226 continues to read as follows:

Authority: Sec. 3, 34 Stat. 543; secs. 1, 2, 45 Stat. 1478; sec. 3, 52 Stat. 1034, 1035; sec. 2(a), 92 Stat. 1660; and Sec. 701, Pub. L. 114–74, 129 Stat. 599.

§ 226.42 [Amended]

- 12. In § 226.42, remove “\$976” and add in its place “\$1,037”.

§ 226.43 [Amended]

- 13. In § 226.43:
 ■ a. Remove “\$97” and add in each place “\$103” wherever it appears;
 ■ b. In paragraph (e), remove “\$195” and add in its place “\$207”;
 ■ c. In paragraph (f), remove “\$390” and add in its place “\$414”; and
 ■ d. In paragraph (g), remove “\$976” and add in its place “\$1,037”.

PART 227—LEASING OF CERTAIN LANDS IN WIND RIVER INDIAN RESERVATION, WYOMING, FOR OIL AND GAS MINING

- 14. The authority citation for part 227 continues to read as follows:

Authority: Sec. 1, 39 Stat. 519; and Sec. 701, Pub. L. 114–74, 129 Stat. 599, unless otherwise noted.

§ 227.24 [Amended]

- 15. In § 227.24, remove “\$1,368” and add in its place “\$1,453”.

PART 243—REINDEER IN ALASKA

- 16. The authority citation for part 243 continues to read as follows:

Authority: Sec. 12, 50 Stat. 902; 25 U.S.C. 500K; and Sec. 701, Pub. L. 114–74, 129 Stat. 599.

§ 243.8 [Amended]

- 17. In § 243.8, in paragraph (a) introductory text, remove “\$6,451” and add in its place “\$6,852”.

PART 249—OFF-RESERVATION TREATY FISHING

- 18. The authority citation for part 249 continues to read as follows:

Authority: 25 U.S.C. 2, and 9; 5 U.S.C. 301; and Sec. 701, Pub. L. 114–74, 129 Stat. 599, unless otherwise noted.

§ 249.6 [Amended]

- 19. In § 249.6, in paragraph (b), remove “\$1,368” and add in its place “\$1,453”.

Bryan Newland,

Assistant Secretary—Indian Affairs.

[FR Doc. 2022–04989 Filed 3–8–22; 8:45 am]

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DEPARTMENT OF THE TREASURY**Alcohol and Tobacco Tax and Trade Bureau****27 CFR Part 5**

[Docket No. TTB–2018–0007; T.D. TTB–176A; Ref: T.D. TTB–176]

RIN 1513–AB54

Modernization of the Labeling and Advertising Regulations for Distilled Spirits and Malt Beverages; Correction

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision; correction.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) recently published a final rule amending certain of its regulations governing the labeling and advertising of distilled spirits and malt beverages. That final rule, which also reorganized the regulations, appeared in the **Federal Register** of February 9, 2022. This document corrects several minor, non-substantive errors in that final rule.

DATES: This final rule is effective March 11, 2022.

FOR FURTHER INFORMATION CONTACT: Christopher M. Thiemann, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005; telephone 202–453–2265.

SUPPLEMENTARY INFORMATION: The Alcohol and Tobacco Tax and Trade Bureau (TTB) recently published a final rule amending certain of its regulations governing the labeling and advertising