Subchapter B

As noted above, Subchapter A of the regulations requires institutions subject to Subchapter A (*i.e.,* government securities brokers and dealers and exempt institutions) to also comply with the rules in Subchapter B. In addition, under Title II of the GSA (31 U.S.C. 3121(h), 9110) depository institutions that are not government securities brokers or dealers and that hold government securities for the account of customers must comply with the rules prescribed by Treasury in 17 CFR, subchapter B, part 450. Thus, there are three categories of institutions that must follow the rules in subchapter B—(a) financial institution government securities brokers and dealers (as required by the rules in Subchapter A), and (b) exempt financial institutions (also as required by the rules in Subchapter A), and (c) depository institutions that are not government securities brokers or dealers and that hold government securities for the account of customers.

Because two of these categories of institutions ((a) and (b)) are based on one statutory authority (Title I of the GSA), and the third category ((c)) is based on another statutory authority (Title II of the GSA), we are changing the definition of ''government securities'' in § 450.2(e) to take this into account. Section 450.2(e)(1), the definition applicable to institutions that are required under the rules in subchapter A to follow the subchapter B rules, will now include qualified Canadian government obligations. Section 450.2(e)(2) of the definition is narrower and does not include qualified Canadian government obligations. It is applicable to institutions that are required to follow the Subchapter B rules solely because of the requirements of Title II of the GSA.

Therefore, for institutions required to follow the rules in Subchapter B as a result of the requirements of subchapter A, § 450.2(e)(1)(i) and (e)(1)(ii) will extend the requirements of subchapter B to institutions holding qualified Canadian government obligations for customer accounts.

The G–L–B Act was enacted on November 12, 1999. The effective date of Subtitle A of Title II of the G–L–B Act is 18 months after enactment, or May 12, 2001. To minimize the period during which the amended regulation is not in effect and to encourage timely compliance by entities that may now be subject to our regulations, Treasury finds good cause exists as required under the Administrative Procedures Act (5 U.S.C. 553(d)) to make this final amendment to the GSA regulations effective on May 24, 2001.

Special Analysis

The final rule only makes a technical amendment to the GSA regulations to conform to a change in definition of the term ''government securities'' made by the G–L–B Act. Therefore, the final rule is not a ''significant regulatory action'' for the purposes of Executive Order 12866.

For the same reason it is hereby certified pursuant to the Regulatory Flexibility Act (5 U.S.C. 601, *et. seq*) that this final rule will not have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required.

List of Subjects in 17 CFR Part 450

Banks, banking, Government securities, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, we amend 17 CFR part 450 as follows:

PART 450—CUSTODIAL HOLDINGS OF GOVERNMENT SECURITIES BY DEPOSITORY INSTITUTIONS

1. The authority citation for Part 450 is revised to read as follows:

Authority: Sec. 201, Pub. L. 99–571, 100 Stat. 3222–23 (31 U.S.C. 3121, 9110); Sec. 101, Pub. L. 99–571, 100 Stat. 3208 (15 U.S.C. 78o-5(b)(1)(A), (b)(4), (b)(5)(B)).

2. Section 450.2 is amended by revising paragraph (e) to read as follows:

§ 450.2 Definitions

* * * * *

(e) *Government securities* means:

If . . .	Then . . .
(1)(i) A depository institution is a government securities broker and dealer as defined in sections 3(a)(43) and 3(a)(44) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(43)–(44)).	''Government securities'' means those obligations described in subparagraphs (A), (B), (C), or (E) of section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)(A)–(C), (E))
(ii) A depository institution is exempt under Part 401 of this chapter from the requirements of Subchapter A.	''Government securities'' means those obligations described in subparagraphs (A), (B), (C), or (E) of section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)(A)–(C), (E))
(2) A depository institution is not a government securities broker or dealer as defined in sections 3(a)(43) and 3(a)(44) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(43)–(44)).	''Government securities'' means those obligations described in subparagraphs (A), (B), or (C) of section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)(A)–(C))

* * * * *

Dated: May 18, 2001.

Donald V. Hammond,

Acting Under Secretary, Domestic Finance.

[FR Doc. 01–13138 Filed 5–23–01; 8:45 am]

BILLING CODE 4810–39–P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 208

RIN 1010–AC70

Small Refiner Administrative Fee

AGENCY: Minerals Management Service, Interior.

ACTION: Final rule.

SUMMARY: The Minerals Management Service (MMS) is eliminating the cost recovery fees it charges small refiners to participate in the Small Refiner Royalty-in-Kind (RIK) Program. MMS believes these fees are no longer justified under the requirements of the Office of Management and Budget (OMB) Circular No. A–25.

EFFECTIVE DATE: This rule is effective June 25, 2001.

FOR FURTHER INFORMATION CONTACT: Paul A. Knueven, Chief, Regulations and FOIA Team, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 320B2, Denver, Colorado 80225–0165; telephone (303)

231–3151; FAX (303) 231–3385; e-mail Carol.Shelby@mms.gov.

SUPPLEMENTARY INFORMATION: The principal authors of this final rule are Larry Cobb, Royalty in Kind, Minerals Revenue Management, MMS, and Sarah L. Inderbitzin of the Office of the Solicitor, Department of the Interior.

I. Background

On September 26, 2000, MMS published a proposed rulemaking in the **Federal Register** (65 FR 57771) in which we proposed to remove the regulatory requirement to charge small refiners a fee to recover the costs of administering the small refiner RIK program (30 CFR 208.4(b)(4)). We reasoned that because of new competitive procedures for selling RIK oil, MMS receives market value for the oil. When the Government sells personal property under business-type conditions, user charges are based on market price and yield net revenues above the bureau's costs. Consequently, MMS is in compliance with the requirements in OMB Circular A–25 and does not need to assess a separate cost recovery fee for the small refiner RIK program.

MMS received one comment in response to our proposed rulemaking. A major oil company asked us to address an apparent inconsistency between language in the proposed rulemaking and the general provisions of the recently-promulgated Federal crude oil royalty valuation rule (65 FR 14022, March 15, 2000). The comment quoted a sentence from the proposed rulemaking: ''The market-based prices are applicable spot market prices, with appropriate location, quality, and market-value adjustments for a particular area.'' (65 FR at 57771) The commenter argued that this allegedly was in contrast to the Federal crude oil rule which, the commenter asserted, allows no additional adjustments above transportation and quality.

MMS believes there is no inconsistency between the pricing mechanism used by the small refiner program and the valuation requirements under the Federal crude oil rule. In both cases, if spot market index prices are used, adjustments for both location and quality are permitted, which account for the difference in value between the lease and the market center where the spot price is published. Accordingly, we believe the small refiner program and the Federal crude oil rule methodologies are consistent.

II. Procedural Matters

1. Summary Cost and Benefit Data

This final rule eliminates the fee charged small refiners to recover the costs of administering the small refiner RIK program. This rule imposes the following costs and benefits to the four groups affected by MMS regulations: industry, state and local governments, Indian tribes and allottees, and the Federal Government. The cost and benefit information in this Item 1 of Procedural Matters is used as the basis for the Departmental certifications in Items 2–11.

A. Industry

Small refiners will benefit from no longer paying an administrative fee (about $430,000 assessed across all active RIK contracts in calendar year 1999). However, small refiners will pay market value for RIK oil upfront rather than a typically lower price quoted by lessees upon removal from the lease and subsequently adjusted upward through audit. We believe that the combined financial impact of eliminating the fee while paying full market value for RIK oil will be a nominal revenue change to small refiners.

Eliminating the administrative fee will provide small refiners certainty in the prices they will pay for royalty oil. Pricing certainty allows small refiners to anticipate revenues and expenses more accurately and better plan future business activities. This benefit is not quantifiable at this time.

B. State and Local Governments

States are unaffected by the small refiner RIK program because they do not share in revenues accruing from Federal leases on the Outer Continental Shelf—the only leases participating in the program.

C. Indian Tribes and Allottees

Indian tribes and allottees are unaffected by the small refiner RIK program because they do not share in revenues accruing from Federal leases on the Outer Continental Shelf—the only leases participating in the program.

D. Federal Government

The U.S. Treasury General Fund will forego annual revenues of about $430,000—the administrative fee assessed across all active RIK contracts in calendar year 1999. However, with the changes to the RIK program that created the need for this rule, MMS will no longer have to rely on prices reported by third parties and impose separate cost recovery fees because we will receive full market value for our royalty oil. We believe that the combined financial impact of eliminating the fee while receiving full market value for RIK oil will be a nominal revenue change to the Federal Government.

MMS will achieve administrative savings because we will no longer have to take action to collect additional monies owed by small refiners when subsequent audits show that prices quoted by lessees understated the oil's market value. This benefit is not quantifiable at this time.

2. Regulatory Planning and Review (Executive Order 12866)

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

(1) This rule will not have an 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.

(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.

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

3. Regulatory Flexibility Act

The Department of the Interior certifies that 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.*). See item 1. Summary Cost and Benefit Data, A. Industry, above for further information on the impact of this rule on small businesses. The small refiner RIK program had approximately five participants in calendar year 1999, all of which were small businesses as defined by the U.S. Small Business Administration. By participating in the small refiner RIK program, these refiners obtain noteworthy benefits that will not be reduced or changed by this rulemaking:

- Access to a crude oil marketplace where the major integrated oil companies and large refiners account for the majority of the crude oil traded;
- A stable source of supply at equitable market-based prices which helps the small refiner sustain operations at or near normal operating capacity; and
- A vital source of trade stock, thereby creating the opportunity to ''exchange'' royalty oil for the quality or

type of crude oil feed stock needed to sustain their mix of refined products.

4. Small Business Regulatory Enforcement Act (SBREFA)

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.

5. 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.

6. Takings (Executive Order 12630)

In accordance with Executive Order 12630, this rule does not have significant takings implications. This rule does not impose conditions or limitations on the use of any private property; consequently, a takings implication assessment is not required.

7. Federalism (Executive Order 13132)

In accordance with Executive Order 13132, this rule does not have Federalism implications. This rule does not substantially or directly affect the relationship between the Federal and state governments or impose costs on States or localities.

8. Civil Justice Reform (Executive Order 12988)

In accordance with 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 Order.

9. Paperwork Reduction Act of 1995

This rule does not contain an information collection, as defined by the Paperwork Reduction Act, and the submission of Office of Management and Budget Form 83–I is not required.

10. 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 is not required.

11. Consultation and Coordination with Indian Tribal Governments

In accordance with Executive Order 13175, this rule does not have tribal implications that impose substantial direct compliance costs on Indian tribal governments.

List of Subjects in 30 CFR Part 208

Continental shelf, Government contracts, Mineral royalties, Natural gas, Petroleum, Public lands-mineral resources.

Dated: May 17, 2001.

Piet deWitt,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons set forth in the preamble, 30 CFR part 208 is amended as follows:

PART 208—SALE OF FEDERAL ROYALTY OIL

1. The authority citation for part 208 continues to read as follows:

Authority: 5 U.S.C. 301 *et seq.;* 30 U.S.C. 181 *et seq.*, 351 *et seq.*, 1701 *et seq.;* 31 U.S.C. 9701; 41 U.S.C. 601 *et seq.;* 43 U.S.C. 1301 *et seq.*, 1331 *et seq.*, and 1801 *et seq.*

§ 208.4 [Amended]

2. In § 208.4, remove paragraph (b)(4).

[FR Doc. 01–13118 Filed 5–23–01; 8:45 am]

BILLING CODE 4310–MR–P

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 165

[CGD01–01–064]

RIN 2115–AA97

Safety and Security Zones: USS Hawes Port Visit, Newport, RI.

AGENCY: Coast Guard, DOT.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing temporary safety and security zones off the coast of Newport Naval Station, Newport, Rhode Island, during the port visit of the USS HAWES to the Newport Naval Station, Newport, Rhode Island. The safety and security zone are needed to safeguard the public, the area encompassing Coddington Cove and the USS HAWES and her crew from sabotage or other subversive acts, accidents, or other causes of a similar nature. Entry into these zones is prohibited unless authorized by the Captain of the Port, Providence, Rhode Island or his authorized patrol representative.

DATES: This rule is effective from 6 a.m., Thursday, May 31, 2001, to 12 midnight on Sunday, June 3, 2001.

ADDRESSES: Documents as indicated in this preamble are available for inspection and copying at Marine Safety Office Providence, 20 Risho Avenue, East Providence, Rhode Island between the hours of 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: LT Casey L. Chmielewski at Marine Safety Office Providence, (401) 435–2335.

SUPPLEMENTARY INFORMATION:

Regulatory Information

Pursuant to 5 U.S.C. 553, a notice of proposed rulemaking (NPRM) was not published for this regulation. Good cause exists for making it effective less then 30 days after **Federal Register** publication. Good cause exists for not publishing a NPRM for this regulation. Due to the sensitive and unpredictable nature of the USS HAWES's schedule, the Coast Guard received insufficient notice to publish proposed rules in advance of the event. Any delay encountered in this regulation's effective date would be contrary to public interest since immediate action is needed to protect the USS HAWES, her crew, the public and the area adjoining Coddington Cove.

Background and Purpose

From May 31, 2001, to June 3, 2001, the USS HAWES will be berthed at Pier 2 on the Newport Naval Station, Newport, RI. Pier 2 is located within Coddington Cove, along the East Passage of Narragansett Bay. The safety and security zones are needed to protect the USS HAWES, her crew and the public from harmful or subversive acts, accidents or other causes of a similar nature in the vicinity of Coddington Cove. The safety and security zones have identical boundaries. All persons, other than those approved by the Captain of the Port or his authorized patrol representative will be prohibited from the zones. The zones encompass the area within a line drawn from the western most edge of the chartered breakwater to the western most edge of Pier 1. The public will be made aware of the safety and security zones through a Broadcast Notice to Mariners made