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standards (§ 511.32(f) (4) and (5)) indicated what it considered to be a distressing change in emphasis—from encouraging production of rehabilitated units in a cost-effective manner to simply encouraging maximum leverage by the private sector.

A commenter objected to the use of thresholds, in general (§ 511.32(e)), and, in particular, to the threshold performance standard in § 511.32(e)(2), which requires that at least 80% of the grantee's rehabilitated units must have rents that are affordable to lower income families. The commenter argued that the grantee has no control over the rents currently being charged in units that were rehabilitated six years ago, for example. Another commenter suggested that affordability under § 511.32(e)(2) not be based on current Fair Market Rents, which it noted have not been increased in its State. It recommended that an annual adjustment factor methodology similar to that used to adjust contract rents in the Section 8 Program be incorporated into this threshold performance standard.

Finally, the comment from the State grantee included a recommendation that the performance of State grantees be measured against other States within a region, rather than on a nationwide basis.

Because the Department is suspending § 511.32 for the reasons stated below, it is deferring responding to these comments, but will take them into consideration in its further review of the performance adjustment system.

The Department's computer runs, made as part of the initial implementation of the performance adjustment system contained in the December 10, 1985, interim rule, produced anomalous and unintended results.

Generally, grantees with very few completed projects, but with projects that fully met most of the specific adjustment criteria (such as projects containing exclusively two or three bedroom units), were strongly favored by the system and received the maximum positive adjustment (an additional 15% grant allocation).

Grantees, however, with far more completions—even if they did generally well on most of the criteria—were not perfect on any of the criteria (which is a statistical likelihood), and tended to cluster toward the middle of the rankings. The Department did not intend that the performance adjustment system place such a high emphasis on having a few *fully* successful projects, at the expense of grantees that produced a far greater number of *generally* successful projects. The Department notes that, for

the same reasons, the adjustments also tend to provide more funds to grantees that have spent less of their existing allocations—another undesirable result. (At the same time, however, the Department does not want a performance adjustment system that simply favors the larger grantees.) Because the current performance adjustment system clearly produces indefensible performance adjustments and needs further study, the Department is suspending § 511.32, Performance adjustments to formula allocations, pending further consideration of revising or completely withdrawing the performance adjustment system. Because most of the criteria contained in § 511.32 will probably be contained in any future system (if an equitable system can be devised at all), and because the current regulation, therefore, still provides some notice of the elements of grantee performance that the Department views as important, the Department is suspending § 511.32, rather than removing it, at this time.

Other Matters

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations in 24 CFR Part 50, which implements section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332. The Finding of No Significant Impact is available for public inspection during regular business hours in the Office of the General Counsel, Rules Docket Clerk, at the above address.

This rule does not constitute a "major rule" as that term is defined in section 1(b) of the Executive Order on Federal Regulation issued by the President on February 17 1981 (Executive Order 12291). This rule does not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions, nor does it significantly adversely affect competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets. Analysis of the rule indicates that it would not have an annual effect on the economy of \$100 million or more.

Under the provisions of section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601), the Undersigned hereby certifies that this rule does not have significant economic impact on a substantial number of small entities, because statutorily eligible grantees and State recipients are relatively larger cities, urban counties or States and the

rental rehabilitation grant amounts to be made available to any grantee are relatively small in relation to other sources of Federal funding for State and local government in relation to private investment in rental housing.

This rule was listed as Sequence Number 924 in the Department's Semiannual Agenda of Regulations published on October 27 1986 (51 FR 38424) under Executive Order 12291 and the Regulatory Flexibility Act. It is also related to Sequence Number 920 in the Semiannual Agenda (51 FR 38459), which concerns final rulemaking for 24 CFR Part 511 as a whole.

The Catalog of Federal Domestic Assistance program number applicable to this rule is 14.230.

List of Subjects in 24 CFR Part 511

Rental rehabilitation grants, Administrative practice and procedure, Grant programs: Housing and community development, Low and moderate income housing, Reporting and recordkeeping requirements.

Accordingly, the Department amends 24 CFR Part 511 as follows:

PART 511—RENTAL REHABILITATION GRANT PROGRAM

1. The authority citation for 24 CFR Part 511 continues to read as follows:

Authority: Section 17 of the United States Housing Act of 1937, 42 U.S.C. 1437o; sec. 7(d) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(d).

§ 511.32 Performance adjustments to formula allocation. [Suspended]

2. Section 511.32 is suspended.

Dated: April 2, 1987.

Jack R. Stokvis;

General Deputy Assistant Secretary for Community Planning and Development.

[FR Doc. 87-7874 Filed 4-8-87; 8:45 am]

BILLING CODE 4210-29-M

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

25 CFR Part 120

Reimbursement of the Ute Tribe of the Uintah and Ouray Reservation, UT

February 16, 1987.

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Final rule; removal.

SUMMARY: The Bureau of Indian Affairs is publishing a rule that removes 25 CFR Part 120, Reimbursement of the Ute

Tribe of Uintah and Ouray Reservation, Utah. It has been determined that there is no further need for or applicability of the rule.

EFFECTIVE DATE: May 11, 1987

FOR FURTHER INFORMATION CONTACT: Mitchell Parks, (202) 343-3649.

SUPPLEMENTARY INFORMATION: The authority to remove this rule and regulation is vested in the Secretary of the Interior by 5 U.S.C. 301 and 25 U.S.C. 2 and 9. This rule is published in exercise of rulemaking authority delegated by the Secretary of the Interior to the Assistant Secretary—Indian Affairs in the Departmental Manual at 209 DM 8.

This regulation, found in 25 CFR Part 120, Reimbursement of the Ute Tribe of the Uintah and Ouray Reservation, Utah, is being removed because it has been determined that there is no further need for the rule. The rule governed the one-time payment to those persons whose names appeared on the final roll of mixed blood-Indians that was prepared pursuant to Section 8 of the Act of August 27, 1954 (68 Stat. 868) or to their heirs or legatees. Claims for reimbursement were required to be filed not later than September 18, 1973. Final payments were made and no claims or appeals have been filed with the Bureau of Indian Affairs since that date. Therefore, there is no further need for or applicability of this rule.

Notice of proposed removal was published in 51 FR 35532 on October 6, 1986 and no comments were received.

The Department of the Interior has determined that this rule is not a major rule under Executive Order 12291 and certifies that this document 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.*).

This rule does not constitute a major federal action significantly affecting the quality of the human environment under the National Environmental Policy Act of 1969.

The Office of Management and Budget has informed the Bureau of Indian Affairs that the information collections contained in this regulation need not be reviewed by them under the Paperwork Reduction Act.

List of Subjects in 25 CFR Part 120

Indians-claims, Indians-judgment funds.

PART 120—[REMOVED]

Accordingly, Part 120 Chapter I of Title 25 of the Code of Federal

Regulations is hereby removed and reserved.

Ross O. Swimmer,

Assistant Secretary, Indian Affairs.

[FR Doc. 87-7843 Filed 4-8-87; 8:45 am]

BILLING CODE 4310-02-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

46 CFR Part 401

[CGD 86-020]

Great Lakes Pilotage Rates

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: The Coast Guard is amending the Great Lakes Pilotage regulations by increasing basic pilotage rates by thirteen percent in District 1 and six percent in District 3. No change is made in the basic rates in District 2. The revision in rates is needed to correct disparities in the manner various expenses have been recognized in the past. These changes are intended to provide parity in pilot compensation among the three Districts.

EFFECTIVE DATE: May 11, 1987.

FOR FURTHER INFORMATION CONTACT: Mr. John J. Hartke, Office of Marine Safety, Security and Environmental Protection, (G-MVP/12), Room 1210, U.S. Coast Guard Headquarters, 2100 Second Street, SW., Washington, DC 20593, (202) 267-0217

SUPPLEMENTARY INFORMATION: On May 22, 1986, the Coast Guard published a Notice of Proposed Rulemaking (51 FR 18806) with the comment period scheduled to end June 23, 1986. On June 2, 1986, the Coast Guard published a Notice of Public Hearing and Extension of Comment Period (54 FR 19759) and extended the comment period to July 2, 1986. The public hearing was held in Cleveland, Ohio on June 18, 1986. Eighteen written comments were received.

Drafting Information

The principal persons involved in drafting this rule are: Mr. John J. Hartke, Project Manager, Office of Marine Safety, Security and Environmental Protection, and Commander Ronald C. Zabel, Project Attorney, Office of the Chief Counsel.

Discussion of Comments

A port, two port associations, two shipping associations, and a commission requested that the Coast Guard "hold the line" and not increase Great Lakes

pilotage rates. The comments stated that others involved in the Great Lakes industry were not increasing costs to shippers to assist the ailing Great Lakes shipping industry. They suggested further evaluation of the effect of the rates increases on Seaway traffic. These comments asserted that pilotage is a significant cost factor, that increasing pilotage rates would result in decreased vessel traffic coming into the Great Lakes system, and that cargo diversions to coastal ports would result. A related comment from one of the port associations stated that the cost of pilotage is nearer 7½% of the total revenue for a typical round-trip voyage from Northern Europe to the Western Great Lakes, rather than the 2% to 5% of total ship operating costs as cited in the notice of proposed rulemaking. It should be noted that the commenter refers to a percent of total vessel revenue, whereas the Coast Guard used a percentage of total ship operating costs. We have asked the commenter for a copy of the report from which his data was taken, but as of this date, no additional information has been received regarding the comment.

The Coast Guard does not agree with the above comment. We believe the proposed pilotage rate increases will not have a significant impact on Great Lakes shipping.

First, the requirement to use a registered pilot is applicable only to vessels in the foreign trade. The vast majority of shipping and port activity on the Great Lakes is not related to foreign trade vessels. Overseas trade comprises a very small proportion of total shipping on the Great Lakes. A U.S. General Accounting Office report entitled *Great Lakes Shipping* (May 1986), indicates that during 1984, total overseas trade comprised only 8% (6% U.S., 2% Canada) of the total Great Lakes/St. Lawrence Seaway Traffic. The report is available from the U.S. General Accounting Office, P.O. Box 6015, Gaithersburg, Maryland, 20877.

Second, in the Notice of proposed Rulemaking of May 22, 1986 (51 FR 18806), the Coast Guard stated that pilotage fees represented between 2% to 5% of total ship operating costs.

A study conducted by Booz, Allen & Hamilton (April 15, 1985), entitled *Transportation Cost Analysis of the St. Lawrence Seaway*, corroborates our statement. Using the data contained in the "least cost routing analysis" section, it can be calculated that the cost of pilotage is in the 1.7% to 2.6% range of total water transportation costs. A copy of the report may be obtained from the