§ 1625.10 [Removed]

§ 860.120 [Redesignated as § 1625.10]

3. Section 1625.10 is removed and a new § 1625.10 is transferred and redesignated from § 860.120.

4. The newly transferred and redesignated § 1625.10 is amended by:

a. In paragraph (a)(1), the last sentence of the paragraph is removed.

b. In paragraph (d)(2)(i), in the last sentence, the reference to "§ 860.120(f)(1) of this section" is revised to read "paragraph (f)(1) of this section."

c. In paragraph (d)(2)(ii), in the last sentence, the reference to "§ 860.120(f)" is revised to read "paragraph (f) of this section."

Signed at Washington, DC this 18th day of June, 1987.

For the Commission.

Clarence Thomas,

Chairman.

[FR Doc. 87-14340 Filed 6-24-87; 8:45 am]

BILLING CODE 6570-06-M

DEPARTMENT OF LABOR

Wage and Hour Division

29 CFR Part 860

Age Discrimination in Employment

AGENCY: Wage and Hour Division, Labor.

ACTION: Final rule; removal of regulation.

SUMMARY: All age discrimination administration and enforcement functions pursuant to the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. 621 *et seq.*) (ADEA) were transferred to the Equal Employment Opportunity Commission (EEOC) from the Department of Labor by Reorganization Plan No. 1 of 1978, 43 FR 19807, May 9, 1978. On September 29, 1981, the EEOC published final regulations under the ADEA at 29 CFR Part 1625, thereby rendering obsolete and of no legal effect 29 CFR Part 860, except for § 860.120. See 29 CFR 1625.10. The EEOC has now redesignated the provisions of § 860.120 of Title 29 within Part 1625. Therefore, Part 860 is being removed from the CFR.

EFFECTIVE DATE: June 25, 1987, except for the removal of § 860.120(f)(1)(iv)(B) which was effective March 18, 1987.

FOR FURTHER INFORMATION CONTACT: Paula V. Smith, Administrator, Wage and Hour Division, U.S. Department of Labor, Room S-3502, 200 Constitution Avenue NW., Washington, DC 20210, (202) 523-8305. This is not a toll free number.

SUPPLEMENTARY INFORMATION: Pursuant to the Age Discrimination in Employment Act Amendments of 1978 (29 U.S.C. 621 *et seq.*), responsibility and authority for enforcement of the Age Discrimination in Employment Act of 1967 was transferred from the Department of Labor (DOL) to the Equal Employment Opportunity Commission (EEOC). All functions vested in the Secretary of Labor were transferred to the EEOC by Reorganization Plan No. 1 of 1978, 43 FR 19807 (May 9, 1978), and Executive Order No. 12144, 44 FR 37193 (June 26, 1979) on July 1, 1979. On September 29, 1981, the EEOC published final regulations under the ADEA at 29 CFR Part 1625, thereby rendering obsolete and of no legal effect 29 CFR Part 860, except for § 860.120. See 29 CFR 1625.10.

The EEOC has now redesignated the provisions of § 860.120 of Title 29 within Part 1625. See the EEOC document published elsewhere in this issue of the Federal Register.

Accordingly, 29 CFR Part 860 has now been rendered obsolete and of no legal effect, and is being removed from the CFR.

Pursuant to court order, § 860.120(f)(1)(iv)(B) was rescinded at 52 FR 8448, March 18, 1987. Since employers and others may no longer rely on the rules codified at 29 CFR 860.120(f)(1)(iv)(B), the Wage and Hour Division confirms their removal.

Regulatory Impact

This document reflects the removal of regulations for which there is no current statutory or other legal authority. Therefore this document does not constitute a rule or regulation as defined in Executive Order No. 12291. In addition, this document was not preceded by a general notice of proposed rulemaking, and is not a rule as defined in the Regulatory Flexibility Act, 5 U.S.C. 601(2) and 604(a).

List of Subjects in 29 CFR Part 860

Aged, Employee benefit plans, Equal employment opportunity, Retirement.

For the reasons set out in the preamble, Title 29 of the Code of Federal Regulations is amended as follows:

§ 860.120 [Amended]

1. The removal of § 860.120(f)(1)(iv)(B) is confirmed.

PART 860—[REMOVED]

2. Part 860 is removed.

3. In Chapter V, the heading "Subchapter C-Age Discrimination in Employment" is removed, and Subchapter C is reserved.

Signed at Washington, DC, this 22nd day of June 1987.

William E. Brock,

Secretary of Labor.

[FR Doc. 87-14443 Filed 6-24-87; 8:45 am]

BILLING CODE 4510-23-M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 218

Payments by Electronic Funds Transfer

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: The Minerals Management Service (MMS) is amending 30 CFR Part 218 to lower the threshold from $50,000 to $10,000 for royalty payments required to be made by Electronic Funds Transfer (EFT) using the Federal Reserve Communications System link to the Treasury Financial Communication System (TFCS). The final rule also extends the new EFT requirement to include deferred bonus payments from successful bidders in competitive lease sales. This action would accelerate the collection and deposit processing of payments currently received by MMS in the form of checks and allow the Government to have the time value of that money earlier.

EFFECTIVE DATE: July 27, 1987.

FOR FURTHER INFORMATION CONTACT: Dennis C. Whitcomb, Chief, Rules and Procedures Branch, Minerals Management Service, P.O. Box 25165, MS 628, Building 85, Denver Federal Center, Denver, Colorado 80225, telephone: (303) 231-3432, FTS 326-3432.

SUPPLEMENTARY INFORMATION: The principal author of this final rulemaking is David Menard of MMS in Lakewood, Colorado.

I. Summary of Rule Adopted

On January 8, 1987, the MMS published a Notice of Proposed Rulemaking in the Federal Register (52 FR 687) to amend regulations at 30 CFR Part 218 covering payments by EFT. The amendments being adopted are substantially the same as the proposed amendments. Therefore, much of the discussion in the preamble to the proposed amendments applies to the final amendments. Based on comments received from the public on the proposed amendments, certain changes were made. These changes are

discussed below in Section II, Comments Received on Proposed Rule.

The final rule amends provisions of Part 218 to lower the threshold from $50,000 to $10,000 for royalty payments required to be made by EFT, extends the EFT requirements to include deferred bonus payments from successful bidders in competitive lease sales, and revises the references on payment method in Part 218 to be consistent with the amendment.

The new requirements of the adopted amendments will be phased in. After the effective date of the final rule, which is identified above, the requirements will apply to the next payment due for royalties or deferred bonuses from all payors who are currently submitting royalty payments by EFT. With respect to payors who have not previously used EFT, payments to MMS by EFT will be required only after the payor has received written instructions from the MMS Royalty Management Accounting Center in Lakewood, Colorado.

II. Comments Received on Proposed Rule

The proposed rulemaking provided for a 60-day public comment period which ended March 9, 1987. Two comments were received during that time period and are addressed in this section. The text of the adopted regulation has been changed to reflect comments as appropriate.

One commenter expressed concern that the new regulation will impose an unreasonable burden on smaller payors. In the commenter's opinion, it is unfair to lower the EFT threshold to $10,000 to let the Government have the time value of that money earlier and also continue the policy of not incurring interest liability to payors in the event overpayments are made or where advance payments are held by the Government. The commenter stated further that because there is no requirement that the payor receive its payments from the purchaser by EFT, it is often a burden for them to find the cash to make an instantaneous EFT payment to MMS. The commenter also noted that the payor must bear the additional expense of the bank fees for arranging the EFT.

The MMS disagrees that the new requirement is an unreasonable burden. Absent specific statutory or contractual authority, the Government cannot pay interest to payors for overpayments or on advance payments. Also, the Government has no control over payments by purchasers to the payor. The lessee or designated payor has an obligation to submit its payment(s) to MMS by the designated due date. The new requirement assures that the money is actually received when due rather than several days later after the check has cleared the payor's bank. With respect to bank fees, an analysis performed by MMS, based on inquiries to various banks throughout the country, shows that the cost of an EFT ranged from $7.50 to $20.00 for a single message. This expense will be offset in some degree by the payors not having to issue checks. As stated in Section III of this preamble, Procedural Matters, the Department of the Interior has determined that because there is not an increase in the amount of payment due, there is not a significant economic effect on a substantial number of small entities.

The same commenter expressed concern over possible future extension of the EFT requirement to rental payments. The commenter thought that the lessee might place the lease in jeopardy because of possible problems with the TFCS.

The MMS does not require or contemplate requiring payors to submit rentals by EFT but is willing to work with those payors who want to use EFT for timely rental payments. Our use of the TFCS has shown it to be a reliable and efficient payment receipt system.

One commenter noted that the proposed rule did not address the method for payments of audit claims, interest, or penalty assessments. The commenter stated that it is currently paying those items by check but would not object to using the EFT for such payments.

The MMS agrees and has revised the adopted rule to specify the method for payment of audit claims, interest, or penalty assessments. Section 218.51(a)(1) and (3) were revised to include payments of Bills for Royalty-in-Kind Oil and Bills for Collection of additional royalties owed as the result of audit findings. Proposed § 218.51 (d) and (e) were redesignated in the adopted rule as § 218.51 (e) and (f), respectively. A new paragraph (d) was included to cover payment of interest and penalty assessments. Although the adopted rule gives the payor a choice of payment methods for paying interest or penalty assessments, MMS encourages established EFT payors to make payment of interest or penalty assessments by EFT.

One commenter suggested that proposed § 218.51(a) be clarified to specify that the threshold applies only to royalty payments and not to rental payments. The MMS agrees and included the recommended changes in the adopted rule.

One commenter questioned the use of the phrase in § 218.100(a) and § 218.150(a) which states in part "* * * should pay in value or deliver in production all royalties in the amounts *of* value *or* production * * *." (Italic added).

The MMS disagrees with the recommended language change (switching of words *of* and *or*), because the phrase is intended to include "amounts of production" if royalty oil is taken "in kind," as opposed to "in value."

III. Procedural Matters

Executive Order 12291 and Regulatory Flexibility Act

The final rule does not increase the amount of payment due. Therefore, the Department of the Interior has determined that this document is not a major rule under E.O. 12291 and certifies that this document will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexiblity Act (5 U.S.C. 601 *et seq.*).

Paperwork Reduction Act of 1980

This rule does not contain information collection requirements that require approval by the Office of Management and Budget under 44 U.S.C. 3501 *et seq.*

National Environmental Policy Act of 1969

The Department of the Interior has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment. Therefore, an environmental impact statement is not required under the National Environmental Policy Act of 1969.

(42 U.S.C. 4332(2)(C))

List of Subjects in 30 CFR Part 218

Coal, Continental shelf, Electronic funds transfers, Geothermal energy, Government contracts, Indian lands, Minerals royalties, Oil and gas exploration, Public lands-mineral resources.

Dated: May 29, 1987.

J. Steven Griles,

Assistant Secretary, Land and Minerals Management.

For the reasons set out in the preamble, Title 30, Subchapter A of the Code of Federal Regulations is amended as set forth below:

SUBCHAPTER A—ROYALTY MANAGEMENT

PART 218—[AMENDED]

1. The authority citation for Part 218 continues to read as follows:

Authority: 25 U.S.C. 396 *et seq.*; 25 U.S.C. 396a *et seq.*; 25 U.S.C. 2101 *et seq.*; 30 U.S.C. 181 *et seq.*, 30 U.S.C. 351 *et seq.*; 30 U.S.C. 1001 *et seq.*; 30 U.S.C. 1701 *et seq.*; 43 U.S.C. 1301 *et seq.*; 43 U.S.C. 1331 *et seq.*; and 43 U.S.C. 1801 *et seq.*

2. Section 218.51 is revised to read as follows:

§ 218.51 Method of payment.

(a) *Payment of royalties.* (1) All payors whose aggregate royalty payment obligation to MMS on the payment due date totals $10,000 or more must make royalty payment by Electronic Funds Transfer (EFT) using the Federal Reserve Communications System (FRCS) link to the Treasury Financial Communications System (TFCS), unless otherwise directed by MMS. Bills for Royalty-In-Kind (RIK) Oil and Bills for Collection of additional royalties owed as the result of audits are considered to be royalty payment obligations subject to the requirements of this paragraph. Early payment by other than EFT of a portion of the aggregate royalty payment obligation to avoid remittance by EFT on the payment due date is not permitted. Such early payments are permitted regardless of amount, but must be remitted by EFT.

(2) Payors who have not submitted royalty payments to MMS by EFT prior to July 27, 1987, shall begin using EFT only after receipt of written instructions from MMS.

(3) A payor whose aggregate royalty payment obligation to MMS is less than $10,000, including bills for RIK oil and for additional royalties owed as the result of audit findings, must use one of the following payment methods:

(i) Federal Reserve check.

(ii) Commercial check. (Drawn on a solvent bank.)

(iii) Money order.

(iv) Bank draft. (Drawn on a solvent bank.)

(v) Cashier's check.

(vi) Certified check.

(vii) Electronic Funds Transfer.

(4) All payment methods except EFT should be inscribed payable to *Department of the Interior-MMS.*

(b) *Payment of bonuses.* (1) One-fifth bonus bid deposit amounts required to participate in competitive lease sales are to be paid in accordance with instructions included in the notice of lease offering.

(2) The successful bidder in the competitive sale of an offshore oil, gas, or sulfur lease shall pay the remaining four-fifths bonus to MMS by EFT in accordance with 30 CFR 218.155(c), unless otherwise directed by MMS.

(3) If permitted under the terms of the sale, as stated in the lease sale notice, the successful bidder in the competitive sale of certain other leases, such as coal, geothermal, or offshore minerals other than oil, gas, or sulfur, may elect to pay the remaining four-fifths bonus in total or submit the payment in equal annual installments over a specified number of years. If paid in total, the successful bidder shall pay the remaining four-fifths bonus in accordance with instructions included in the notice of lease offering. If the successful bidder is permitted to make annual installment payments of the remaining four-fifths bonus, equal deferred bonus payments are payable no later than the lease anniversary date.

(4) Installment payments of deferred bonuses to MMS must be made in accordance with the regulations governing the payment of royalties contained in paragraph (a) of this section.

(c) *Payment of rentals.* First-year rental shall be paid in accordance with instructions included in the notice of lease offering. The successful bidder in the competitive sale of an offshore oil, gas, or sulfur lease shall pay the first-year rental to MMS by EFT in accordance with 30 CFR 218.155(c), unless otherwise directed by MMS. Payments of rentals to MMS (other than the first-year rental) must be made by one of the payment methods used for paying royalties shown in paragraph (a)(3) of this section.

(d) *Other payments.* Payments of amounts other than royalties, bonuses, or rentals, including payments of interest or penalty assessments, must be made by one of the payment methods in paragraph (a)(3) of this section.

(e) *General payment information.* (1) Payments for offshore and onshore Federal leases shall be segregated from payments for Indian leases. All payments to MMS shall be made by one of the payment methods in paragraph (a)(3) of this section. For payments made by EFT, the deposit message shall include information as specified by MMS.

(2) Failure to make timely or proper payments of any monies due pursuant to leases, permits, and contracts subject to these regulations may result in the collection of the amount past due plus a late-payment charge in accordance with 30 CFR 218.54. Exceptions to this late-payment charge may be granted when estimated payments on mineral production have previously been made in accordance with MMS instructions to the payor. Failure to make rental payments may result in lease termination or cancellation.

(3) For payments by check for Indian leases, the following instructions are applicable:

(i) For Indian allotted leases, payments shall be aggregated and identified on a single check for each respective Bureau of Indian Affairs agency/area office that has jurisdiction over the lease(s) for which the payment is made.

(ii) For Indian tribal leases, payments to MMS shall be aggregated and identified on a single check for each respective Indian tribe to which the royalty is owed.

(iii) For Indian tribes using a lockbox, payment shall be aggregated and identified on a single check and sent to the lockbox.

(iv) When aggregate payments are made (single check), the payment identification required in paragraphs (e)(3) (i), (ii) and (iii) of this section shall be provided in a format to be specified by MMS.

(4) In accordance with 30 CFR 243.2, all payments to MMS are due as specified and are not deferred or suspended by reason of an appeal having been filed unless such deferral or suspension is approved in accordance with that section.

(5) Failure to submit payment of any amount owed to the MMS may subject the person who has payment responsibility to the civil penalty provisions of 30 CFR 241.20 and 241.51.

(f) *Where to pay.* (1) The Report of Sales and Royalty Remittance (Form MMS-2014 or Form MMS-4014) and the applicable payment (payable to the *Department of the Interior—MMS)* shall be mailed to the following address: Minerals Management Service, Royalty Management Program, P.O. Box 5810 T.A., Denver, Colorado 80217. Post Office Box 5640 must be used with the above address to send rental or deferred bonus payments for Federal nonproducing leases not required to be reported on the Form MMS-2014 or Form MMS-4014.

(2) Reports and payments delivered to MMS by special couriers or overnight mail shall be addressed as follows: Mineral Management Service, Royalty Management Program, Bldg. 85, Denver Federal Center, Room A-212, Revenue & Document Processing, Denver, Colorado 80225.

(3) Reports or payments received at the MMS addresses listing in paragraphs (f) (1) and (2) of this section after 4 p.m. mountain time at MMS are considered

next-day receipts. Mailing a report or a payment or otherwise depositing it for delivery does not constitute receipt for purposes of the regulations in this title.

3. Section 218.100 is amended by revising paragraph (a) and adding paragraph (c) to read as follows:

§ 218.100 Royalty and rental payments.

(a) *Payment of royalties and rentals.* As specified under the provisions of the lease, the lessee shall submit all rental payments when due and shall pay in value or deliver in production all royalties in the amounts of value or production determined by MMS to be due.

* * * * *

(c) *Method of payment.* The payor shall tender all payments in accordance with 30 CFR 218.51.

§ 218.150 [Amended]

4. Section 218.150, paragraph (a), is revised to read as follows:

(a) As specified under the provisions of the lease, the lessee shall submit all rental payments when due and shall pay in value or deliver in production all royalties and net profit shares in the amounts of value or production determined by MMS to be due.

* * * * *

§ 218.155 [Amended]

5. Section 218.155, paragraph (a), is revised to read as follows:

(a) *Payment of royalties and rentals.* With the exception of first-year rental, the payor shall tender all payments in accordance with 30 CFR 218.51. First-year rental shall be paid in accordance with paragraph (c) of this section.

* * * * *

6. Section 218.155 is amended by removing paragraph (d) and paragraphs (e) and (f) are redesignated as paragraphs (d) and (e), respectively.

7. A new § 218.156 is added to subpart D to read as follows:

§ 218.156 Definitions.

Terms used in this subpart have the same meaning as in 30 U.S.C. 1702.

§ 218.200 [Redesignated as 218.202]

8. Section 218.200 is redesignated as § 218.202.

9. New §§ 218.200 and 218.201 are added to read as follows:

§ 218.200 Payment of royalties, rentals, and deferred bonuses.

As specified under the provisions of the lease, the lessee shall submit all rental and deferred bonus payments when due and shall pay in value all royalties in the amount determined by MMS to be due.

§ 218.201 Method of payment.

The payor shall tender all payments in accordance with 30 CFR 218.51.

10. Section 218.300 is revised to read as follows:

§ 218.300 Payment of royalties, rentals, and deferred bonuses.

As specified under the provisions of the lease, the lessee shall submit all rental and deferred bonus payments when due and shall pay in value all royalties in the amount determined by MMS to be due.

§ 218.301 [Redesignated as 218.302]

11. Section 218.301 is redesignated as § 218.302.

12. A new § 218.301 is added to read as follows:

§ 218.301 Method of payment.

The payor shall tender all payments in accordance with 30 CFR 218.51.

[FR Doc. 87-14403 Filed 6-24-87; 8:45 am]
BILLING CODE 4310-MR-M

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30 CFR Part 250

Oil and Gas and Sulphur Operations in the Outer Continental Shelf; Report Requirements

AGENCY: Minerals Management Service, Interior.

ACTION: Final rule.

SUMMARY: The rule amends the regulations by deleting the requirement for a monthly report of operations under 30 CFR 250.93 and by adding the requirement for a cessation of production report of the last well on a lease. The deletion of the requirement for the monthly report of operations avoids duplication with information available in the Oil and Gas Operations Report (OGOR) under 30 CFR 216.54 and other available sources. The additional requirement for a report when leases go off production is necessary to provide the Minerals Management Service (MMS) with timely information so approval can be given to lessees for drilling or workover operations only on valid leases.

EFFECTIVE DATE: The rule becomes effective on July 27, 1987.

FOR FURTHER INFORMATION CONTACT: Gerald D. Rhodes, Telephone (703) 648-7814, or (FTS) 959-7814.

SUPPLEMENTARY INFORMATION: In the Federal Register of March 7, 1986 (51 FR 8168), MMS published a final rule requiring submission of the OGOR. The OGOR includes information concerning production on a lease and was intended as a replacement for the monthly report of operations. The information in OGOR duplicates much of the information contained in the monthly report of operations required under current 30 CFR 250.93. Other information contained in the monthly report of operations is available to MMS through other means. Therefore, the requirement for the monthly report of operations is being removed.

The OGOR is due 45 days after the end of the month being reported (as opposed to 20 days for the monthly report of operations). This results in a critical delay in the identification of leases which are no longer producing. The delay is critical because, in the absence of a suspension of operations, the term of a lease which is beyond its primary term can be extended only if a drilling or workover operation is initiated within 90 days of last production (or of the last workover or drilling operation). Therefore, following cessation of production, MMS can approve the initiation of a workover or drilling operation only if less than 90 days have elapsed since production on the lease has ceased. Otherwise, the lease would have terminated.

A partial report is needed in advance of the OGOR to provide the timely information needed for MMS to assure that leases are still active prior to approval of drilling or workover operations. The MMS proposed to require the lessee to submit such a report within 15 days after the end of the first month in which production ceases. This report would include the date that the last well ceased production and the number of the well.

A notice of proposed rulemaking to delete the monthly report of operations and to require a report of cessation of production was published in the Federal Register on October 20, 1986 (51 FR 37200).

Five comments endorsing the deletion of the monthly report of operations were received with the following observations: One commenter supported the rule as proposed, and another supported the proposed rule with minor editorial changes. One commenter suggested a revision of MMS's timeframe for cessation of production that would make the submission of the proposed report unnecessary. One commenter considered the cessation of production report unnecessary and in conflict with MMS's goal of simplified reporting, and another considered the cessation of production report unnecessary but offered alternatives in lieu of the report.