

presence, in addition to greater difficulty in apprehending perpetrators who have not been registered and tracked as provided by SORNA. This would thwart the legislative objective of “protect[ing] the public from sex offenders and offenders against children” by establishing “a comprehensive national system for the registration of those offenders,” SORNA § 102, because a substantial class of sex offenders could evade the Act’s registration requirements and enforcement mechanisms during the pendency of a proposed rule and delay in the effectiveness of a final rule.

It would accordingly be contrary to the public interest to adopt this rule with the prior notice and comment period normally required under 5 U.S.C. 553(b) or with the delayed effective date normally required under 5 U.S.C. 553(d).

#### Regulatory Flexibility Act

The Attorney General, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed this regulation and by approving it certifies that this regulation will not have a significant economic impact on a substantial number of small entities for the purposes of that Act because the regulation concerns the application of the requirements of the Sex Offender Registration and Notification Act to certain offenders.

#### Executive Order 12866

This regulation has been drafted and reviewed in accordance with Executive Order 12866, “Regulatory Planning and Review,” section 1(b), Principles of Regulation. The Department of Justice has determined that this rule is a “significant regulatory action” under Executive Order 12866, section 3(f), and accordingly this rule has been reviewed by the Office of Management and Budget.

#### Executive Order 13132

This regulation will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. There has been substantial consultation with state officials regarding the interpretation and implementation of the Sex Offender Registration and Notification Act. Therefore, in accordance with Executive Order 13132, it is determined that this rule does not have sufficient federalism implications to warrant the preparation of a federalism assessment.

#### Executive Order 12988—Civil Justice Reform

This regulation meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988.

#### Unfunded Mandates Reform Act of 1995

This rule will not result in the expenditure by State, local and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

#### Small Business Regulatory Enforcement Fairness Act of 1996

This rule is not a major rule as defined by section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996. 5 U.S.C. 804. This rule will not result in an annual effect on the economy of \$100 million or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, or innovation, or on the ability of United States-based companies to compete with foreign-based companies in domestic and export markets.

#### List of Subjects in 28 CFR Part 72

Crime, Information, Law enforcement, Prisons, Prisoners, Records, Probation and parole.

■ For the reasons stated in the preamble, part 72 of chapter I of Title 28 of the Code of Federal Regulations is added to read as follows:

#### PART 72—SEX OFFENDER REGISTRATION AND NOTIFICATION

Sec.

72.1 Purpose.

72.2 Definitions.

72.3 Applicability of the Sex Offender Registration and Notification Act.

Authority: Pub. L. 109–248, 120 Stat. 587.

##### §72.1 Purpose.

This part specifies the applicability of the requirements of the Sex Offender Registration and Notification Act to sex offenders convicted prior to the enactment of that Act. These requirements include registering and keeping the registration current in each jurisdiction in which a sex offender resides, is an employee, or is a student. The Attorney General has the authority to specify the applicability of the Act’s requirements to sex offenders convicted

prior to its enactment under sections 112(b) and 113(d) of the Act.

##### §72.2 Definitions.

All terms used in this part that are defined in section 111 of the Sex Offender Registration and Notification Act (title 1 of Pub. L. 109–248) shall have the same definitions in this part.

##### §72.3 Applicability of the Sex Offender Registration and Notification Act.

The requirements of the Sex Offender Registration and Notification Act apply to all sex offenders, including sex offenders convicted of the offense for which registration is required prior to the enactment of that Act.

*Example 1.* A sex offender is federally convicted of aggravated sexual abuse under 18 U.S.C. 2241 in 1990 and is released following imprisonment in 2007. The sex offender is subject to the requirements of the Sex Offender Registration and Notification Act and could be held criminally liable under 18 U.S.C. 2250 for failing to register or keep the registration current in any jurisdiction in which the sex offender resides, is an employee, or is a student.

*Example 2.* A sex offender is convicted by a state jurisdiction in 1997 for molesting a child and is released following imprisonment in 2000. The sex offender initially registers as required, but disappears after a couple of years and does not register in any other jurisdiction. Following the enactment of the Sex Offender Registration and Notification Act, the sex offender is found to be living in another state and is arrested there. The sex offender has violated the requirement under the Sex Offender Registration and Notification Act to register in each state in which he resides, and could be held criminally liable under 18 U.S.C. 2250 for the violation because he traveled in interstate commerce.

Dated: February 16, 2007.

**Alberto R. Gonzales,**

*Attorney General.*

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#### DEPARTMENT OF THE INTERIOR

##### Minerals Management Service

##### 30 CFR Parts 250 and 253

RIN 1010–AD39

##### Oil and Gas and Sulphur Operations in the Outer Continental Shelf and Oil Spill Financial Responsibility for Offshore Facilities—Civil Penalties

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Final rule.

**SUMMARY:** The MMS is required to review the maximum daily civil penalty

assessment allowable under 43 U.S.C. 1350 at least once every 3 years for the purpose of adjusting this amount in accordance with the Consumer Price Index (CPI) as prepared by the Bureau of Labor Statistics, Department of Labor. The same review and adjustment process is required every 4 years for the maximum daily civil penalty assessment allowable under 33 U.S.C. 2716a. The intended effect is for punitive assessments to keep up with inflation.

**EFFECTIVE DATE:** This final rule becomes effective on March 30, 2007.

**FOR FURTHER INFORMATION CONTACT:** Joanne McCammon, Safety and Enforcement Branch at (703) 787-1292 or e-mail [Joanne.McCammon@mms.gov](mailto:Joanne.McCammon@mms.gov).

**SUPPLEMENTARY INFORMATION:**

*Background:* The Oil Pollution Act of 1990 (OPA 90) (Pub. L. 101-380) expanded and strengthened MMS's authority to impose penalties for violating regulations promulgated under the Outer Continental Shelf (OCS) Lands Act. Section 8201 of OPA 90 (43 U.S.C. 1350) authorizes the Secretary of the Interior (Secretary) to assess a civil penalty without providing notice and time for corrective action where a failure to comply with applicable regulations results in a threat of serious, irreparable, or immediate harm or damage to human life or the environment. The goal of the MMS OCS Civil Penalty Program is to ensure safe and clean operations on the OCS. By pursuing, assessing, and collecting civil penalties, the program is designed to encourage compliance with OCS statutes and regulations.

Not all regulatory violations warrant a review to initiate civil penalty proceedings; however, violations that cause injury, death, or environmental damage, or pose a threat to human life or the environment, will trigger such review.

Every 3 years, in accordance with OPA 90 (43 U.S.C. 1350(b)(1)), MMS analyzes the civil penalty maximum amount in conjunction with the CPI prepared by the U.S. Department of Labor. If an adjustment is necessary, MMS informs the public through the **Federal Register** of the new maximum amount. MMS uses Office of Management and Budget (OMB) guidelines for determining how penalty amounts should be rounded. In computing this new civil penalty maximum amount, MMS divided the August 2006 CPI of 203.9 by the previously used August 2002 CPI of 180.7. This resulted in a multiplying factor of 1.13. The previous maximum amount of \$30,000 per violation per day

was multiplied by the 1.13 factor and resulted in a new maximum penalty amount of \$33,900. This amount was rounded to \$35,000 as per OMB guidelines. The new civil penalty maximum amount is now \$35,000 per violation per day. It must be remembered that this is a maximum amount and is only used when a non-compliance issue warrants it.

OPA 90 also established civil penalties for failure to comply with financial responsibility regulations. Section 4303 of OPA 90 (33 U.S.C. 2716a) authorized the President (and, by delegation, the Secretary) to assess a civil penalty of up to \$25,000 per day for each violation. The Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410) established a 4-year cycle for review and adjustment of all federally imposed civil monetary penalties in order to maintain the deterrent effect of such penalties, and promote compliance with the law. The cost-of-living adjustment process (set out in a note to 28 U.S.C. 2461) is the same as that described above. Applying the multiplying factor of 1.13 to the previous maximum amount of \$25,000, results in a new maximum civil penalty of \$28,250 per violation per day. However, Section 3720E of the Omnibus Appropriations Act of 1996 (Pub. L. 104-134) included a provision limiting the first adjustment of any civil penalty pursuant to the 1990 Act to 10 percent. This is the first adjustment of 33 U.S.C. 2716a. The new civil penalty maximum amount under 33 U.S.C. 2716a is therefore \$27,500 per violation per day.

**Procedural Matters**

*Regulatory Planning and Review (Executive Order (E.O.) 12866)*

This final rule is not a significant rule as determined by the OMB and is not subject to review under E.O. 12866.

(1) This final 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. This final rule simply adjusts the maximum civil penalty amount using the CPI.

(2) This final rule will not create a serious inconsistency or otherwise interfere with action taken or planned by another agency because the rule only adjusts the civil penalty maximum.

(3) This final rule will not alter the budgetary effects of entitlements, grants, user fees or loan programs, or the rights or obligations of their recipients. The

changes in this final rule simply adjust the civil penalty maximum.

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

*Regulatory Flexibility Act (RFA)*

The Department of the Interior (DOI) certifies that this final rule will not have a significant economic effect on a substantial number of small entities under the RFA (5 U.S.C. 601 *et seq.*). This final rule applies to all lessees that operate on the OCS. Generally, lessees that operate under this rule would fall under the Small Business Administration's (SBA) North American Industry Classification System Codes 211111, Crude Petroleum and Natural Gas Extraction and 213111, Drilling Oil and Gas Wells. Under these codes, the SBA considers all companies with fewer than 500 employees to be a small business. We estimate that of the 130 lessees that explore for and produce oil and gas on the OCS, approximately 90 are small businesses (70 percent). The primary effect of the final rule is the increase in civil penalties assessed only for those operators that do not comply with Federal OCS regulations.

This rule will have no impact on the oil and gas industry operators that comply with Federal OCS regulations. For those operators whose non-compliance results in a civil penalty, the increase resulting from the inflation factor of 1.13 amounts to an increase of less than \$170,000 spread over an average of 39 cases per year or slightly under \$4,400 additional per case. This is using data over the past 10 years and averaging civil penalties paid and number of cases paid per year. This dollar amount is minor considering the substantial costs of operations on the OCS. This is true for even the smallest of OCS operators.

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 actions of MMS, call 1-888-734-3247. You may comment to the SBA without fear of retaliation. Disciplinary action for retaliation by an MMS employee may include suspension or termination from employment with the DOI.

*Small Business Regulatory Enforcement Fairness Act (SBREFA)*

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

a. Will not have an annual effect on the economy of \$100 million or more. As described above, we estimate an annual increase of \$4,400 per civil penalty case.

b. Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions. The minor increase in cost will not change the way the oil and gas industry conducts business, nor will it affect regional oil and gas prices. Therefore, it will not cause major cost increases for consumers, the oil and gas industry, or any Government agencies.

c. Will 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. Leasing on the U.S. OCS is limited to residents of the U.S. or companies incorporated in the U.S. This final rule will not change that requirement.

*Unfunded Mandates Reform Act (UMRA)*

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

*Takings Implication Assessment (Executive Order 12630)*

The final rule is not a governmental action capable of interference with constitutionally protected property rights. Thus, MMS did not need to prepare a Takings Implication Assessment according to E.O. 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

*Federalism (Executive Order 13132)*

With respect to E.O. 13132, this final rule will not have federalism implications. This final rule will 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 final rule will not affect that role.

*Civil Justice Reform (Executive Order 12988)*

With respect to E.O. 12988, The Office of the Solicitor has determined that the final rule does not unduly burden the judicial system and does meet the requirements of sections 3(a) and 3(b)(2) of the Order.

*Paperwork Reduction Act (PRA) of 1995*

This final rule does not contain any information collection subject to the PRA, and does not require a submittal to OMB for review and approval under section 3507(d) of the PRA.

*National Environmental Policy Act (NEPA) of 1969*

The final rulemaking does not introduce requirements that would cause lessees or operators to perform or change any activities on the OCS which would result in environmental impacts beyond those addressed in the NEPA documents associated with the OCS plans.

MMS has analyzed this final rule according to the criteria of the NEPA and 516 Department Manual 6, Appendix 10.4C(1), "Issuance and/or modification of regulations." This final rule does not constitute a major Federal action significantly affecting the quality of the human environment and falls within the categorical exclusion of Appendix 10.4C(1) because the impact of the final rule will be limited to administrative and economic effects. A detailed statement under the NEPA is not required.

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

Executive Order 13211 requires the agency to prepare a Statement of Energy Effects when it takes a regulatory action that is identified as a significant energy action. This final rule is not a significant energy action, and therefore would not require a Statement of Energy Effects because it:

a. Is not a significant regulatory action under E.O. 12866,

b. Is not likely to have a significant adverse effect on the supply, distribution, or use of energy, and

c. Has not been designated by the Administrator of the Office of Information and Regulatory Affairs, OMB, as a significant energy action.

*Consultation With Indian Tribes (Executive Order 13175)*

Under the criteria in E.O. 13175, we have evaluated this final rule and determined that it has no potential effects on federally recognized Indian tribes. There are no Indian or tribal lands on the OCS.

**List of Subjects in***30 CFR Part 250*

Administrative practice and procedure, Continental shelf, Environmental protection, Investigations, Oil and gas exploration, Penalties, Reporting and recordkeeping requirements.

*30 CFR Part 253*

Continental shelf, Environmental protection, Oil and gas exploration, Penalties, Reporting and recordkeeping requirements.

Dated: February 5, 2007.

**C. Stephen Allred,**

*Assistant Secretary—Land and Minerals Management.*

■ For the reasons stated in the preamble, Minerals Management Service (MMS) amends 30 CFR parts 250 and 253 as follows:

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

■ 1. Authority citation for part 250 continues to read as follows:

**Authority:** 43 U.S.C. 1331 *et seq.*, 31 U.S.C. 9701.

■ 2. Revise § 250.1403 to read as follows:

**§ 250.1403 What is the maximum civil penalty?**

The maximum civil penalty is \$35,000 per day per violation.

**PART 253—OIL SPILL FINANCIAL RESPONSIBILITY FOR OFFSHORE FACILITIES**

■ 3. Authority citation for part 253 is amended to read as follows:

**Authority:** 33 U.S.C. 2701 *et seq.*, 28 U.S.C. 2461 (note)

■ 4. In § 253.51, revise paragraph (a) to read as follows:

**§ 253.51 What are the penalties for not complying with this part?**

(a) If you fail to comply with the financial responsibility requirements of OPA at 33 U.S.C. 2716 or with the requirements of this part, then you may be liable for a civil penalty of up to \$27,500 per COF per day of violation (that is, each day a COF is operated without acceptable evidence of OSFR).

\* \* \* \* \*

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