

Presidential Documents

Proclamation 5438 of February 3, 1986

National Safe Boating Week, 1986

By the President of the United States of America

A Proclamation

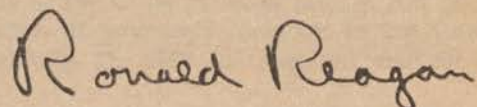
Americans increasingly look to the water for recreation and relaxation. This year, approximately one-quarter of us will enjoy boating in one or more of its many and varied forms. Therefore, it is important that all those involved in recreational boating should put a high priority on safety. They should know and obey the rules of safe boating, and show courtesy and consideration on the water.

The theme of this year's National Safe Boating Week—"Be Smart! Take a Boating Course!"—emphasizes the importance of learning the safe way to enjoy the sport of boating. Every year, more and more people engage in a variety of boating activities and our Nation's waters are increasingly utilized by a dazzling array of pleasure craft including sailboards, dinghies, ketches, catboats, outriggers, sloops, power yachts, and high-speed motorboats. Lack of knowledge on the part of boat operators makes them liable to expose themselves unnecessarily to hazards, thus endangering not only themselves, but others as well. A review of fatal boating accidents shows that over two-thirds were the fault of the operator. And less than one-quarter of these operators had received any kind of boating education. Through the observance of National Safe Boating Week, 1986, all Americans should be alerted to the importance of learning the rules of safe boating.

In recognition of the need for boating safety, the Congress, by joint resolution approved June 4, 1958, as amended (36 U.S.C. 161), authorized and requested the President to proclaim annually the week commencing on the first Sunday in June as "National Safe Boating Week."

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning June 1, 1986, as National Safe Boating Week. I also invite the Governors of the States, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa, and the Mayor of the District of Columbia to provide for the observance of this week.

IN WITNESS WHEREOF, I have hereunto set my hand this third day of February, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and tenth.



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Presidential Documents

Order of February 1, 1986

Emergency Deficit Control Measures for Fiscal Year 1986

By the authority vested in me as President by the statutes of the United States of America, including section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (hereafter referred to as "the Act"), I hereby order that the following actions be taken immediately to implement the required sequestration or reduction determined by the Comptroller General in his report dated January 21, 1986, under section 251 of the Act:

(1) Each automatic spending increase which, but for the passage of the Act, would be first paid on or after the enactment of the Act during fiscal year 1986 is suspended as provided in section 252(a)(6) and subject to provisions set forth in sections 255, 256, and 257 of the Act. The programs with such 1986 automatic spending increases subject to reduction in this manner, specified by account title, are: Central Intelligence Agency retirement and disability system fund; Civil service retirement and disability fund; Comptrollers general retirement system; Foreign service retirement and disability fund; Military retirement fund; National Oceanic and Atmospheric Administration retirement; Railroad Retirement Tier II; Retired pay, Coast Guard; Retirement pay and medical benefits for commissioned Public Health Service officers; Special benefits, Federal Employees' Compensation Act; National Wool Act; Special milk program; and Vocational rehabilitation.

(2) New budget authority and unobligated balances amounts for major National Defense functional category (050) are sequestered according to the procedures set forth in section 252(a)(2) of the Act.

(3) For non-defense accounts in the Federal budget, the following are sequestered: new budget authority, new loan guarantee commitments, new direct loan obligations, and spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, as amended, and the reduction of obligation limitations, for each account and for each program, project, and activity, as defined pursuant to section 252(a)(1)(B)(i) of the Act, or each budget account activity as defined pursuant to section 252(a)(1)(B)(ii) of the Act.

(4) For accounts making payments otherwise required by substantive law, the head of each Department or agency is directed to modify the calculation of each such payment to the extent necessary to reduce the estimate of total required payments for the remainder of the fiscal year (a) where payments are not made from spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, as amended, to the level of remaining budgetary resources or (b) where payments are made from spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, as amended, to the estimated level of payments included in the Comptroller General determination on January 21, 1986, of required sequestration or reduction action.

(5) For accounts making commitments for guaranteed loans and obligations for direct loans subject to limitation otherwise required by substantive law, the head of each Department or agency is directed to modify the calculation of such commitments or obligations to the extent necessary to conform to the limitations established by the Act and specified in the Comptroller General determination of January 21, 1986.

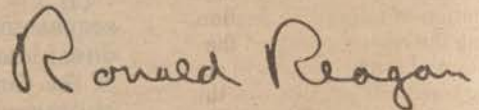
(6) Each Department or agency head may, to the extent not otherwise prohibited by law, use existing authority to deobligate balances of budgetary resources as necessary to apply the required reduction or sequestration in as uniform a manner as possible for any person or other recipient entitled to payments under any formula-driven calculations specified in the substantive law. Deobligations may include budgetary resources obligations for which checks have not been issued or funds not otherwise disbursed (funds obligated but unexpended).

Also, the head of each Department or agency shall report the programs, projects, and activities information required by section 252(a)(5) (A) and (B) to the President of the Senate, the Speaker of the House, the Director of the Office of Management and Budget, and the Comptroller General, as instructed by the Director of the Office of Management and Budget in Bulletin No. 86-7. For those programs in the National Defense function that have already been reported by program, project, and activity, no additional report is necessary. The reports of the Departments and agencies are hereby incorporated in this Order.

I further direct the Director of Central Intelligence to report the programs, projects, and activities information required by section 252(a)(5) (A) and (B) on a classified basis to the appropriate committees of the Congress for the National Foreign Intelligence Program consistent with paragraphs 1 through 3 of this Order and to so advise the President of the Senate, the Speaker of the House, the Director of the Office of Management and Budget, and the Comptroller General, as instructed by the Director of the Office of Management and Budget.

In accordance with section 252(a)(6)(A), amounts suspended, sequestered or reduced under this Order shall be withheld from obligation and amounts suspended or sequestered shall be permanently cancelled as of March 1, 1986, unless alternative legislation is enacted prior to that date.

This Order shall be reported to the Congress and shall be published in the Federal Register.



THE WHITE HOUSE,
February 1, 1986.

[FR Doc. 86-2591

Filed 2-3-86; 10:56 am]

Billing code 3195-01-M

Rules and Regulations

Federal Register

Vol. 51, No. 23

Tuesday, February 4, 1986

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510. The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 51

United States Standards for Grades of Kiwifruit

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Finalization of interim final rule.

SUMMARY: The Department has decided to leave in effect an interim final rule which amended the voluntary United States Standards for Grades of Kiwifruit. The Kiwifruit Growers of California requested amending the standards by changing the shape requirement for U.S. Fancy grade, the application of tolerances section, revising the requirements of the definition of fairly uniform in size, and adding a section establishing the sample size for grade determination. The Agricultural Marketing Service has the responsibility, in cooperation with industry, to maintain current grade standards.

EFFECTIVE DATE: February 4, 1986.

FOR FURTHER INFORMATION CONTACT: Francis J. O'Sullivan, Fresh Products Branch, Fruit and Vegetable Division, Agricultural Marketing Service, U.S. Department of Agriculture, Room 2056, South Building, Washington, DC 20250, (202) 477-2185.

SUPPLEMENTARY INFORMATION: This finalization of the interim final rule has been reviewed under USDA Procedures and Executive Order 12291 and designated as a "nonmajor rule." Agricultural Marketing Service's Administrator, has determined that this rule will not have a significant economic impact on a substantial number of small entities as defined by the Regulatory

Flexibility Act, Pub. L. 96-354 (5 U.S.C. 601), because it reflects current marketing practices.

The voluntary United States Standards for Grades of Kiwifruit became effective September 1982. Recently the Kiwifruit Growers of California requested that the standards be amended to change the shape requirement of the U.S. Fancy grade and application of tolerances; redefine fairly uniform in size requirements and add a section for sample size. The interim final rule became effective upon publication in the Federal Register (50 FR 40185) on October 2, 1985.

The U.S. Fancy grade required fruit to be well formed. However, it was felt that the well formed requirement was too restrictive. This rule allows U.S. Fancy fruit to be fairly well formed; the same as the U.S. No. 1 grade.

A provision was added to the application of tolerances permitting one fruit which is frozen or affected by decay in any consumer-size container; provided, that the average percentage of defects for the entire lot not exceed lot tolerances. Present application of tolerances allow two such fruit in any container; provided, the average for the entire lot does not exceed the tolerance.

The amended standards defined "fairly uniform in size" to mean that fruit in any container could not vary more than 1/4 inch in diameter. This rule incorporates a sliding scale approach to the problem by allowing a greater variation in diameter for larger fruit than for smaller.

A section was added pertaining to sample size. This section will address sampling for new and old types of containers. These changes will bring the standards in line with current industry marketing practices. The rule provided interested persons with a period for comment through November 1, 1985, none were received.

List of Subjects in 7 CFR Part 51

Agricultural commodities.

PART 51—[AMENDED]

Accordingly, 7 CFR Part 51 is amended as follows:

1. The authority citation for 7 CFR Part 51 continues to read as follows:

Authority: Secs. 203, 205, 60 Stat. 1087, as amended, 1090 as amended, 7 U.S.C. 1622, 1624.

2. The interim final rule published in the October 2, 1985, Federal Register (50 FR 40185) revising the standards is adopted as a final rule.

Done in Washington, DC, on January 29, 1986.

William T. Manley,
Deputy Administrator, Marketing Programs.

[FR Doc. 86-2361 Filed 2-3-86; 8:45 am]

BILLING CODE 3410-02-M

Food and Nutrition Service

7 CFR Part 226

Child Care Food Program; Audit Requirements and Use of Audit Funds

AGENCY: Food and Nutrition Service, USDA.

ACTION: Final rule.

SUMMARY: The Department is amending the Child Care Food Program (CCFP) regulations by (1) revising the CCFP audit requirements to conform to the Single Audit Act of 1984, Office of Management and Budget circulars, and the Department's Uniform Federal Assistance Regulations (7 CFR Part 3015); and (2) outlining the permissible uses of funds available to perform audits in the program. This action is necessary to conform the CCFP audit requirements with other Federal audit requirements.

EFFECTIVE DATE: March 6, 1986.

ADDRESS: Copies of all written comments on the proposed rule are available for review during normal business hours at 3101 Park Center Drive, Room 509, Alexandria, Virginia 22302.

FOR FURTHER INFORMATION CONTACT: Lou Pastura, Chief, Policy and Program Development Branch, Child Nutrition Division, FNS, USDA, Alexandria, Virginia 22302, (703) 756-3620.

SUPPLEMENTARY INFORMATION:

Classification

This action has been reviewed under Executive Order 12291 and has been classified *not major* because it will not have an annual effect on the economy of \$100 million, will not cause a major increase in costs or prices for Program participants, individual industries,

Federal agencies, State or local government agencies or geographic regions, and will not have a significant economic impact on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic or foreign markets.

This regulation has also been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601-612). Pursuant to the review, the Administrator of the Food and Nutrition Service has certified that this final rule does not have a significant economic impact on a substantial number of small entities.

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3507), the reporting and recordkeeping requirements that are included in this final rule have been approved by the Office of Management and Budget (OMB) under clearance 0584-0055.

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.558 and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. (Cite 7 CFR 3015, Subpart V, 48 FR 29112, June 24, 1983; 49 FR 22675, May 31, 1984; 50 FR 14088, April 10, 1985, as appropriate and any subsequent notices that may apply.)

Background

On April 12, 1983, the Department published a proposed rule at 48 FR 15637 to amend Section 226.8 (a), (b), (c) and (d) to bring the Child Care Food Program (CCFP) into conformity with the audit requirement established in the Department's Uniform Federal Assistance Regulations (7 CFR 3015.70 ff) and in OMB circulars A-102 (the predecessor to current circular A-128) and A-110. Basically, that audit requirement mandated that public and private nonprofit organizations arrange and pay for organization-wide audits (OWAs) at least once every two years. That mandate differed from the long standing CCFP audit provision, which required State agencies to arrange for program specific audits of all participating institutions at least once every two years.

Because Part 3015 and the OMB circulars take precedence in this matter, the Department is required to implement OWAs in the CCFP. However, section 17(i) of the National School Lunch Act provides a specific fund to be made available to States for the purpose of conducting audit of the CCFP. Since the implementation of OWAs raised several

questions concerning the use of CCFP audit monies, the Department issued the proposed regulation cited above, authorizing State agencies to use these funds to pay for OWAs, provided the CCFP is tested as part of the OWA. The proposal further provided that if State agencies elect not to fund OWAs, they could use these monies to conduct program specific audits of institutions for which no OWA is conducted during a two year period. A 60-day comment period was established, and commenters were requested to focus their discussions on the utilization of audit monies, over which the Department has discretion, rather than on the nondiscretionary implementation of OWAs. Twenty commenters responded during the official comment period (nine from within FNS or the Department, eight State agencies, one institution and two interested parties). An additional 21 comments were submitted after the comment period ended (19 institutions, one FNS staff and one State agency), and these comments were also considered.

Before a final rulemaking responding to commenters' concerns could be published, Congress enacted the Single Audit Act of 1984 (Public Law 98-502) (SAA), which established new audit requirements for State and local governmental recipients. In conformance with this legislative change, OMB has issued a new management circular pertaining to governmental agencies (A-128), and the Department is proceeding to amend 7 CFR Part 3015. Since the Department has no discretion over matters mandated by the law, this final rulemaking has been revised somewhat from the proposal in order to incorporate the new statutory requirements by reference to Part 3015 and the appropriate OMB circulars. However, the law and the circulars remain silent on several issues that directly affect the CCFP. This final rule establishes guidelines in these areas. The remainder of this preamble, therefore, discusses the discretionary policies adopted by the Department and addresses the concerns expressed by commenters.

A few commenters addressed themselves generally to the subject of OWAs. Of these commenters, four approved of the requirement, while five disapproved, preferring to retain program specific audits. As noted above and in the preamble to the proposed rule, the Department has no discretion in this area. OMB circulars have generally mandated OWAs for all public and private nonprofit organizations participating in Federal programs, and the Single nonprofit organizations

participating in Federal programs, and the Single Audit Act reaffirmed this requirement for governmental recipients. Part 3015 reiterates this mandate for USDA programs, and this regulation implements the requirement for the CCFP.

In response to a variety of comments, the Department is taking this opportunity to issue the following clarifications. First, the OWA applies to all funds received by an institution, including State, local and private grants. The purpose of an OWA is to test the overall integrity of an organization's accounting practices. Therefore, all aspects of an institution's funding must be subject to audit in order for that audit to be a valid examination of the organization. Secondly, institutions receiving Federal funds are subject to OWAs even if there is only one source of funding. The intent of OWAs is to provide information about the integrity of the organization's system of accounting without the duplication and inefficiency occasioned by separate program specific audits. If the total grant is provided by a single source (e.g., the CCFP), the institution is still responsible for arranging and paying for the audit. Finally, the failure of an institution to have an OWA would not necessarily result in the institution's termination from the CCFP. The State agency would need to consider the individual circumstances and determine appropriate action on a case-by-case basis.

Following is a discussion of the major issues raised by commenters.

1. *Utilization of Audit Funds.* Three commenters expressed general approval of the Department's proposal to allow States to use CCFP audit monies to pay part of the cost of OWAs. Six commenters objected to one or another aspect of this proposal on various grounds ranging from the belief that no funding should be made available for any OWAs to the opinion that CCFP audit monies should be used to fund the entire cost of the audit regardless of whether or not the CCFP is tested. Some commenters also appeared to confuse the audit monies with State administrative Expense (SAE) funds. To eliminate any misunderstanding, the Department emphasizes that CCFP audit monies are a separate fund authorized by law for the specific purpose of auditing CCFP institutions. The Department considers, therefore, that these funds can be used for any audit which tests the CCFP, whether organization-wide or program specific. The Department further considers, however, that the intent of the law

precludes payment of these monies for any OWA which does not test the CCFP. Consequently, this final rule retains this provision from the proposal. It should be noted, moreover, that the decision whether or not to defray the cost of OWAs which test the CCFP is entirely at the State agency's discretion.

The Department received several comments requesting clarification of the conditions under which CCFP monies may be used for OWAs. Ten commenters requested the Department to stipulate the portion of the OWA eligible for CCFP funding. Five commenters requested clarification of what would constitute a "test" of the program, and four commenters wished to know if payment would be made to the institution or to the auditor. The Department agrees that clarification of these points is needed; therefore, the final rule incorporates the following modifications. First, the maximum share of an OWA which the State may reimburse using CCFP audit monies equals the CCFP's portion of the institution's total Federal funding. Since OWAs are conducted to fulfill Federal audit requirements and might not conform to requirements for non Federal funds, the Department believes that it is reasonable to consider only Federal funds in determining the CCFP's share of an audit's cost. If, for example, CCFP funding represents 50 percent of the total Federal funds received by the institution, the State agency may use CCFP audit funds to pay for up to 50 percent of the cost of the audit, as long as the CCFP is tested. By "tested", the Department means a test as stipulated in section 10.558 of the Compliance Supplement to OMB circular A-128, and this stipulation has been incorporated into this final rule. Finally, the final rule specifies that any audit monies used by State agencies to fund OWAs will be paid directly to the institution.

Three additional issues pertaining to State agency flexibility were raised. Some commenters requested clarification as to whether the State agency would be required to use CCFP audit funds for OWAs or would be allowed to use these monies for other purposes, such as program specific audits or reviews. While State agencies may assist institutions with the expense of OWAs, the Department emphasizes that they are not required to do so. The State agency has discretion to decide how best to utilize its audit monies. To this end, the State agency may, if it wishes, use audit funds to conduct program specific audits of institutions which are not currently subject to OWAs or for which the State agency

considers program specific audits to be needed. The State agency also may use these monies for administrative reviews, provided that all program specific audits which the State is required to conduct have been paid for. The reference to reviews formerly in Section 226.8(c) was inadvertently omitted from the proposed rule; the provision has been reinstated in this final rule. Finally three commenters suggested that State agencies should not be required to "use" the audit funds in the year in which they are allocated but only to "obligate" them. The Department agrees that this language would allow State agencies greater flexibility while continuing to meet the intent of the provision. Therefore, the final rule reflects this change in § 226.8(d).

2. Burden on Small Institutions. Seventeen commenters expressed concern that small institutions might not be able to bear the financial burden imposed by OWAs. It has been recognized that some smaller institutions may have difficulty meeting the expense of an audit. Therefore, the SAA specifically exempts smaller government agencies from the requirements of the law, and OMB has authorized an exception for the CCFP to the OWA requirement for nonprofit organizations receiving less than \$25,000 in Federal funds annually. Moreover, the Department also considers that many smaller institutions which are still required to have OWAs generally receive most, if not all, of their Federal funds from the CCFP. Consequently, if an OWA tests the CCFP, the institution will frequently qualify for CCFP audit monies sufficient to defray the audit's cost. For these reasons, the OWA requirement should not be burdensome for small institutions.

3. Audit Guidance. Several commenters requested specific guidance pertaining to the content and conduct of OWAs. In addition, two commenters expressed concern with the standards which individual auditors must meet in order to be approved to perform audits of Federal programs. While it is not appropriate to provide guidance on technical points in this rulemaking, the Department does wish to point out that guidance and assistance are available to institutions subject to OWAs. Moreover, specific government-wide standards have been established for auditors. The requirements for an OWA for public institutions are found in the *Compliance Supplement for Single Audits of State and Local Governments (Revised April 1985)* issued by OMB. Requirements for OWAs of private nonprofit organizations are included in

Attachment F to OMB circular A-110. Auditor standards are discussed in *Standards for Audits of Governmental Organizations, Programs, Activities and Functions* (Yellow Book), issued by the General Accounting Office.

4. Underpayment Disregard. The Department received two comments suggesting that States should be authorized to disregard underpayment of less than \$100. The purpose of the disregard would be to relieve the State agency of the burden associated with processing payments for relatively small amounts of money. The Department recognizes that State agencies may occasionally incur a disproportionate burden when reimbursing institutions for minor underpayments. However, institutions are entitled by law to their entire reimbursement, provided they have fulfilled their contractual obligations by serving meals to eligible children or otherwise incurring approved costs in their operation of the program. Therefore, the Department considers that an underpayment disregard is not appropriate for the CCFP.

List of Subjects in 7 CFR Part 226

Day care, Food assistance programs, Grant programs—Health, Infants and children, Surplus agricultural commodities.

Accordingly, Part 226 is amended as follows:

PART 226—CHILD CARE FOOD PROGRAM

1. The Authority citation for Part 226 continues to read as follows:

Authority: Sections 803, 810 and 820, Pub. L. 97-35, 95 Stat. 521-535 (42 U.S.C. 1758, 1766); Section 2, Pub. L. 95-627, 92 Stat. 3603 (42 U.S.C. 1766); section 10, Pub. L. 89-642, 80 Stat. 889 (42 U.S.C. 1779), unless otherwise noted.

2. Section 226.8 is amended by revising paragraphs (a), (b), (c) and (d), to read as follows:

§ 226.8 Audits.

(a) Unless otherwise exempt, audits at the State and institution levels shall be conducted in accordance with the Office of Management and Budget's Circulars A-128 and A-110 and the Department's Uniform Federal Assistance Regulations (7 CFR Part 3015). Title XX proprietary institutions not subject to organization-wide audits shall be audited by the State agency at least once every two years.

(b) The funds provided to the State agency under § 226.4(h) may be made available to institutions to fund a

portion of organization-wide audits, provided that the organization-wide audit includes tests of the CCFP in accordance with Section 10.558 of the Compliance Supplement to OMB Circular A-128. The funds provided to an institution for an organization-wide audit shall not exceed the portion of the audit's cost equal to the CCFP's portion of the total Federal grant.

(c) Funds provided under § 226.4(h) may be used by the State agency to conduct program-specific audits of institutions not subject to organization-wide audits, or for which the State agency considers program specific audits to be needed. The State agency may use any funds remaining after all required program-specific audits have been performed to conduct administrative reviews of institutions.

(d) Funds provided under § 226.4(h) may only be obligated during the fiscal year for which those funds are allocated. If funds provided under § 226.4(h) are not sufficient to meet the requirements of this section, the State agency may then use available State administrative expense funds to conduct audits, provided that the State agency is arranging for the audits and has not passed the responsibility down to the institution.

Dated: January 29, 1986.

Robert E. Leard,

Administrator, Food and Nutrition Service.

[FR Doc. 86-2451 Filed 2-3-86; 8:45 am]

BILLING CODE 3410-30-M

DEPARTMENT OF ENERGY

Office of the Secretary

10 CFR Part 600

Financial Assistance Rules

AGENCY: Department of Energy (DOE).

ACTION: Final rule.

SUMMARY: This document makes final an interim rule which amended 10 CFR Part 600, Financial Assistance Rules, Subparts A, B, and C, and added a new Subpart D to implement the Single Audit Act of 1984 (Pub. L. 98-502) (Act) and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, issued pursuant to that Act. The intended effect of the rule is to achieve uniform Government-wide implementation of these audit requirements. The final rule also makes a limited technical amendment within one section of 10 CFR Part 600 that is affected by the new audit requirements.

DATES: This final rule was published as an interim final rule (50 FR 42354 *et seq.*, October 18, 1985) and was effective on that date; the technical amendment to § 600.310 and the adoption of the interim rule as a final rule is effective February 4, 1986.

FOR FURTHER INFORMATION CONTACT:

Ellen Feinsilber, Business and Financial Policy Branch (MA-421.2), U.S. Department of Energy, (202) 252-8173; Paul Sherry, Office of the Assistant General Counsel, Procurement and Financial Incentives (GC-43), U.S. Department of Energy, (202) 252-1526.

SUPPLEMENTARY INFORMATION:

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I. Background

The Single Audit Act of 1984 (Pub. L. 98-502) builds upon earlier efforts to improve audits of Federal aid programs. The Act requires State or local governments that receive \$100,000 or more a year in Federal funds to have an audit made for that year. Section 7505 of the Act requires the Director of the Office of Management and Budget (OMB) to prescribe policies, procedures, and guidelines to implement the Act. On April 12, 1985, OMB issued OMB Circular A-128, Audits of State and Local Governments, pursuant to the Single Audit Act. The Circular was subsequently published in the *Federal Register* on May 6, 1985 (50 FR 19114). Consistent with the Department of Energy's (DOE's) comprehensive revision of 10 CFR Part 600 (47 FR 44076, October 5, 1982), which implements OMB Circulars A-102 and A-110, DOE in its interim final rulemaking (50 FR 42354 *et seq.*, October 18, 1985) adopted an approach to implementation of OMB Circular A-128 which DOE felt met the combined objectives of communicating to the affected recipient community those requirements with which they must comply and of meeting OMB requirements for uniform agency implementation. DOE invited public comments on its October 18, 1985 interim final rule, however, no comments were received. DOE is, therefore, issuing the interim final rule in final form with one technical change. On December 6, 1985 (50 FR 50027), OMB published a notice designating the

Census Bureau, Department of Commerce, as the central clearinghouse for audit reports under OMB Circular A-128. The specific address for the clearinghouse has, therefore, been included in § 600.310(h) of the final rule.

II. Review Under Executive Order 12291

In accordance with the requirements of Executive Order 12291 (February 27, 1981), this rulemaking has been reviewed by OMB.

DOE has concluded that the rule is not a "major rule" because its promulgation will not result in (1) an annual effect on the economy of \$100 million or more, (2) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions, or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States based enterprises to compete in domestic or export markets.

III. Review Under Regulatory Flexibility Act

As indicated in the preamble to the interim final rule, this rule was reviewed under the Regulatory Flexibility Act of 1980 (Pub. L. 96-354, 94 Stat. 1164), which requires preparation of a regulatory flexibility analysis for any rule that is likely to have a significant economic impact on a substantial number of small entities, i.e., small businesses, small organizations, and small governmental jurisdictions. At that time, DOE certified that this rule would not have a significant economic impact on a substantial number of small entities, and no regulatory flexibility analysis was prepared. In the absence of any public comments on the DOE certification in the interim final rule, DOE certifies that this final rule will not have a significant economic impact on a substantial number of small entities and, accordingly, no final regulatory flexibility analysis has been prepared.

IV. Review Under the Paperwork Reduction Act

The information collection and recordkeeping requirements imposed by this final rule are subject to the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35). A control number to be issued by OMB for information collections under Circular A-128 will apply to the information collection and recordkeeping requirements imposed by this rule.