

Office of Foreign Assets Control,
Department of the Treasury,
Washington, DC 20220, Tel.: (202) 376-
0412.

SUPPLEMENTARY INFORMATION: Because the Regulations involve a foreign affairs function, the provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, does not apply. Because the Regulations are issued with respect to a foreign affairs function of the United States, they are not subject to Executive Order 12291 of February 17, 1981, dealing with Federal regulations.

List of Subjects in 31 CFR Part 565

Panama, Banking.

For the reasons set forth in the preamble, 31 CFR Part 565 is amended as follows:

PART 565—PANAMANIAN TRANSACTIONS REGULATIONS

1. The "Authority" citation for Part 565 continues to read as follows:

Authority: 50 U.S.C. 1701 *et seq.*, E.O. 12635, 53 FR 12134 (April 12, 1988).

2. Appendix A to Part 565—Panamanian Governmental Entities is amended by inserting alphabetically "Banco Institucional Patria (Institutional Bank of the Fatherland)" in the list contained in Appendix A.

Dated: March 14, 1989.

R. Richard Newcomb,
Director, Office of Foreign Assets Control.

Approved: March 23, 1989.

Salvatore R. Martoche,
Assistant Secretary, (Enforcement).
[FR Doc. 89-8239 Filed 4-4-89; 3:36 pm]
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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 165

[CGDI 89-008]

Security Zone Regulations; Walkers Point, Kennebunkport, ME

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: The Coast Guard is establishing a security zone in the area of Walkers Point, Kennebunkport,

Maine. This security zone is needed to protect the national interests of the United States; specifically to provide for the protection of the President of the United States while he is in residence at Walkers Point. Entry into this zone is prohibited unless authorized by the Captain of the Port, Portland, Maine.

EFFECTIVE DATE: This regulation is effective upon April 6, 1989.

ADDRESS: Comments should be mailed to Commanding Officer, U.S. Coast Guard Marine Safety Office, P.O. Box 108, DTS, Portland, Maine, 04112-0108. The comments will be available for inspection and copying at the Marine Safety Office, 312 Fore Street, Portland, Maine. Normal office hours are between 7:30 a.m. and 4:00 p.m., Monday through Friday, except holidays. Comments may also be hand-delivered to this address.

FOR FURTHER INFORMATION CONTACT: Lieutenant Scott Kuhanek at Marine Safety Office, Portland at (207) 780-3251.

SUPPLEMENTARY INFORMATION: In accordance with 5 U.S.C. 553, a notice of proposed rulemaking (NPRM) was not published for this regulation and good cause exists for making it effective in less than 30 days from the date of publication. Publishing an NPRM and delaying its effective date would be contrary to the public interest since immediate action is needed to safeguard and prevent injury to the President of the United States.

This action has been analyzed in accordance with the principles and criteria contained in Executive Order 12612, and it has been determined that this final rulemaking does not have sufficient federalism implications to warrant a Federalism Assessment.

Drafting Information

The drafters of this notice are Lieutenant Scott Kuhanek, project officer, Marine Safety Office Portland and Lieutenant John Gately, project attorney, First Coast Guard District Legal Office.

Discussion of the Regulation

From time to time the President of the United States will visit his private residence on Walkers Point, Kennebunkport, Maine. The frequency and duration of these visits will vary. For this reason and to ensure that the actual times and dates of these visits are kept confidential, a permanent security zone is being established to protect the President of the United States. This security zone will encompass the shoreline and water area approximately 500 yards from the grounds of Walkers Point, Kennebunkport, Maine. This security zone is delineated by buoys

(white buoys marked in orange indicating an exclusionary area) which mark the outer boundary of the zone. As previously stated in the preamble, entry into this zone is prohibited without the permission of the Captain of the Port, Portland, Maine. Coast Guard representatives will be on scene to enforce this security zone.

The waters immediately adjacent to Walkers Point are heavily fished by local lobstermen. Excluding these lobstermen from this area may have a significant economic impact on their businesses. With this in mind, the Coast Guard and representatives of the United States Secret Service, local municipal officials and area lobstermen have met and discussed this matter. Those lobstermen who need entry into this security zone to work their traps have agreed to meet certain requirements and follow certain procedures to maximize the integrity of this security zone. Once these criteria are met, these lobstermen will be allowed entry into this zone with Captain of the Port approval to work their traps. At the completion of their work, the lobstermen will depart the security zone. The exact specifics of entry into this security zone will be coordinated by the Coast Guard Captain of the Port.

All other known parties of interest have been consulted and it has been determined that this zone will have no impact upon them. This regulation is issued pursuant to 50 U.S.C. 191 as set out in the authority citation for all of Part 165.

List of Subjects in 33 CFR Part 165

Harbors, Marine Safety, Navigation (water), Security measures, vessels, waterways.

Final Regulation

In consideration of the foregoing, Part 165 of Title 33, Code of Federal Regulations is amended as follows:

PART 165—[AMENDED]

1. The authority citation for Part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05-1(g), 6.04-1, 6.04-6, and 160.5, 49 CFR 1.46.

2. A new § 165.102 is added to read as follows:

§ 165.102 Security Zone; Walkers Point, Kennebunkport ME.

(a) *Location.* The following area is a security zone: From point of land located on Cape Arundel at latitude 43° 20.4' North, longitude 070° 28.0' West; thence to a point approximately 500

yards southwest of Walkers Point located at latitude 43° 20.2' North, longitude 070° 27.9' West; thence to a point located approximately 500 yards south of Walkers Point at latitude 43° 20.1' North, longitude 070° 27.6' West; thence to a point located approximately southeast of Walkers Point at latitude 43° 20.4' North, longitude 070° 27.2' West; thence to an unnamed point of land located at 43° 20.9' North, longitude 070° 27.1' West; thence along the shoreline of Walkers Point to the beginning point. The aforementioned offshore positions are approximated by white buoys marked in orange indicating an exclusionary area.

(b) *Regulations.* (1) In accordance with the general regulations in § 165.33 of this part, entry into this zone is prohibited unless authorized by the Captain of the Port, Portland, Maine. Section 165.33 also contained other general requirements.

(2) No person may swim upon or below the surface of the water within the boundaries of this security zone.

Dated: March 20, 1989.

R.I. Rybacki,

Rear Admiral, U.S. Coast Guard Commander,
First Coast Guard District.

[FR Doc. 89-8220 Filed 4-5-89; 8:45 am]

BILLING CODE 4910-14-M

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3200

[AA-622-08-4113-02]

Geothermal Resources Leasing

AGENCY: Bureau of Land Management, Interior.

ACTION: Interim rule.

SUMMARY: This interim rule amends existing regulations to implement the Geothermal Steam Act Amendments of 1988 (Pub. L. 100-443) (Act) which provide geothermal operators new opportunities to obtain lease term extensions or to have leases continue in effect.

DATES: Effective April 6, 1989.

Comments will be accepted until June 5, 1989. Comments received or postmarked after this date may not be considered in the decisionmaking process on the issuance of the final rule.

ADDRESS: Comments should be sent to: Director (140), Bureau of Land Management, Room 5555, Main Interior Building, 1800 C Street NW., Washington, DC 20240.

Comments will be available for public review in Room 5555 of the above address during regular business hours (7:45 a.m. to 4:15 p.m.), Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Karl Duscher, (202) 653-2193.

SUPPLEMENTARY INFORMATION: Prior to the Geothermal Steam Act Amendments of 1988, a Federal geothermal lease could continue beyond the end of its 10-year primary term if geothermal resources were being produced or utilized in commercial quantities, or if there was a well capable of production, a contract for the sale of such production, and utilization would commence within 5 years after the end of the primary term. A lease could also be extended for a period of 5 years where the lessee had commenced drilling operations prior to the end of the primary term and operations were being diligently prosecuted at that time.

The Geothermal Steam Act Amendments of 1988 allow a lease to continue beyond its primary term without having a producing well or a contract for the sale of production provided, a well has been drilled that is capable of producing geothermal resources in commercial quantities and the operator is making diligent efforts toward utilization. Because, by statutory definition, such leases are to be treated as though they were producing, in accordance with existing rules they would be placed on a minimum royalty basis. The interim rule establishes an annual reporting requirement to assist the authorized officer in determining that diligent efforts are being made. The rulemaking also provides lessees a 30-day opportunity to submit evidence of diligent efforts in the event that the authorized officer determines that a lease should expire for failure to make diligent efforts toward utilization.

Leases can still be extended for drilling over the expiration date. However, they can also be extended for two successive 5-year periods, either at the end of the primary term of the lease or at the end of the 5-year extension obtained by drilling over expiration. Under the Act, to obtain such extensions, the operator would have to show evidence of bona fide efforts to produce or utilize geothermal resources in commercial quantities, and would have to agree either to make "payments in lieu of commercial quantities production" or to make "significant expenditures" each year during the term of the lease extension. The interim rule establishes procedures for lessees to apply for such extensions.

Finally, the interim rule specifies that no lease shall be issued, extended, renewed, or modified which would result in a significant adverse effect on a significant thermal feature within a unit of the National Park System. Procedures governing the determination of adverse effects are contained in an interagency agreement between the Bureau of Land Management, National Park Service, U.S. Forest Service and the U.S. Geological Survey.

An interim rule is being issued without prior notice of proposed rulemaking for the following reasons:

The Geothermal Steam Act Amendments of 1988 ease the criteria by which geothermal leases are continued past their expiration dates. Two groups of lessees will be left in an uncertain status if the rules which implement the new statutory provisions do not become effective immediately. The first group are lessees with leases whose primary terms would have expired after July 27, 1984. In Section 115 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1987 (Pub. L. 99-591), Congress extended the primary term of these leases until December 31, 1988, provided certain conditions were met. Congress did not address these leases in the Geothermal Steam Act Amendments of 1988. The second group consists of lessees with leases whose primary terms are due to expire during 1989 before a final rule could reasonably be issued. Both groups will have the new statutory benefits available to them but no administrative process by which to obtain the benefits. At the same time, the Bureau will have to develop an interim system to hold these lease contracts until the procedures are in place to process the requests for extension. Congress set out the new criteria in a detailed manner in the statute. The interim rule restates these criteria and provides the administrative procedures by which lessees may obtain the new benefits. Making this rule effective without advance public comment as authorized by 5 U.S.C. 553(b)(3) is consistent with the principle that the public interest is best served by straightforward policies that avoid unnecessary uncertainty and confusion. For the same public interest reason, good cause exists to make the rule effective immediately without the usual 30-day waiting period as authorized by 5 U.S.C. 553(d)(3).

However, even with immediate implementation, lessees will still find it impossible to comply with the new reporting and application timeframes established by the rulemaking. Therefore, for those leases in effect upon

enactment of the Geothermal Steam Act Amendments of 1988 (September 22, 1988), with expiration dates of September 22, 1988 through July 31, 1989, lessees will be allowed until July 31, 1989, to submit the specified reports and/or applications.

The principal authors of this interim rule are Doug Koza of the Bureau's California State Office, Richard Hoops of the Nevada State Office, and Leroy Mohorich of the Oregon State Office with assistance from Bob Kent, Karl Duscher and Mike Pool of the Washington Office.

It has been determined that the interim rule does not constitute a major Federal action significantly affecting the quality of the human environment, and that no detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is required.

The Department of the Interior has determined that this document is not a major rule under Executive Order 12291 and certifies 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.*). Additionally, the interim rule would not cause a taking of private property under Executive Order 12630.

The collection of information contained in this rule has been approved by the Office of Management and Budget under 44 U.S.C. 3501 *et seq.* and assigned clearance number 1004-0160.

List of Subjects in 43 CFR Part 3200

Geothermal energy, Government contracts, Mineral royalties, Public lands—mineral resources, Reporting and recordkeeping requirements, Surety bonds.

Under the authority of the Geothermal Steam Act of 1970, as amended (30 U.S.C. 1001-1027), Part 3200, Group 3200, Subchapter C, Chapter II of Title 43 of the Code of Federal Regulations is hereby amended as follows:

Group 3200—Geothermal Resources Leasing

1. The Note is revised to read as follows:

Note: The collections of information contained in Parts 3200, 3210, 3220, 3240, 3250, and 3260 of Group 3200 have been approved by the Office of Management and Budget under 44 U.S.C. 3501 *et seq.* and assigned clearance numbers 1004-0034, 1004-0074, 1004-0132, and 1004-0160. The information will be used to maintain an orderly program for leasing, development, and production of Federal geothermal resources. Responses are required to obtain benefits in accordance with the Geothermal Steam Act of 1970, as amended.

Public reporting burden for this information is estimated to average 1.6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Division of Information Resources Management, Bureau of Land Management, 1800 C Street, NW., Premier Building, Room 208, Washington, DC 20240; and the Paperwork Reduction Project (1004-0160), Office of Management and Budget, Washington, DC 20503.

PART 3200—GEOTHERMAL RESOURCES LEASING; GENERAL

Subpart 3200—Geothermal Resources Leasing; General

a. The authority citation for Part 3200 is revised to read as follows:

Authority: 30 U.S.C. 1001-1027.

2. Section 3200.0-5 is amended by adding paragraphs (x) and (y) to read as follows:

§ 3200.0-5 Definitions.

(x) "Produced or utilized in commercial quantities" means the completion of a well producing geothermal resources in commercial quantities or the completion of a well capable of producing geothermal resources in commercial quantities if the authorized officer determines that diligent efforts are being made toward the utilization of the resources.

(y) "Significant thermal features within units of the National Park System" shall include, but not be limited to, the following:

- (1) Mount Rainier National Park;
- (2) Crater Lake National Park;
- (3) Yellowstone National Park;
- (4) John D. Rockefeller, Jr. Memorial Parkway;
- (5) Bering Land Bridge National Preserve;
- (6) Gates of the Arctic National Park and Preserve;
- (7) Katmai National Park;
- (8) Aniakchak National Monument and Preserve;
- (9) Wrangell-St. Elias National Park and Preserve;
- (10) Lake Clark National Park and Preserve;
- (11) Hot Springs National Park;
- (12) Big Bend National Park (including that portion of the Rio Grande National Wild Scenic River within the boundaries of Big Bend National Park);
- (13) Lassen Volcanic National Park;
- (14) Hawaii Volcanoes National Park;

(15) Haleakala National Park;

(16) Lake Mead National Recreation Area; and

(17) Significant thermal features within National Park System Units which the Secretary may, after notice and public comment, add to the list of significant thermal features.

Subpart 3201—Available Lands; Limitations; Unit Agreements

3. Section 3201.1-1 is amended by adding paragraph (c) to read as follows:

§ 3201.1-1 General.

(c) The authorized officer shall ensure that no lease is issued, extended, renewed, or modified which would result in a significant adverse effect on a significant thermal feature within a unit of the National Park System. If it is determined there is potential for an adverse effect, any lease issued, extended, renewed, or modified shall include stipulations required by law and otherwise deemed necessary to protect such features.

4. Section 3201.1-6 is revised to read as follows:

§ 3201.1-6 Excepted areas.

Leases shall not be issued for lands which are:

- (a) Administered under the National Park System;
- (b) Within a national recreation area;
- (c) In a fish hatchery administered by the Secretary, wildlife refuge, wildlife range, game range, wildlife management area, or waterfowl production area, or for lands acquired or reserved for the protection and conservation of fish and wildlife which are designated as rare and endangered species by the Secretary; or under active consideration for inclusion in categories (a), (b), or (c) as evidenced by the filing of an application for a withdrawal or a proposed withdrawal;
- (d) Tribally or individually owned Indian trust or restricted lands, within or without the boundaries of Indian reservations;
- (e) Lands for which the Secretary determines that geothermal exploration, development, or utilization is reasonably likely to result in a significant adverse effect on a significant thermal feature within a unit of the National Park System;
- (f) Lands within the Island Park Geothermal Area; or
- (g) Lands subject to the leasing prohibition provided under Section 43 of the Mineral Leasing Act (30 U.S.C. 226-3) which include:

(1) Lands recommended for wilderness allocation by the surface managing agency;

(2) Lands within Bureau of Land Management wilderness study areas;

(3) Lands designated by Congress as wilderness study areas, except where leasing is specifically allowed to continue by the statute designating the study area; and

(4) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress (House Document numbered 96-119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an act of Congress.

Subpart 3203—Leasing Terms

5. Section 3203.1 is revised to read as follows:

§ 3203.1 Primary term, additional term and extensions.

All geothermal leases, including primary term, additional term and extensions, shall be subject to § 3201.1-1(c) of this title. For those leases in effect upon enactment of the Geothermal Steam Act Amendments of 1988 (September 22, 1988), with expiration dates of September 22, 1988 through July 31, 1989, lessees shall be allowed until July 31, 1989, to submit the specified reports and/or applications required under §§ 3203.1-3 and 3203.1-4.

6. Section 3203.1-3 is amended by revising and designating the existing paragraph as paragraph (a), and by adding paragraph (b) to read as follows:

§ 3203.1-3 Additional term.

(a) If geothermal resources are produced or utilized in commercial quantities within the primary term or any extended term of a lease, that lease shall continue for so long thereafter as geothermal resources are produced or utilized in commercial quantities or so long thereafter as the operator is making diligent efforts to commence production or utilization of geothermal resources in commercial quantities, but in no event shall the lease continue for more than 40 years after the end of the primary term. However, the lessee shall have a preferential right to renew the lease for an additional 40-year term subject to such terms and conditions as the authorized officer deems appropriate, if at the end of the first 40-year term the lands are not needed for another purpose and geothermal resources are being produced or utilized in commercial quantities.

(b) If a lease is not actually producing or utilizing geothermal resources at the

end of its primary or extended term, but has a well capable of producing or utilizing geothermal resources in commercial quantities, the operator shall, at least 60 days prior to the anniversary date of the lease, provide the authorized officer a description of diligent efforts completed for the lease year and planned for the following year. Examples of information to be submitted include but are not limited to descriptions of negotiations for geothermal resources and/or electricity sales contracts, marketing arrangements, electrical generating and/or transmission agreements, and operations conducted or planned to better define the geothermal resource.

7. Section 3203.1-4 is amended by removing paragraph (e) and revising paragraphs (b) and (c) to read as follows:

§ 3203.1-4 Extensions.

(b) Any lease for land on which, or for which under an approved cooperative plan, communitization agreement, or a unit plan of development or operation, actual drilling operations were commenced prior to the end of the primary term and are being diligently prosecuted at that time shall be extended for a period of 5 years. Any lease extended pursuant to this section shall subsequently be eligible for an extension under paragraph (c) of this section.

(c) Any lease from which geothermal resources have not been produced or utilized in commercial quantities by the end of the primary term, or by the end of an extension granted under paragraph (b) of this section, may be extended for successive 5-year periods totaling not more than 10 years. In order to obtain such extensions, the operator shall submit a request for lease extension to the authorized officer at least 60 days prior to the end of the primary term of the lease or prior to the end of any period of extension already granted. The request shall:

(1) Include a report documenting that the operator has made bona fide efforts to produce or utilize geothermal resources in commercial quantities given the current economic conditions for marketing geothermal steam including a description of:

(i) Operations conducted during the primary term of the lease and currently in progress to identify and define the geothermal resource on the lease including a summary of the results of those operations;

(ii) Actions taken in support of operations including obtaining permits, conducting environmental studies,

meeting permit requirements or other related activities;

(iii) Actions taken during the primary term of the lease and currently in progress to negotiate marketing arrangements, sales contracts, drilling agreements, financing for electrical generation and transmission projects, or other related actions; and

(iv) Current economic factors and conditions which affect the lessee's efforts to produce or utilize geothermal resources in commercial quantities on the lease.

(2) Indicate whether the operator chooses to make payments in lieu of commercial quantities production or to make significant expenditures during the period of extension.

(i) If the operator elects to make payments in lieu of commercial quantities production and the extension is approved, the lease shall be modified to require that an annual payment in lieu of production be made in the amount specified by the authorized officer, but not less than \$3.00 per acre or fraction thereof, of the lands under lease during an initial extension, or \$6.00 per acre or fraction thereof for a subsequent extension. The actual payment per acre shall be fixed for the period of the extension and shall be made known to the operator, if requested, prior to the operator's petition for extension. Payments shall be made to the authorized officer at the same time as the lease rental is paid. Failure to make payment shall subject the lease to cancellation.

(ii) If the operator elects to make significant expenditures, and the extension is approved, the lease shall be modified to require the operator to make annual expenditures of at least \$15.00 per acre or fraction thereof, of the lands under lease during an initial extension, or \$18.00 per acre or fraction thereof during a subsequent extension. Expenditures made in excess of the minimum required shall be credited to subsequent years within the same period of extension. Expenditures which will qualify as significant expenditures shall be limited to those involving actual drilling operations on the lease, geochemical or geophysical surveys for exploratory or development wells, road or generating facility construction on the lease, architectural or engineering services procured for the design of generating facilities to be located on the lease, and environmental studies required by State or Federal law. To obtain credit towards meeting the significant expenditure requirement, the operator shall submit to the authorized officer a report of expenditures that

qualify no later than 60 days after the end of the lease year in which the expenditures were made. Failure to make such expenditures shall subject the lease to cancellation.

(iii) The operator shall not be allowed to change election during a period of extension, but shall continue either to make payments in lieu of production or make significant expenditures until such time as a well is drilled that is capable of producing geothermal resources in commercial quantities. Within 30 days of receipt of a request for extension, the authorized officer will notify the operator whether the report has been approved or disapproved or will request additional information from the operator if necessary.

8. Section 3203.5 is amended by adding a new sentence at the end of the paragraph to read as follows:

§ 3203.5 Diligent exploration.

*** However, leases extended under § 3203.1-4(c) shall not be required to perform diligent exploration.

Subpart 3244—Terminations and Expirations

9. Subpart 3244 is amended by designating the existing paragraph of § 3244.4 as paragraph (a), and by adding paragraph (b) to read:

§ 3244.4 Expiration by operation of law.

(b) Any lease that has continued beyond the end of its primary or extended term based on the existence of a well capable of producing geothermal resources in commercial quantities, shall expire 30 days after receipt of a decision from the authorized officer determining that diligent efforts are not being made toward utilization of geothermal resources; unless, during such 30-day period, the lessee provides the authorized officer satisfactory evidence that diligent efforts are in fact being made.

Subpart 3283—Filing and Approval of Documents

10. Subpart 3283 is amended by adding a new § 3283.2-2 to read as follows:

§ 3283.2-2 Review of executed agreement.

No more than 5 years after approval of any cooperative or unit plan of development or operation, and at least every 5 years thereafter, the authorized officer shall review each plan and, after notice and opportunity for comment, eliminate from such plan any lease or

part of a lease not regarded as reasonably necessary for cooperative or unit operations under the plan. Such elimination shall be based on scientific evidence, and shall occur only when it is determined by the authorized officer to be for the purpose of conserving and properly managing the geothermal resource.

December 22, 1988.

James E. Cason,

Deputy Assistant Secretary of the Interior.

[FR Doc. 89-8128 Filed 4-5-89; 8:45 am]

BILLING CODE 4310-84-M

GENERAL SERVICES ADMINISTRATION

48 CFR Part 501

[APD 2800.12 CHGE 65]

General Services Administration Acquisition Regulation; Legal Review

AGENCY: Office of Acquisition Policy, GSA.

ACTION: Final rule.

SUMMARY: The General Services Administration Acquisition Regulation (GSAR), Chapter 5 (APD 2800.12), is amended to revise the sections within Part 501 that deal with legal review and assistance to reflect the agency's policy on the involvement of attorneys in the acquisition and disposal process. The intended effect is to improve the regulatory coverage and provide guidance to GSA contracting personnel.

EFFECTIVE DATE: April 17, 1989.

FOR FURTHER INFORMATION CONTACT: Ida M. Ustad, Office of GSA Acquisition Policy and Regulations on (202) 566-1224.

Background

This rule was not published for public comment prior to issuance because it merely deals with internal operating procedures for GSA.

Impact

The Director, Office of Management and Budget (OMB), by memorandum dated December 14, 1984, exempted certain agency procurement regulations from Executive Order 12291. The exemption applies to this rule. The rule provides internal operating procedures and guidance to GSA contracting personnel and has no impact on the public. Therefore, no regulatory flexibility analysis has been prepared. The rule does not contain information collection requirements that require the approval of OMB under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

List of Subjects in 48 CFR Part 501

Government procurement.

1. The authority citation for 48 CFR Part 501 continues to read as follows:

Authority: 40 U.S.C. 486(c).

PART 501—GENERAL SERVICES ADMINISTRATION ACQUISITION REGULATION SYSTEM

2. Section 501.670-1 is retitled and revised to read as follows:

501.670-1 Policy.

The Office of General Counsel is responsible for ensuring compliance with the laws and regulations applicable to, and policies of, the agency. This section sets forth the responsibilities of legal counsel and agency personnel involved in any aspect of the contracting process (from policy and planning through contract completion or termination and closeout) in obtaining and providing legal review and assistance. It is agency policy that Office of General Counsel attorneys shall be major participants in the contracting process. Subject to the provisions of this § 501.670, authority to make contracting decisions is vested in the contracting officer. Legal counsel is responsible for legal advice furnished by them and for the legal sufficiency of such contracting decisions. Contracting officers and other contracting personnel are entitled to rely upon legal counsel and technical and audit advice received from other appropriate agency experts but are solely responsible for all other aspects of their contracting decisions. Contracting officers and other contracting personnel shall not, absent prior legal review or assistance, as required, proceed with proposed actions requiring legal review or assistance pursuant to this § 501.670. Contracting officers and other contracting personnel may request, through the appropriate level official within their service or staff office, and are entitled to, review of legal advice at higher levels within the Office of General Counsel. Supervisory personnel are responsible for assuring that their subordinates comply with the provisions of this section.

3. Sections 501.670-2, 501.670-3, 501.670-4, 501-670-5, and 501.670-6 are revised to read as follows:

501.670-2 Definitions.

"Contract" shall have the meaning ascribed to it in FAR 2.101, and shall include real property leases.

"Contracting," as used in this section, means the acquisition or disposal by contract (includes small purchases and leases) of any services or interest in real