The grace period was lengthened to account for any additional time districts and landholders may need for mailing the forms in question. This section was also revised to clarify that the 60-day grace period will be based on calendar days rather than working days.

Comment 2: Three respondents commented that the \$260 assessment for administrative costs is excessive for cases where RRA forms are not corrected.

Response: Reclamation believes the \$260 assessment is reasonable to cover the additional costs it incurs to obtain corrections on RRA forms. In addition, any financial hardships can be avoided because the assessment will not be applied if the corrected forms are submitted within the 60-day grace period.

Comment 3: One respondent understood the provision to mean that \$260 would be assessed for every error Reclamation identified on an RRA form.

Response: The assessment will be applied on a yearly basis for each landholder for which corrected forms are not submitted within the grace period. Therefore, if Landholder A did not submit timely corrections for four errors on his 1995 forms, the assessment would be \$260, not \$1,040. The application of the \$260 assessment for form corrections is explained in § 426.24(b); therefore, no revisions were made to accommodate this comment.

Comment 4: Three respondents commented that mistakes occur on RRA forms because the forms are very complicated and are revised annually. Therefore, they were opposed to assessments for form errors.

Response: The assessment for form corrections will not be applied immediately when Reclamation identifies errors on landholder forms. Landholders/districts have 60 days in which to submit corrected forms before the \$260 assessment will be charged. To the extent possible, Reclamation is also willing to provide assistance if help is needed in completing RRA forms. Because of the preceding, we find the rule to be reasonable, even if the forms are perceived by some to be difficult to complete.

Comment 5: Six respondents commented that the \$260 assessment for RRA form corrections should not be charged for inadvertent errors. Four of the respondents thought the assessment was appropriate only in cases involving fraud.

Response: Reclamation realizes that inadvertent errors will sometimes be made on RRA forms. On the other hand, these errors cannot be overlooked because complete and accurate

information is needed in order to determine if a landholder is within applicable entitlements and meets other requirements of the RRA. Section 426.24(b) resolves both the potential for inadvertent errors and the need for accurate information by providing landholders a 60-day grace period in which to submit corrected forms before imposition of the \$260 assessment. This assessment is not appropriate in cases involving fraud because the consequences for fraudulent actions are set forth in 18 U.S.C. 1001. These consequences, as related to the RRA forms, are discussed in § 426.10(j).

Comment 6: Two respondents did not think the assessment would help reduce the number of RRA form problems. One of the respondents thought the assessment would only cause antagonism. The other respondent stated that the fee would be too high in cases where the errors were inadvertent and too low in cases of fraud.

Response: Reclamation believes the assessment will provide an equitable method for addressing errors on RRA forms while recovering the incremental costs it incurs to address such problems. We also think the assessment is reasonable, and in most cases, will provide an incentive for landholders and districts to complete their forms properly in future water years. The applicability of the administrative cost assessment to fraudulent actions is discussed in the response to the preceding comment.

Comment 7: Three respondents maintained that the assessment for RRA form corrections should not be a flat fee, but should be based on the severity of the error.

Response: All the information landholders are required to disclose on the forms is needed for Reclamation to have adequate information to determine if landholders are in compliance with the acreage limitations and enforce other requirements of the RRA. Therefore, all omissions and errors identified by Reclamation are considered to be of equal severity. It must also be remembered that even in those cases where errors are perceived to be insignificant, the \$260 assessment will not be charged if corrections are made within the grace period.

Comment 8: One respondent asked if the assessment for administrative costs will be applied to RRA form errors as well as to the nonsubmission of such forms

Response: Section 426.24(a) provides for the imposition of the \$260 administrative cost assessment in cases of form nonsubmission. Section 426.24(b) provides for the assessment in

cases of form errors. However, in the case of errors, the assessment will not be charged if corrected forms are submitted within the grace period. The assessment in § 426.24(a) will be applied independently from the assessment in § 426.24(b). Sections 426.24(a) and (b) were revised to clarify this point.

Comment 9: One respondent commented that the assessment for form corrections should be applied to landholders for whom corrected forms are not provided within the grace period only if irrigation water has been received by the landholder.

Response: Reclamation agrees with this comment and § 426.24(b) has been revised accordingly. However, Reclamation will proceed to prepare the bill for the administrative cost assessment after expiration of the grace period. If the landholder did not in fact receive irrigation water during the year in question, the district will need to provide evidence to this effect before the assessment will be retracted.

Section 426.24(c)—Parties Responsible for Paying Assessments

Comment 1: Twenty respondents disagreed with this provision. For legal reasons and from the standpoint of equity, they think Reclamation should collect the payment of administrative cost assessments from landholders rather than districts.

Response: This comment has not been accommodated. Reclamation contracts almost exclusively with districts rather than individual water users. In general, districts agree in their contracts that the delivery of irrigation water is subject to Reclamation law as amended and supplemented. Based on the preceding, Reclamation will hold districts ultimately responsible for payment of the administrative cost assessments. However, § 426.24(c) does not preclude districts from collecting the assessments from the involved landholders.

Section 426.24(e)—Assessment for Administrative Costs

Comment 1: One respondent thought that it was unfair to impose the same fee on all districts in every instance of noncompliance.

Response: The type of violations for which the assessments will be charged are the same in all districts. Therefore, we believe it is fair to establish Reclamation's average costs and impose the same assessment westwide. In fact, landholders and districts have frequently requested that such a uniform fee be established.

Comment 2: One respondent suggested that the bill for each