of the cross-reference in the proposed language.

The Department disagrees that the 3-year minimum for transfers stemming from base property leases is arbitrary and without rational basis. This minimum is intended to reduce administrative burden and to promote good stewardship of the land. The TGA requires the Department to ensure ''orderly use, improvement, and development of the range.'' Rapid turnover of permit and lease holders is not consistent with this requirement. Persons who hold preference on an allotment but who sublease their public land grazing privileges to short term occupants rather than using the allotment for grazing cattle are not making productive use of the land nor promoting the stability of the livestock industry.

The Department does not envision that the 3-year minimum for transfers will impact the normal transactions in the livestock business. It will not interfere with the sale of private lands or with the subsequent transfer of the permit or lease to the new owner. The provision does not encumber private lands—it only affects the privileges associated with a grazing permit or lease. The effects of the 3-year limit on transfers on a public lands rancher's equity has been addressed in detail in the FEIS. The final rule provides for transfers of less than three years in specified circumstances, for example where base property changes ownership. Transfers are allowed for *up to* 10 years. Three years is a lower limit.

Regarding qualifications for a permit, transferees should be expected to meet the same qualification criteria as other public land permittees or lessees. Upon the completion of a transfer the transferee will become the permit or lease holder. Given that some short-term transferees may be less motivated to manage for the long-term health of the rangelands, ensuring that transferees have a history of compliance is of great importance.

The cross reference is intended to ensure that transferees meet the mandatory qualifications and own or control base property. While the language in the proposal, referring to general § 4110.2 is not incorrect, more specific references to the provisions which the transferee must meet, those in §§ 4110.2–1 and 2–2, may be more useful. The final language is modified accordingly.

The Department has decided to adopt a final version of the proposed rule with only one minor change, which reflects the new cross reference.

Section 4110.2–4 Allotments

In the proposed rule, this section would have been expanded to clarify that the authorized officer's existing authority to designate and adjust allotment boundaries included the authority to combine or divide allotments when necessary for efficient management of public rangelands. The proposal also would have specified that modification of allotments must be done through agreement or decision of the authorized officer. These two changes were intended to provide administrative clarity to the process. The proposal also would have added a requirement expanding consultation to the State having lands or responsible for managing resources in the area, and the interested public, as well as the affected grazing permittees or lessees. Finally, consistent with the change in definition of consultation, cooperation, and coordination discussed in § 4100.0–5, the proposal would have eliminated the words ''cooperation and coordination.''

The final rule adopts the language of the proposed rule except that the terminology ''consultation, cooperation, and coordination'' is included in the final rule.

Most of the comments on this proposed section addressed two issues: deletion of the terms ''coordination and cooperation'' and inclusion of States and, particularly, the interested public in the consultation process. Deletion of the terms ''coordination and cooperation'' was viewed by some commenters as a violation of the intent of Section 8 of PRIA which would prevent affected interests from exercising their right to consult, cooperate, and coordinate.

Some commenters objected to the inclusion of the interested public in the consultation process on changing allotment boundaries because they believed that it would interfere with currently established boundaries, create uncertainty for operators, and decrease the incentive to maintain improvements. Other comments suggested that consultation on allotment boundary changes should be with the RAC, not the interested public.

Few comments were addressed specifically to the provision allowing the authorized officer to combine or divide allotments. Commenters asked how deeded lands within allotment boundaries would be handled, and stated that adjusting allotment boundaries was a taking of private property. Others asked who would bear any expenses associated with boundary changes. Still others raised takings issues, and asked who would bear the expense associated with boundary changes.

As noted above in the discussion of § 4100.0–5, because of the confusion caused by the proposed deletion of ''cooperation and coordination'' the Department has decided to use the full phrase ''consultation, cooperation and coordination'' in cases where broad based input in agency deliberations are encouraged.

The Department believes that inclusion of the interested public is important because the public is a stakeholder in the administration of the public lands. Additionally, decisions regarding designation and adjustment of allotment boundaries are subject to NEPA, and the public must be involved in decisions subject to the NEPA process, because of the requirements of that statute. Currently, BLM notifies all affected interests of actions such as allotment boundary changes. The Department does not expect there will be significant changes in current BLM procedures to accommodate the requirements for consultation with the interested public, beyond including any interested persons in such routine notifications. Thus, the Department does not anticipate any increased uncertainty or decreased incentive to maintain improvements. While RACs might be consulted in certain cases, such as a controversial adjustment or where significant funding is required, the Department does not believe it is feasible to involve RACs in every routine action.

The Department envisions that most adjustments in allotment boundaries would have little effect on ranch units. Typically, such adjustments are to realign boundaries to be consistent with actual use of the allotment. For instance, an allotment boundary may be adjusted to allow an adjacent ranch to make use of public lands that because of natural physical barriers are not readily available to the current permittee. Adjustments in allotment boundaries will in no way affect the ownership of private lands.

The Department does not believe that this provision would involve any ''takings'' issues. Permits and leases to graze public lands within grazing allotments do not constitute property rights. Adjustments in allotment boundaries that result in a transfer of grazing preference will be subject to the provisions of § 4120.3–5 pertaining to the assignment of range improvements and corresponding compensation for such improvements. Takings issues are addressed further in the General Comments discussion in this preamble.