

of this process. The budget information called for by this revision would provide information that OSM needs to formulate its own budget requests to Congress. In addition, the deletion of the word "administrative" is because under the new procedures outlined in this proposed rule, administrative grants would no longer be separate grants. Other changes to this section are editorial in nature and are designed to reflect existing OSM practice and procedure.

Since no comments were received on this section, it is adopted as proposed.

Section 886.15(c) is renumbered as § 886.15(a) and revised by replacing the word "allocated" with "distributed" in order to clarify that AML funds are "distributed" to States/Indian tribes annually. See the discussion above of proposed revisions to § 886.3. In addition, the previous paragraphs (c)(1)-(6), which refer to specific forms, are deleted in favor of a generalized instruction to use approved forms. This change eliminates the need to amend these regulations if there needs to be a change in form requirements, e.g., when a new Federal law is passed.

Section 886.15(a) is renumbered as § 886.15(b) and amended by revising subsection (a) which allows OSM 90 days in which to act upon a grant application. This amendment would require OSM action on a grant application within 60 days of submittal. This change promotes the overall goal of expediting the AML granting process.

In the interests of greater precision and clarification, OSM has also made an editorial change to the redesignated Subsection 886.15(b) which eliminates "* * * act upon * * *" and substitutes "* * * approve or disapprove * * *". The use of this language is consistent with the wording of subsequent sections.

One commenter stated that the prior § 886.15(a) provides that grants shall be approved by the Director. The commenter pointed out that under the current system, grants are approved by the Field Office Director. The commenter asked whether this regulatory language signals a change from the current practice.

OSM has not changed the regulatory language that provides authority to the Director to approve grants to the States/Indian tribes. OSM points out, however, that the Director has formally delegated this authority to the Field Office level.

Section 886.15(b), which has been redesignated as § 886.15(c), gives OSM 30 days to approve or disapprove a revised application, is revised to allow OSM to treat the revised application as an original. OSM would then have 60

days (under the new § 886.15(b)) to approve or disapprove the application. This change reflects OSM's view that 30 days could be an insufficient amount of time for it to evaluate revised applications. OSM considers 60 days to be a more realistic time frame in which to execute this task.

Several commenters stated that in the prior Subsection 886.15(b), OSM should define what constitutes a minor revision to the grant application. In their view, these minor revisions should not start the 60-day clock for OSM review and approval. In addition, one commenter provided the opinion that the 60-day review and approval process should be shortened to a period of 30 days.

OSM does not agree with these comments. It does not believe that a 30-day period provides sufficient time to review and process grants and agree upon specific details with States/Indian tribes. Accordingly, OSM has not acted upon that part of the comment to reduce the grant processing time period. Furthermore, because of the variation in eligible grant activities and projects, OSM does not believe that the States/Indian tribes would be better served by attempting to further define what is or is not a "minor revision." By trying to list or define items that may or may not occur, one assumes the risk of being over or under inclusive in the class of items described. This ultimately leads to further administrative problems between the States/Indian tribes and OSM. The agency's goal has been and will continue to be to process all grant applications within the 60-day period contemplated by the regulations. Where revisions are required and are submitted accurately and timely by the States/Indian tribes, OSM will attempt in good faith either to meet or take action quicker than the 60-day time period. It must be understood, however, that if there are time delays in obtaining the necessary revisions, it may not be possible in all cases to meet the 60-day period. However, it is a goal that OSM will continue to strive toward.

Section 886.15(d) is revised by inserting the requirement that States/Indian tribes comply with all Federal laws in order to apply for grants under this Part. The deletion of the reference to OSM implementing regulations is merely an editorial change.

Section 886.15(f) is removed because the requirements of this subsection are redundant. Specifically, the information called for in this subsection is also required when States/Indian tribes submit reclamation plans for OSM approval. See 30 CFR 884.13(c)(7).

Section 886.16 is amended to make some editorial and substantive changes.

Specifically, § 886.16(a) is revised by deleting reference to Director approval of an agency's grant application. This is an editorial change; the deleted language is superfluous in light of the fact that a "grant agreement" is in fact the document that represents approval of the agency's grant application.

Therefore, the existence of a grant agreement denotes that OSM has in fact approved the agency's grant application.

Paragraph (3) of § 886.16(a) requires that the grant agreement include project specific amounts. This paragraph is deleted in order to simplify the AML granting process. Specifically, the deletion of paragraph (a)(3) provides that individual projects will no longer be included in the grant agreement. Instead, this information will be submitted to OSM Field Offices on a project-by-project basis before OSM approves the expenditure of funds for individual projects. Current provisions of these regulations (See recordkeeping and reporting requirements discussed in §§ 886.23 and 886.24), combined with the National Environmental Policy Act (NEPA) compliance process discussed in revised Subsection 886.16(d) below, alleviate the need for approval of specific project amounts in the grant agreement.

Paragraph (a)(4) of § 886.16 requires that the grant agreement include allowable transfers of funds. Likewise, paragraph (b) of 886.16 requires Director approval of agency assignment of functions and funds. Paragraph (a)(4) is removed, and paragraph (b) is revised to give the States/Indian tribes more flexibility in administering their AML grant monies. The revision to paragraph (b) would alleviate the need for Director approval prior to assignment by the States/Indian tribes. In the view of OSM, States/Indian tribes are in the best position to dictate which entities are better suited to carry out day-to-day reclamation activities. With OSM approval no longer necessary, paragraph (a)(4) becomes irrelevant and is therefore removed.

Section 886.16(c) is also deleted and paragraph (d) is revised and renumbered as paragraph (c) to reflect changes in the procedures required to effectuate a grant agreement between OSM and a State/Indian tribe. This amendment reflects a change in the technical administration of the grant agreement process.

Specifically, this amendment requires that the Director sign and transmit only two copies of the grant agreement to the agency, instead of the four required prior to amendment. In addition, this amendment changes the time period for the agency to execute the grant from 3 weeks to 20 days. For purposes of this