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VIII. Effective Date and Congressional Notification

31. This Final Rule will take effect on January 7, 2003. Pursuant to 5 U.S.C. 804(3)(C) (2002), agencies are not required to notify Congress of any Final Rule that concerns matters of "agency organization, procedure, or practice that does not substantially affect the rights or obligations of non-agency parties." This rulemaking falls within that provision. Furthermore, 5 U.S.C. 804(3)(A) exempts rules that provide for registration and permit new or improved applications of technology from the Congressional review requirements. Provisions governing Congressional review of agency rulemaking,¹⁵ therefore do not apply.

32. The Commission is issuing this as a final rule without a period for public comment. Under 5 U.S.C. 553(b) (2002), notice and comment procedures are unnecessary where a rulemaking concerns only agency procedure and practice, or where the agency finds that notice and comment is unnecessary. This rule concerns only matters of agency procedure and will not significantly affect regulated entities or the general public. In addition, the Commission is inviting informal comments about electronic registration during the voluntary period that will run from late August 2002, to January 7, 2003. Therefore, the Commission finds notice and comment procedures to be unnecessary.

List of Subjects

18 CFR Part 375

Authority delegations (Government agencies), Seals and insignia, Sunshine Act.

18 CFR Part 390

Administrative practice and procedure, Electronic filing, Reporting and recordkeeping requirements.

By the Commission.

Linwood A. Watson, Jr.,

Deputy Secretary.

In consideration of the foregoing, the Commission amends part 375 and adds part 390, Chapter I, Title 18, of the *Code of Federal Regulations* as follows:

PART 375—THE COMMISSION

1. In part 375, the authority citation continues to read as follows:

Authority: 5 U.S.C. 551-557; 15 U.S.C. 717-717w, 3301-3432; 16 U.S.C. 791-825r, 2601-2645; 42 U.S.C. 7101-7352.

2. In § 375.302, paragraph (x) is added to read as follows:

§ 375.302 Delegations to the Secretary.

* * * * *

(x) Issue instructions for electronic registration pursuant to, grant applications for waivers of the requirements of, and make determinations regarding exemptions from 18 CFR part 390.

3. Part 390 is added to read as follows:

PART 390—ELECTRONIC REGISTRATION

Sec.

- 390.1 Electronic registration.
- 390.2 Activities requiring registration.
- 390.3 Waiver applications.
- 390.4 Exemptions.

Authority: 5 U.S.C. 551-557; 15 U.S.C. 717-717z, 3301-3432; 16 U.S.C. 791a-825r, 2601-2645; 31 U.S.C. 9701; 42 U.S.C. 7101-7352; 49 U.S.C. 60502; 49 App. U.S.C. 1-85 (1988).

§ 390.1 Electronic registration.

Any person who wishes to engage in any of the activities listed in § 390.2 must register electronically through the Commission's web site, in compliance with instructions located on the Web site, at <http://www.ferc.gov>.

§ 390.2 Activities requiring registration.

(a) Electronic registration is a requirement for the following activities:

- (1) Submission of all documents in proceedings governed by 18 CFR part 385;
- (2) Submission of Forms 1, 2, 6 and 423 pursuant to 18 CFR 141.1, 141.61, 260.1, and 357.2.
- (3) Submission of reports in compliance with Order No. 2001.
- (4) Filing of tariffs pursuant to 18 CFR 385.205.
- (5) Receipt of service pursuant to 18 CFR 385.2010(a) or (b).

(b) Any person who wishes to subscribe to the Commission's automated document delivery system may register electronically but is not required to do so.

§ 390.3 Waiver applications.

(a) A person may satisfy the requirement of § 390.1 by submitting a paper registration form to be prescribed by the Secretary, together with a written statement showing good cause why the person is unable to register electronically. The form and statement must be mailed to the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426,

or hand delivered to Room 1A at the same address.

(b) Persons who register using the paper form prescribed under paragraph (a) of this section will receive a unique numeric identifier that must appear on all paper submissions to the Commission. A submission that does not include the identifier will be rejected. Notification of such rejection will be sent to the submitter at the address indicated on the paper submission. A request for a waiver may be submitted simultaneously with a document submitted for filing. If the waiver is granted, the Secretary will add the assigned numeric identifier to the submitted document(s), but will not do so for subsequent submissions.

(c) A waiver under paragraph (a) of this section will be valid for one year from the date of issuance by the Secretary. The Secretary will send notice of the pending expiration to the registered person's address of record approximately three months prior to the expiration of the waiver. After the waiver expires, a person wishing to engage in any of the activities listed in § 390.2 must comply with § 390.1, or must apply for another waiver under paragraph (a) of this section.

§ 390.4 Exemptions.

In instances in which the Commission receives communications from persons who are not registered under this part that relate to docketed proceedings and in which it appears that registration under this part offers no value to the person submitting the communication, the Commission may accept the communication for filing without requiring the person to comply with § 390.1 or § 390.3.

[FR Doc. 02-20283 Filed 8-9-02; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 385

[Docket No. RM02-11-000; Order No. 890]

Civil Monetary Penalty Inflation Adjustment Rule

August 5, 2002.

AGENCY: Federal Energy Regulatory Commission, Department of Energy.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission (Commission) is issuing a final rule for a Civil Monetary Penalty Inflation Adjustment as

¹⁵ 5 U.S.C. 801-808 (2002).

mandated by the Debt Collection Improvement Act of 1996 (DCIA) to adjust the Commission's civil monetary penalties for inflation on a periodic basis. Prior to the enactment of this law, the Commission's penalties had never been adjusted for inflation. This rule will allow the Commission's penalties to keep pace with inflation and thereby maintain the deterrent effect Congress intended when it originally specified penalties.

The first mandatory adjustment, as mandated by the DCIA, increases all of the Commission's penalty provisions by ten percent. The Commission is required to review its penalties again at least once every four years thereafter and adjust them as necessary for inflation according to a specified formula.

DATES: This final rule is effective August 12, 2002.

FOR FURTHER INFORMATION CONTACT: Carolyn Van Der Jagt, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 208-2246.

SUPPLEMENTARY INFORMATION:

Before Commissioners: Pat Wood, III, Chairman; William L. Massey, Linda Breathitt, and Nora Mead Brownell.

I. Background

1. The Federal Civil Penalties Inflation Adjustment Act of 1990¹ (Adjustment Act) as amended by the Debt Collection Improvement Act of 1996² (DCIA) provided for the regular evaluation of civil monetary penalties

(CMP) to ensure that they continued to maintain their deterrent value and that penalty amounts due to the Federal Government were properly accounted for and collected. On April 26, 1996, the Adjustment Act was amended by the DCIA to require that each agency issue regulations to adjust its CMPs for inflation at least every four years. The amendment further provides that any resulting increases in a CMP due to the inflation adjustment should apply only to the violations that occur subsequent to the date of the publication in the **Federal Register** of the increased amount of the CMP. The first inflation adjustment of any penalty shall not exceed ten percent of such penalty.

II. Discussion

2. A CMP is defined as any penalty, fine, or other sanction that: (1) Is for a specific monetary amount as provided by Federal law, or has a maximum amount provided for by Federal law; (2) is assessed or enforced by an agency pursuant to Federal law; and (3) is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts. This final rule adjusts the civil penalties that are established by law and assessed or enforced by the Commission.

3. Section 5 of the DCIA sets forth the formula for adjusting the penalties for inflation: The inflation adjustment described under Section 4 [of the DCIA] shall be determined by increasing the maximum CMP or the range of minimum and maximum CMPs as applicable, for each

CMP by the cost-of-living adjustment. The term "cost of living" adjustment is the percentage for each CMP by which the Consumer Price Index (CPI) for the month of June of the calendar year preceding the adjustment, exceeds the CPI for the month of June of the calendar year in which the amount of such CMP was last set or adjusted pursuant to law.

However, the DCIA also sets a ten percent cap on the first adjustment for inflation. Since the Commission's penalties have never previously been adjusted for inflation, this first statutorily required adjustment will be limited to ten percent.

4. The DCIA rounding rules require that an increase be rounded as follows:

1. If the increase is greater than \$0 and less than or equal to \$100, round to the nearest multiple of \$10.
 2. If the increase is greater than \$100 and less than or equal to \$1,000, round to the nearest multiple of \$100.
 3. If the increase is greater than \$1,000 and less than or equal to \$10,000, round to the nearest multiple of \$1,000.
 4. If the increase is greater than \$10,000 and less than or equal to \$100,000, round to the nearest multiple of \$5,000.
 5. If the increase is greater than \$100,000 and less than or equal to \$200,000, round to the nearest multiple of \$10,000.
 6. If the increase is greater than \$200,000, round to the nearest multiple of \$25,000.
5. The Commission is implementing the following adjustments:

| United States Code citation | Civil Monetary Penalty description | Current maximum penalty amount | New adjusted maximum penalty amount |
|--|---|--------------------------------|-------------------------------------|
| 15 U.S.C. 3414(b)(6)(A)(i), Sec. 504 Natural Gas Policy Act. | Failure to comply with NPGA's provisions. | \$5,000.00 | \$5,500.00 |
| 16 U.S.C. 823b(c), Sec. 31 Federal Power Act. | Failure to comply with rule, license, and permit requirements under Subchapter 12. | 10,000.00 per day | 11,000.00 per day |
| 16 U.S.C. 825n(a), Sec. 315 Federal Power Act. | Failure to comply with Commission orders and rules, failure to submit required reports. | 1,000.00 | 1,100.00 |
| 16 U.S.C. 825(o)-1(b), Sec. 316a Federal Power Act. | Violation of Sec. 211, 212, 213, 214 of FPA. | 10,000.00 | 11,000.00 |

III. Administrative Findings

6. The Administrative Procedure Act (APA) requires rulemakings to be published in the **Federal Register** and also mandates that an opportunity for comments be provided when an agency promulgates regulations. However, the APA exempts certain rules of agency procedures from its notice and comment

requirements.³ The Commission is required by the DCIA to adjust CMPs for inflation. Additionally, the formula for the amount of the penalty adjustment is prescribed by Congress and is not subject to the exercise of discretion by the Commission. The Commission is only required to determine the amount of inflation adjustments by performing

administrative computations. Accordingly, the Commission has determined for good cause that public notice and comment are unnecessary, impractical, or contrary to the public interest and that the rule should be published in final form.

¹ 28 U.S.C. 2461.

² 31 U.S.C. 3701.

³ 5 U.S.C. 553(b).

IV. Regulatory Flexibility Statement

7. The Regulatory Flexibility Act (RFA), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996,⁴ (SBREFA) generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Because notice and opportunity for comment are not required by 5 U.S.C. 553, or any other law, a Regulatory Flexibility Analysis is not required and was not prepared for purposes of the RFA.

8. This action will not have a significant impact on a substantial number of small entities. As stated, the Commission is required by the DCIA to adjust civil monetary penalties for inflation. The formula for the amount of the penalty adjustment is prescribed by Congress and is not subject to the exercise of discretion by the Commission. The Commission's action implements this statutory mandate and does not substantively alter the existing regulatory framework. This rule does not affect mechanisms already in place, including statutory provisions and the Commission's policies, that address the special circumstances of small entities when assessing penalties in enforcement actions.

V. Effective Date

9. For the same reasons the Commission has determined that public notice and comment is unnecessary, impractical, and contrary to the public interest, the Commission finds that it has good cause to adopt an effective date that is less than 30 days after the date of publication in the **Federal Register** pursuant to the APA,⁵ and therefore, the regulation is effective upon publication.

VI. Congressional Review Act

10. The Congressional Review Act,⁶ as added by the SBREFA, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. The Commission will submit a report containing the rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United

States prior to publication of the rule in the **Federal Register**. A major rule cannot take effect until 60 days after it is published in the **Federal Register**. The Commission has concluded, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs at the Office of Management and Budget (OMB), that this is not a "major rule" as defined in section 251 of the SBREFA. Therefore, for the reasons outlined above, this action will take effect August 12, 2002.

VII. Information Collection Statement

11. The OMB regulations require that OMB approve certain information collection requirements imposed by agency rules.⁷ However, this final rule contains no information reporting requirements, and therefore is not subject to OMB approval.

VIII. Environmental Assessment

12. Commission regulations describe the circumstances where preparation of an environmental assessment or an environmental impact statement will be required.⁸ The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment.⁹ This final rule promulgates a procedural rule that is considered a categorical exclusion under section 380.4(a)(2)(ii) of the Commission's regulations. Therefore, no environmental assessment or environmental impact statement is necessary.

IX. Document Availability

13. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5 p.m. Eastern time) at 888 First Street, NE., Room 2A, Washington, DC 20426.

14. From FERC's Home Page on the Internet, this information is available in the Federal Energy Regulatory Records Information System (FERRIS). The full text of this document is available on FERRIS in PDF and WordPerfect format for viewing, printing, and/or downloading. To access this document in FERRIS, type the docket number

excluding the last three digits of this document in the docket number field.

15. User assistance is available for FERRIS and the FERC's website during normal business hours from our Help line at (202) 208-2222 or the Public Reference Room at (202) 208-1371 Press 0, TTY (202) 208-1659. E-mail the Public Reference Room at public.referenceroom@ferc.gov.

List of Subjects in 18 CFR Part 385

Administrative practice and procedure, Electric power, Penalties, Pipelines, Reporting and recordkeeping requirements.

By the Commission.

Linwood A. Watson, Jr.,

Deputy Secretary.

In consideration of the foregoing, the Commission is amending Part 385, Title 18 of the Code of Federal Regulations, as follows:

PART 385—RULES OF PRACTICE AND PROCEDURE

1. The authority citation for part 385 is revised to read as follows:

Authority: 5 U.S.C. 551-557; 15 U.S.C. 717-717z, 3301-3432; 16 U.S.C. 791a-825r, 2601-2645; 28 U.S.C. 2461; 31 U.S.C. 3701, 9701; 42 U.S.C. 7101-7352; 49 U.S.C. 60502; 49 App. U.S.C. 1-85 (1988).

2. In part 385, subpart P is added to read as follows:

Subpart P—Civil Monetary Penalty Inflation Adjustment

Sec.

385.1601 Scope and purpose (Rule 1601).

385.1602 Civil penalties, as adjusted (Rule 1602).

§ 385.1601 Scope and purpose (Rule 1601).

The purpose of this subpart is to make inflation adjustments to the civil monetary penalties provided by law within the jurisdiction of the Commission. These penalties shall be subject to review and adjustment as necessary at least every four years in accordance with the Federal Civil Penalties Inflation Act of 1990, as amended.

§ 385.1602 Civil penalties, as adjusted (Rule 1602).

The civil monetary penalties provided by law within the jurisdiction of the Commission are:

(a) 15 U.S.C. 3414(b)(6)(A)(1), Natural Gas Policy Act: from \$5,000 to \$5,500.

(b) 16 U.S.C. 823b(c), Federal Power Act: from \$10,000 to \$11,000.

(c) 16 U.S.C. 825n(a), Federal Power Act: from \$1,000 to \$1,100.

⁴ 5 U.S.C. 801 *et seq.*

⁵ 5 U.S.C. 553(b)(3)(B).

⁶ 5 U.S.C. 801 *et seq.*

⁷ 5 CFR Part 1320.

⁸ Regulations Implementing National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), *codified at* 18 CFR Part 380.

⁹ 18 CFR 380.4.

(d) 16 U.S.C. 825(o)–1(b), Federal Power Act: from \$10,000 to \$11,000.

[FR Doc. 02–20284 Filed 8–9–02; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 9

RIN 2900–AJ80

Accelerated Benefits Option for Servicemembers' Group Life Insurance and Veterans' Group Life Insurance

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: The Veterans Programs Enhancement Act of 1998 authorized the payment of accelerated benefits to terminally ill persons insured under Servicemembers' Group Life Insurance (SGLI) or Veterans' Group Life Insurance (VGLI). This document amends the Department of Veterans Affairs (VA) regulations to establish a mechanism for implementing these statutory provisions.

DATES: *Effective Date.* August 12, 2002.

FOR FURTHER INFORMATION CONTACT: Greg Hosmer, Senior Attorney/Insurance Specialist, Insurance Program Administration and Oversight, Department of Veterans Affairs Regional Office and Insurance Center, PO Box 8079, Philadelphia, Pennsylvania 19101, (215) 842–2000, ext. 4280 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: In a document published in the **Federal Register** on July 20, 2000 (65 FR 44999), the Department of Veterans Affairs proposed to establish a mechanism for the payment of accelerated death benefits to terminally ill Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) policyholders. We requested comments for a 60-day period that ended September 18, 2000. We received no comments. Based on the rationale set forth in the proposed rule, we are adopting the proposed rule as a final rule with minor nonsubstantive changes.

At the time of the publication of the proposed rule, the accelerated benefit provisions were only authorized for servicemembers and veterans. Recently, Public Law 107–14 amended 38 U.S.C. 1965 and 1967 to expand the provisions to SGLI family coverage. Accordingly, the final rule would apply also to SGLI family coverage. SGLI family coverage is provided as a rider to an insured member's SGLI coverage and therefore

only the insured member may apply for SGLI family coverage accelerated benefits.

The final rule also reflects a change in the address for submitting an application for accelerated benefits. For consistency, this change also revises § 9.1(b). In addition, changes are made for purposes of clarification.

Paperwork Reduction Act

This document contains provisions constituting collections of information under the Paperwork Reduction Act (44 U.S.C. 3501–3520) approved by OMB under Control No. 2900–0618.

Unfunded Mandates

The Unfunded Mandates Reform Act requires (in section 202) that agencies prepare an assessment of anticipated costs and benefits before developing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of \$100 million or more in any given year. This rule would have no consequential effect on State, local, or tribal governments.

Executive Order 12866

This document has been reviewed by the Office of Management and Budget under Executive Order 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that this regulatory amendment will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act (RFA), 5 U.S.C. 601–612. This amendment would not directly affect any small entities. Only persons insured under the government's SGLI and VGLI programs could be directly affected. Therefore, pursuant to 5 U.S.C. 605(b), this regulatory amendment is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Catalog of Federal Domestic Assistance Number

The Catalog of Federal Domestic Assistance number for the program affected by this document is 64.103.

List of Subjects in 38 CFR Part 9

Life insurance, Military personnel, Veterans.

Approved: June 6, 2002.

Anthony J. Principi,
Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 9 is amended as set forth below:

PART 9—SERVICEMEMBERS' GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

1. The authority citation for part 9 is revised to read as follows:

Authority: 38 U.S.C. 501, 1965–1980, unless otherwise noted.

2. Section 9.1(b) is revised to read as follows:

§ 9.1 Definitions.

* * * * *

(b) The term *administrative office* means the Office of Servicemembers' Group Life Insurance located at 290 W. Mt. Pleasant Avenue, Livingston, New Jersey 07039.

* * * * *

3. Section 9.14 is added to read as follows:

§ 9.14 Accelerated Benefits.

(a) *What is an Accelerated Benefit?*

An Accelerated Benefit is a payment of a portion of your Servicemembers' Group Life Insurance or Veterans' Group Life Insurance to you before you die.

(b) *Who is eligible to receive an Accelerated Benefit?* You are eligible to receive an Accelerated Benefit if you have a valid written medical prognosis from a physician of 9 months or less to live, and otherwise comply with the provisions of this section.

(c) *Who can apply for an Accelerated Benefit?* Only you, the insured member, can apply for an Accelerated Benefit. No one can apply on your behalf.

(d) *How much can you request as an Accelerated Benefit?* (1) You can request as an Accelerated Benefit an amount up to a maximum of 50% of the face value of your insurance coverage.

(2) Your request for an Accelerated Benefit must be \$5,000 or a multiple of \$5,000 (for example, \$10,000, \$15,000).

(e) *How much can you receive as an Accelerated Benefit?* You can receive as an Accelerated Benefit the amount you request up to a maximum of 50% of the face value of your insurance coverage, minus the interest reduction. The interest reduction is the amount the Office of Servicemembers' Group Life Insurance actuarially determines to be the amount of interest that would be lost because of the early payment of part of your insurance coverage. This means that if you have \$100,000 in coverage and you request the maximum amount that you are eligible to request as an Accelerated Benefit, you will be paid \$50,000 minus the interest reduction.

(f) *How do you apply for an Accelerated Benefit?* (1) You can obtain an application form entitled "Claim for Accelerated Benefits" by writing the