

requirements for NEPA documentation. FSH 1909.15, section 31.1b (57 FR 43180) excludes from documentation in an environmental assessment or environmental impact statement "rules, regulations, or policies to establish Service-wide administrative procedures, program processes, or instructions." The agency's preliminary assessment is that this proposed interim directive falls within this category of actions and that no extraordinary circumstances exist that would require preparation of an environmental impact statement or environmental assessment. A final determination will be made upon adoption of the final interim directive. In addition, pursuant to 40 CFR 1505.1 and 1507.3, the agency is consulting with the Council on Environmental Quality to ensure full compliance with the purposes and provisions of NEPA and the CEQ implementing regulations.

### Regulatory Impact

This proposed interim directive has been reviewed under USDA procedures and Executive Order 12866 on Regulatory Planning and Review. The Office of Management and Budget (OMB) has determined that this is a significant regulatory action as defined by Executive Order 12866. Accordingly, OMB has reviewed this proposed interim directive.

The primary economic effects of the proposed categorical exclusions for limited timber harvest are changes in costs of conducting environmental analysis and preparing NEPA documents. The proposed categorical exclusions would reduce agency administrative costs by reducing the analysis and documentation requirements for small timber harvest projects. An analysis of costs and benefits compared the cost of documenting categorical exclusions to that of preparing environmental assessments. Using the number of small timber harvest activities categorically excluded in 1998, the last year such actions could be categorically excluded, savings were averaged over a ten-year period. Based on this approach, the average annual cost savings of the proposed categorical exclusions are estimated to be \$6 million compared with continued use of environmental assessments for small timber harvest projects. The application of these Categorical Exclusions would have no quantifiable effect on the government's timber sale receipts.

The analysis of costs and benefits was performed in accordance with the direction in OMB Guidelines to Standardize Measures of Costs and Benefits and the Format of Accounting

Statements (Office of Management and Budget Memorandum 00-08).

This proposed interim directive has been considered in light of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), and it has been determined that it would not have a significant economic impact on a substantial number of small entities as defined by the act because it would not impose recordkeeping requirements on them; it would not affect their competitive position in relation to large entities; and it would not affect their cash flow, liquidity, or ability to remain in the market.

The agency believes small businesses in general may benefit from a potential increase in small timber sale opportunities as a result of the proposed interim directive. Although the Forest Service finds this increase difficult to quantify, it believes that more small sales may be prepared when using a categorical exclusion rather than an environmental assessment, resulting in an increase in the number of sales available for small businesses and local mills. The Forest Service assumes that all qualified potential purchasers would, consistent with the rules at 36 CFR part 223 for advertising, awarding, and administering sales, have equal opportunity to accrue benefits from any increase in sale opportunities. Additionally, some of these sales are likely to be set aside for small businesses under the agency's small business timber sale set-aside program.

A civil rights impact analysis was prepared for the proposed interim directive. No adverse effects are identified for groups of people who fall within the scope of Civil Rights legislation or the Executive Order on Environmental Justice (E.O. 12898), although some potential beneficial impacts have been noted.

### Federalism

The agency has considered this proposed interim directive under the requirements of Executive Order 13132 on Federalism and has made an assessment that the proposed interim directive conforms with the federalism principles set out in this Executive order; would not impose any compliance costs on the States; and would not have substantial direct effects on the States or the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, the agency has determined that no further assessment of federalism implications is necessary at this time.

### Consultation and Coordination With Indian Tribal Governments

This proposed interim directive does not have tribal implications as defined by Executive Order 13175 on Consultation and Coordination with Indian Tribal Governments and, therefore, advance consultation with tribes is not required.

### No Takings Implications

This proposed interim directive has been analyzed in accordance with the principles and criteria contained in Executive Order 12630 on Governmental Actions and Interference with Constitutionally Protected Property Rights, and it has been determined that the proposed interim directive does not pose the risk of a taking of Constitutionally protected private property.

### Energy Effects

This proposed interim directive has been reviewed under Executive Order 13211 on Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use. It has been determined that this proposed interim directive does not constitute a significant energy action as defined in the Executive order.

### Controlling Paperwork Burdens on the Public

This proposed interim directive does not contain any additional recordkeeping or reporting requirements associated with the timber harvest program or other information collection requirements as defined in 5 CFR part 1320. Accordingly, the review provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) and its implementing regulations at 5 CFR part 1320 do not apply.

Dated: December 30, 2002.

**Dale N. Bosworth,**  
Chief.

### Text of Proposed Interim Directive

**Note:** The Forest Service organizes its directive system by alpha-numeric codes and subject headings. Only those sections of the Forest Service Handbook (FSH) 1909.15, Environmental Policy and Procedures Handbook, affected by this policy are included in this notice. The intended audience for this direction is Forest Service employees charged with planning and administering small timber harvest projects. Selected headings and existing text are included to assist the reader in placing the proposed interim directive in context. Reviewers who wish to view the entire chapter 30 of FSH 1909.15 may obtain a copy from the address shown earlier in this notice and from the Forest Service home page on