

and that the final SEMAP indicators report is inaccurate.

HUD response. HUD has not revised the rule in response to this comment. Adoption of the commenter's suggestion would restrict HUD's ability to require that troubled PHAs undertake remedial action to correct identified management deficiencies, thereby negating one of the purposes of SEMAP assessment. The final rule continues to provide for biennial SEMAP assessments for small PHAs. To facilitate compliance with biennial SEMAP assessments, PHAs with fiscal years ending in the first four quarters following the effective date of this final rule will not be evaluated under SEMAP for that fiscal year.

Comment: HUD should increase the Housing Choice Voucher Program administrative fee or provide a base level of funding for small PHAs. One commenter made this recommendation. The commenter wrote that this change is necessary to allow small PHAs to hire and retain adequate qualified staff, and that this would allow small PHAs to submit the required SEMAP certification in a timely manner.

HUD response. The suggestion made by the commenter is outside the scope of this rulemaking, which does not concern funding issues. Accordingly, HUD has not revised the proposed rule in response to this comment.

Comment: Late submission of SEMAP certification should not result in an automatic designation of "troubled." One commenter wrote that SEMAP does not presently establish penalties for late submittal of the required SEMAP certification, except to provide that the PHA will be designated as "troubled." The commenter wrote that many small PHAs have difficulty complying with this deadline due to limited staffing, and that the automatic designation of troubled is unduly harsh. As an alternative, the commenter suggested that failure of a PHA to submit its SEMAP certification should result in a reduction of one point for each day the submittal is late.

HUD response. The change suggested by the commenter is outside the scope of the August 14, 2002, proposed rule and, therefore, HUD has not revised the rule in response to this comment.

VIII. Findings and Certifications

Public Reporting Burden

The information collection requirements contained in the PHA Plan process (24 CFR part 903) and the PHAS (24 CFR part 902) have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–

3520) and assigned OMB Control Numbers 2535–0106, 2535–0107, 2507–0001, and 2577–0226, respectively. The regulatory amendments contained in §§ 902.9, 903.5, 903.11, and 903.12 of this final rule merely modify the scope and frequency of these currently approved information collection requirements to streamline and reduce the paperwork burden imposed on small PHAs. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Executive Order 12866, Regulatory Planning and Review

The Office of Management and Budget (OMB) reviewed this rule under Executive Order 12866 (entitled Regulatory Planning and Review). OMB determined that this rule is a "significant regulatory action" as defined in section 3(f) of the Order (although not economically significant, as provided in section 3(f)(1) of the Order). Any changes made to the rule subsequent to its submission to OMB are identified in the docket file, which is available for public inspection in the Regulations Division, Room 10276, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410–0500.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) establishes requirements for federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and the private sector. This final rule does not impose any federal mandates on any state, local, or tribal governments or the private sector within the meaning of the Unfunded Mandates Reform Act of 1995.

Executive Order 13132, Federalism

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This final rule does not have federalism implications and does not impose substantial direct compliance costs on state and local governments or preempt

state law within the meaning of the Executive Order.

Environmental Impact

A Finding of No Significant Impact with respect to the environment was made at the proposed rule stage in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding remains applicable to this final rule and is available for public inspection between the hours of 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410–0500.

Impact on Small Entities

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed and approved this final rule and in so doing certifies that this rule will not have a significant economic impact on a substantial number of small entities. Although the final rule is concerned with small PHAs with less than 250 public housing or leased housing units, the amendments made by the rule are deregulatory in nature. Specifically, the final rule eliminates, simplifies, and streamlines regulatory requirements for these small PHAs regarding the PHA Annual Plan process and assessments conducted under the PHAS and SEMAP. Further, the deregulatory amendments do not change the amount of funding available to these PHAs. Accordingly, the economic impact of this rule will not be significant, and it will not affect a substantial number of small entities.

Catalog of Federal Domestic Assistance Numbers

The Catalog of Federal Domestic Assistance Numbers for the programs affected by this final rule are 14.850 (for the Public Housing Program) and 14.871 (for the Housing Choice Voucher Program).

List of Subjects

24 CFR Part 902

Administrative practice and procedure, Public housing, Reporting and recordkeeping requirements.

24 CFR Part 903

Administrative practice and procedure, Public housing, Reporting and recordkeeping requirements.

24 CFR Part 985

Grant programs—housing and community development, Housing, Rent