

nonperformance of the employee's official duties. Section 6501.102(a) also requires written requests for approval to be submitted to the employee's immediate supervisor and his or her Designated Agency Ethics Official and specifies the information to be included in the employee's request. Section 6501.102(b) states the standard to be used in approving or denying requests for approval of outside employment. The basis for denial, if any, must be found in applicable statutes or Federal regulations, including the executive branchwide Standards.

Section 6501.102(c) defines outside employment as including any form of compensated or uncompensated non-Federal employment or business relationship involving the provision of personal services by the employee. It includes writing done under arrangement with another person for production or publication of the written product.

III. Matters of Regulatory Procedure

Waiver of Proposed Rulemaking

As Deputy General Counsel of the NEA, I have found good cause pursuant to 5 U.S.C. 553(b) and (d)(3) for waiving, as unnecessary and contrary to the public interest, the general notice of proposed rulemaking, the opportunity for advance public comments, and the 30-day delay in effectiveness as to this interim rule. The reason for this determination is that this rulemaking is related to the NEA's organization, procedure and practice. Nonetheless, this is an interim rulemaking, with provision for a 30-day public comment period. The NEA will review all comments received during the comment period and will consider any modifications that appear appropriate in adopting these rules as final, with the concurrence and co-signature of the Office of Government Ethics.

Regulatory Flexibility Act

As Deputy General Counsel of the NEA, I have determined under the Regulatory Flexibility Act (5 U.S.C. chapter 6) that this regulation will not have a significant economic impact on a substantial number of small entities because it only affects NEA employees.

Paperwork Reduction Act

As Deputy General Counsel of the NEA, I have determined that the Paperwork Reduction Act (44 U.S.C. chapter 35) does not apply because these regulations do not contain any information collection requirements that require the approval of the Office of Management and Budget.

Unfunded Mandates Reform Act

For purposes of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. chapter 25, subchapter II), this rule will not significantly or uniquely affect small governments and will not result in increased expenditures by State, local, and tribal governments, or by the private sector, of \$100 million or more (as adjusted for inflation) in any one year.

List of Subjects in 5 CFR Part 6501

Conflict of interests, Government employees, Standards of conduct.

Dated: August 13, 2003.

Karen Elias,

Deputy General Counsel, National Endowment for the Arts.

Approved: August 26, 2003.

Amy L. Comstock,

Director, Office of Government Ethics.

■ For the reasons set forth in the preamble, the National Endowment for the Arts with the concurrence of the Office of Government Ethics, is amending title 5 of the Code of Federal Regulations by adding a new chapter LV, consisting of part 6501, to read as follows:

CHAPTER LV—NATIONAL ENDOWMENT FOR THE ARTS

PART 6501—SUPPLEMENTAL STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE NATIONAL ENDOWMENT FOR THE ARTS

Sec.

6501.101 General.

6501.102 Prior approval for outside employment.

Authority: 5 U.S.C. 7301, 5 U.S.C. App. (Ethics in Government Act of 1978); E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306; 5 CFR 2635.105, 2635.803.

§ 6501.101 General.

In accordance with 5 CFR 2635.105, the regulations of this part apply to employees of the National Endowment for the Arts (NEA) and supplement the Standards of Ethical Conduct for Employees of the Executive Branch contained in 5 CFR part 2635. In addition to the regulations in 5 CFR part 2635 and this part, employees of the NEA are subject to the executive branch employee responsibilities and conduct regulations at 5 CFR part 735, the executive branch financial disclosure regulations at 5 CFR part 2634, and the executive branch financial interests regulations at 5 CFR part 2640.

§ 6501.102 Prior approval for outside employment.

(a) Before engaging in any outside employment with a prohibited source within the meaning of 5 CFR 2635.203(d), whether or not for compensation, an employee other than a special Government employee must obtain written approval from his or her immediate supervisor and the Designated Agency Ethics Official. The request for approval shall include the following:

(1) The name of the person, group or other organization for whom the work is to be performed, the type of work to be performed, and the proposed hours of work and approximate dates of employment; and

(2) A description of the employee's NEA responsibilities and the employee's certification that the outside employment will not depend on nonpublic information obtained as a result of the employee's official Government position and that no official duty time or Government property, resources, or facilities not available to the general public will be used in connection with the outside employment.

(b) Approval shall be granted only upon determination that the outside employment is not expected to involve conduct prohibited by statute or Federal regulation, including 5 CFR part 2635.

(c) *Outside employment* means any form of compensated or uncompensated non-Federal employment or business relationship involving the provision of personal services by the employee. It includes, but is not limited to personal services such as an officer, director, employee, agent, attorney, consultant, contractor, general partner, trustee, teacher or speaker. It includes writing when done under an arrangement with another person for production or publication of the written product.

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NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

5 CFR Part 6601

RINs 3136-AA21, 3209-AA15

Supplemental Standards of Ethical Conduct for Employees of the National Endowment for the Humanities

AGENCY: National Endowment for the Humanities (NEH).

ACTION: Interim final rule, with request for comments.