

census designated place with a Census 2000 population of at least 50,000, but less than 250,000, and in which the number of jobs meets or exceeds the number of employed residents; and (D) any additional incorporated place or census designated place with a Census 2000 population of at least 10,000, but less than 50,000, and one-third the population size of the largest place, and in which the number of jobs meets or exceeds the number of employed residents (65 FR 82236).

The terms "central city" and "principal city" have slightly different meanings based on their respective standards. In the CDBG program, however, the term "principal city" will serve the same purpose as the now obsolete "central city" in determining CDBG entitlement eligibility.

### III. This Interim Rule

This interim rule revises the CDBG program regulations (24 CFR part 570) at §§ 570.3, 570.4(c) and 570.307(e) to conform these sections to OMB's new definitions for CBSAs, and particularly for "principal cities." The rule amends the regulatory definition of "Metropolitan City" in 24 CFR 570.3 to include the term "principal city," and makes conforming changes to certain other sections of the CDBG regulations.

### IV. Findings and Certifications

#### *Justification for Interim Rulemaking*

It is HUD's policy to publish rules for public comment before their issuance for effect, in accordance with 24 CFR part 10. Part 10 provides, however, that prior public procedure will be omitted if HUD determines that it is "impracticable, unnecessary, or contrary to the public interest" (24 CFR 10.0). HUD finds that good cause exists to publish this rule for effect without first soliciting public comment, in that prior public procedure is unnecessary and would be contrary to the public interest. Public procedure is unnecessary because this rule simply makes technical amendments that conform the CDBG regulations to new terminology adopted by OMB, in accordance with statutory authority. Delayed effectiveness pending public comment would be contrary to the public interest because potentially eligible cities would be deprived from receiving CDBG entitlement funds due to a change in nomenclature and other CDBG regulations may become misleading by referencing an obsolete term. HUD recognizes that adding principal cities may, depending on appropriations from Congress and the increased number of entitlement communities, result in

reduced funding for current entitlement communities. The exact impact of this rule cannot be quantified; some number of the newly qualified communities that meet OMB's designation criteria would have also met OMB's previous "central city" criterion. Additionally, a number of entitlement communities that qualify under the existing central city definition and that would not meet the definition of "principal city" will qualify for continued entitlement status because they meet section 102(a)(4) of the Act which provides that "any city that was classified as a metropolitan city for at least two years \* \* \* shall remain classified as a metropolitan city." Although HUD believes issuing this interim rule for immediate effect will benefit the public overall, HUD will consider public comments on this issue prior to the publication of a final rule.

#### *Executive Order 12866*

The Office of Management and Budget (OMB) reviewed this rule under Executive Order 12866, *Regulatory Planning and Review*. OMB determined that this rule is a "significant regulatory action" (but not economically significant) as defined in section 3(f) of the Order. Any changes made in this rule subsequent to its submission to OMB are identified in the docket file. The docket file is available for public inspection between 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.

#### *Environmental Impact*

This rule simply revises existing HUD regulations by replacing "central city" or "central cities" with "principal city" or "principal cities," where applicable, in order to be consistent with OMB standards. This rule does not direct, provide for assistance or loan or mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition or new construction, nor does it establish, revise, or provide for standards for construction, construction materials, manufactured housing, or occupancy. This rule revises an existing document where the existing document as a whole would not fall under a categorical exclusion but the amendment by itself does so. Pursuant to 24 CFR 50.19(c)(1) and (c)(2), these revisions are categorically excluded from the environmental assessment required by the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

#### *Impact on Small Entities*

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed this rule before publication and by approving it certifies that this rule does not have a significant economic impact on a substantial number of small entities. There are no anti-competitive discriminatory aspects of the rule with regard to small entities and there are not any unusual procedures that need to be complied with by small entities. Although HUD has determined that this interim rule does not have a significant economic impact on a substantial number of small entities, HUD invites comments regarding any less burdensome alternatives to this rule that will meet HUD's objectives as described in this preamble.

#### *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 interim 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.

#### *Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532) establishes requirements for federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and the private sector. This interim rule does not impose a federal mandate that will result in the expenditure by state, local, or tribal governments, in the aggregate, or the private sector, of \$100 million or more in any one year.

#### *Catalog of Federal Domestic Assistance*

The Catalog of Federal Domestic Assistance (CFDA) program number is 14.218.

#### **List of Subjects in 24 CFR Part 570**

Administrative practice and procedure, Community development block grant, Grant programs—education, Grant programs, housing and community development, Indians, insular areas, Lead poisoning, Loan programs—housing and community development, Low- and moderate-income housing, New communities,