

NOTICE OF INTENT
Department of Natural Resources
Office of Mineral Resources

Leasing State Lands and Water Bottoms for the
Exploration, Development and Production of Wind
Energy

(LAC 43:V.Chapter 7, 707, 711-717, and 725-733)

The Department of Natural Resources, Office of Mineral Resources proposes to amend LAC 43:V. Chapter 7, 707, 711-717, and 725-733, in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana.

The proposed rule changes include changes to LAC 43:V.Chapter 7 required to conform to Act 443 of 2022 and to implement the charge therein that the secretary of the Department of Natural Resources promulgate rules and regulations that include all provisions necessary to accomplish the intent of the legislature. The aforesaid Act had as its stated purpose to establish a maximum acreage for wind leases; to provide for operating agreements relative to the production of wind energy; to provide for the powers and duties of the secretary of the Department of Natural Resources; to provide for rules and regulations; and to provide for related matters.

**Chapter 7. Leasing State Lands
and Water Bottoms for the
Exploration, Development and
Production of Wind Energy**

Editor's Note: Pursuant to Act 196 of the 2009 Regular Session, the name of the State Mineral Board has been changed to State Mineral and Energy Board.

§701 – 705 ...

§707. Registration
[Formerly LAC 43:I.1007]

A. Applicant Registration. Any party who wants to apply for a state wind lease shall register certain information with the Office of Mineral Resources on a one-time basis prior to submitting an application. Registration consists of completing and submitting an official Applicant Registration Form.

1. Prospective Leaseholder Registration. All prospective leaseholders of state wind leases shall register certain information and proof of current authorization to do business in the state of Louisiana with the Office of Mineral Resources and thereafter renew their registration annually by January 31. Only those bidders who are registered as prospective leaseholders with the Office of Mineral Resources shall be allowed to bid on tracts for the purpose of obtaining a state wind lease. Transfers or assignments of state wind leases shall not be granted to prospective leaseholders that are not currently registered as a prospective leaseholder with the Office of Mineral Resources.

a. Registration consists of submitting a completed official prospective leaseholder registration form (obtainable from the Office of Mineral Resources) and an appropriate certificate from the Louisiana Secretary of State to the Office of Mineral Resources as follows:

- i. individual/sole proprietorship—no certificate required;
- ii. corporation—good standing certificate;
- iii. limited liability company—good standing certificate; and
- iv. partnership—existence certificate.

b. If a current record state wind lessee fails to maintain his Prospective Leaseholder Registration with the Office of Mineral Resources, the State Mineral Board may levy liquidated damages of \$100 per day in accordance with R.S. 30:123.1 until the unregistered lessee is properly registered.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:260 (February 2008), repromulgated LR 41:1733 (September 2015).

§709 ...

**§711. Nomination of State Lands and Water
Bottoms for Wind Lease**
[Formerly LAC 43:I.1011]

A. Interested, registered parties shall nominate state lands and water bottoms for wind lease by scheduling a pre-nomination meeting with and submitting proposals (called "nominations") by application to the Office of Mineral Resources in the form it requires. Each application shall include a

description of the land, including a map, on both paper and CD-ROM, or other acceptable digital storage device, and be accompanied by submission of a nonrefundable \$400 processing fee made payable to the Office of Mineral Resources, as well as any other documentation and information required.

B. Only those parties who are registered applicants with the Office of Mineral Resources as set forth under §707.A shall be allowed to nominate state lands and water bottoms for wind lease.

C. A party interested in nominating state lands and water bottoms for wind lease shall use bearing, distance and X-Y coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable), to accurately and clearly describe the nominated acreage. Determine whether the acreage to be nominated falls in the North Zone or the South Zone of the Louisiana Coordinate System of 1927 and provide this information in the nomination packet. A single nomination may contain acreage that falls partially in the North Zone and partially in the South Zone. However, allocate the nominated acreage to the zone wherein the majority of the acreage falls and use that zone's coordinates (see R.S. 50:1). A nominating party is excepted from using the Louisiana Coordinate System of 1927 only if the acreage to be nominated is not susceptible of or has another type legal description not translatable into a description using bearing, distance and X-Y coordinates based on the Louisiana Coordinate System of 1927. If the acreage to be nominated falls under this exception, the nominating party is allowed to provide the legal description of the property as provided in the title deed wherein the state acquired its ownership interest in the property.

D. At the pre-nomination meeting with the Office of Mineral Resources, the party shall submit a nomination packet that includes one copy (unless required otherwise) of the following items:

1. any title documentation obtained pursuant to §709.A.6;
2. any proof of notification documentation obtained pursuant to §709.B.2;
3. a written property description of the nominated acreage, fully justified, using Microsoft Word. Provide three original paper copies and one electronic copy. Include:
 - a. a designated point of beginning using X-Y coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable), then going clockwise fully write out (no abbreviations or symbols) bearing and distance to the next X-Y

coordinates for each corner back to the point of beginning;

- b. the gross acreage amount of state lands and water bottoms, inclusive of Louisiana Wildlife and Fisheries Commission/Louisiana Department of Wildlife and Fisheries Property, contained within the nomination area;

- c. the net acreage amount of state lands and water bottoms, exclusive of Louisiana Wildlife and Fisheries Commission/Louisiana Department of Wildlife and Fisheries property, contained within the nomination area; and

- d. the net acreage amount of Louisiana Wildlife and Fisheries Commission/Louisiana Department of Wildlife and Fisheries property contained within the nomination area;

4. a plat of the nominated acreage, using the most recent background imagery. Use X-Y coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable). Provide three original paper copies and one electronic copy. Include:

- a. an outline of the nominated acreage with a designated point of beginning and corners using X-Y coordinates that exactly match the X-Y coordinates for the point of beginning and corners provided in the written property description, clearly labeled therein;

- b. an outline of the state lands and water bottoms falling in the nomination area, clearly labeled along with the acreage amount contained therein;

- c. an outline of any Louisiana Wildlife and Fisheries Commission/Louisiana Department of Wildlife and Fisheries property, school indemnity lands, tax adjudicated lands, vacant state lands, White Lake, and legal areas, falling in the nomination area, clearly labeled along with the acreage amount contained in each;

- d. an outline of each active or non-released land use agreement granted by the state of Louisiana including, but not limited to, a state wind lease, state mineral lease, state operating agreement, state exclusive geophysical agreement, state non-exclusive seismic permit, state right of way, and/or state surface/subsurface agreement, as well as any nomination tract approved for advertisement or advertised as offered for state mineral lease, state operating agreement, or state exclusive geophysical agreement abutting, adjacent to, intersecting, and partially/wholly enclosed in the nomination area, clearly labeled with its official number along with the acreage amount contained therein;

e. an outline of any lands and water bottoms not belonging to the state of Louisiana falling in the nomination area, clearly labeled "Not State Owned" along with the acreage amount contained therein;

f. all water bodies, clearly labeled;

g. the block system (if applicable), with block names and numbers;

h. section, township, range information (if applicable);

i. parish name(s); and

j. the name and date of the background imagery used;

5. a .dxf file that contains only the boundary of the nominated acreage. The boundary shall be a single line with no additional lines, labels, text, or graphics, and shall be constructed of individual line segments between vertices. The X-Y coordinates in the .dxf file must exactly match those in the written property description and the plat;

6. a nomination in electronic form clearly labeled "State Wind Lease Nomination" that shall have the applicant and project names affixed thereon and contain the written property description as a Word .doc file, the plat as a .pdf file, and the .dxf file;

7. a summary of the environmental issues including, but not limited to, avian and baseline noise levels, the environmental impact of the placement of wind turbines and other equipment necessary for the exploration, development and production of wind energy, and the steps proposed to minimize the environmental impact, along with any supporting environmental impact documentation;

8. a list of governmental entities including each federal, state, parish and local governmental entity that has jurisdiction in the nomination area and for each, the contact person name, title, office address, telephone and fax numbers, and email, as well as the type of legal authority, if any, acquired or to be acquired from the governmental entity;

9. any other information and documentation required by the Office of Mineral Resources.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:261 (February 2008), repromulgated LR 41:1734 (September 2015).

§713. Examination and Evaluation of Nomination for Wind Lease [Formerly LAC 43:I.1013]

A. If the Office of Mineral Resources determines that the state wind lease nomination complies with legal, procedural and technical requirements, as well as with any current policies and practices, it shall:

1. place the state wind lease nomination tract on the State Mineral Board's agenda for the next regular board meeting;

2. take the area out of commerce for the purpose of wind leasing while the nomination is being evaluated;

3. transmit a copy of the nomination for a State Wind Lease, written property description, and plat to the State Land Office and to the Louisiana Department of Wildlife and Fisheries, who shall review the proposed location of the state wind lease, certify to the State Mineral Board whether or not there are other leases of any kind at the proposed lease location and if so, provide copies to the State Mineral Board of the other leases as an attachment to the other leases certification; and

4. Following receipt of certifications from the State Land Office and the Louisiana Department of Wildlife and Fisheries, transmit the nomination packet and the other leases certifications to the Secretary of the Department of Natural Resources for evaluation.

B. The Secretary of the Department of Natural Resources shall evaluate the wind lease nomination pursuant to R.S. 41:1733 and determine whether the proposed wind lease is appropriate. If so, he shall recommend to the State Mineral Board that it conduct a public bid process and if not, he shall recommend to the State Mineral Board that it not conduct a public bid process. The State Mineral Board, through the Office of Mineral Resources, shall notify the applicant of the secretary's determination.

C. If an applicant wants to withdraw a nomination during the examination and evaluation process, prior to the tract being officially advertised for a state wind lease, he shall submit a letter requesting withdrawal of the nomination to Office of Mineral Resources, Attention: Leasing Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:262 (February 2008), repromulgated LR 41:1736 (September 2015).

§715. Advertisement of State Tract Offered for Wind Lease and Request for Bids [Formerly LAC 43:I.1015]

A. Upon approval of the nomination by the State Mineral and Energy Board, through the Office of Mineral Resources shall publish an advertisement of the state tract offered for wind lease and request for bids in the official journal of the state and official journal(s) of the parish(es) where the property is located, and otherwise at its discretion, not more than 120 days and not less than 60 days prior to the date for the public opening of bids (generally the lease sale date). The advertisement shall contain a description of the land proposed to be leased and its official tract number, any notes pertaining to the nominated tract, the date, time and place where sealed bids shall be received and publicly opened, and any other information the board may consider necessary. This advertisement and any other published by the board shall constitute judicial advertisement and legal notice within the contemplation of R.S. Title 43, Chapter 5.

B. The advertisement shall also provide notice of the following.

1. . The primary term of a wind lease on state lands and water bottoms as approved by the State Mineral and Energy Board.

2. The dollar amount (bonus) with regard to any wind lease on state lands and water bottoms shall be no less than any minimum amount if set by the State Mineral and Energy Board at the time of advertisement. The dollar amount shall be provided on the official bid form as a total amount and as an amount per acre (which is equal to the dollar amount divided by the acreage bid on). Payment shall be due within 24 hours of state wind lease award and shall be made to the Office of Mineral Resources via certified funds or wire transfer. If payment is not made the State Mineral Board may not execute the lease and may rescind it.

3. The annual rental with regard to any wind lease on state lands and water bottoms shall not be for less than any minimum amount if set by the State Mineral and Energy Board at the time of advertisement. Bonus payment as required in subpart (2) of this subsection shall constitute the annual rental for the first year of the wind energy lease.

4. The royalty with regard to any wind lease on state lands and water bottoms shall be no less than any minimum amount if set by the State Mineral and Energy Board at the time of the advertisement. The state may elect, at its option, to take in kind all or any of the portion due it as royalty.

5. A bidder for a state wind lease may offer additional consideration.

6. When two or more parties submit a joint bid, the parties shall designate the undivided percent interest of each party on the official bid form. The interests so designated shall be stipulated in any lease that may be awarded. Failure to designate the undivided percent interest of each joint bidder shall result in the State Mineral Board assigning equal interests to each bidder.

7. When two or more parties submit a joint bid, the parties shall designate the party who shall be the principal state wind lessee, authorized to act on behalf of all co-lessees, on the official bid form. Additionally, each party shall submit a designation of principal state wind lessee and operator form with the joint bid. The principal state wind lessee and operator so designated shall be stipulated in any lease that may be awarded.

8. A state wind lease shall not be for more than 25,000 acres.

9. The State Mineral Board is authorized to collect an administrative fee for leasing state lands and water bottoms for the exploration, development and production of wind energy in the amount of 10 percent of the total dollar amount (bonus) bid for a state wind lease. This 10 percent administrative fee shall be in addition to the total dollar amount bid and is due within 24 hours of state wind lease award. Payment shall be made to the Office of Mineral Resources via certified funds or wire transfer. If payment is not made the State Mineral Board may not execute the lease and may rescind it.

10. A bid for a state wind lease shall exclude all rights not specifically granted in any wind lease awarded.

11. Once a bid is submitted, it may not thereafter be withdrawn or cancelled. The State Mineral Board does not obligate itself to accept any bid. Bid acceptance or rejection is at the sole discretion of the State Mineral Board which reserves the right to reject any and all bids or to grant a wind lease on any portion of the state tract advertised and to withdraw the remainder of the tract.

12. If examination of the successful bid acreage amount reveals that there is more or less state acreage than the amount bid on, then the dollar amount (bonus) and annual rental shall be adjusted accordingly.

13. The successful bidder(s) to whom a state wind lease is awarded has 20 days from receipt of the lease contract, properly executed by the State Mineral Board, to execute and return the lease contract to the

Office of Mineral Resources. Failure to return the lease contract, properly executed, within 20 days may result in forfeiture of the state wind lease including the dollar amount (bonus) and 10 percent administrative fee.

14. All state wind leases shall be executed upon the terms and conditions provided in the current official state wind lease form with any attached rider(s).

15. Notwithstanding any provisions to the contrary in any state wind lease awarded or in any rider attached thereto, the lease awarded shall be granted and accepted without any warranty of title and without any recourse against the lessor whatsoever, either expressed or implied. Further, lessor shall not be required to return any payments received under the state wind lease awarded or be otherwise responsible to the state wind lessee therefor.

16. Some tracts available for wind leasing may be situated in the Louisiana Coastal Zone as defined in R.S. 49:214.21 et seq., and may be subject to guidelines and regulations promulgated by the Louisiana Department of Natural Resources, Office of Coastal Management, for operations in the Louisiana Coastal Zone.

17. Lessor excepts and reserves the full use of the leased premises and all rights with respect to its surface and subsurface for any and all purposes except for those granted to the state wind lessee, including the use of the leased premises for the exploration, production and development of oil, gas and other minerals by the lessor, its mineral lessees, grantees or permittees. Co-users of the leased premises shall agree to coordinate plans and cooperate on activities to minimize interference with other operations to the extent possible.

18. Any and all wind data collected by the state wind lessee during the primary term of the lease shall become public record at the end of the primary term.

19. Any contract entered into for the lease of state lands for any purpose shall require that access by the public to public waterways through the state lands covered by the lease shall be maintained and preserved for the public by the lessee. This provision shall not prohibit the secretary of the agency having control over the property from restricting access to public waterways if he determines that a danger to the public welfare exists. This provision shall not apply in cases involving title disputes.

20. Prior to commencing construction, each state wind lessee and state wind lease operator shall have a

general liability insurance policy in a form acceptable to the State Mineral Board as set forth in §729.A.2.

21. Prior to commencing construction, each state wind lessee and state wind lease operator shall provide financial security in a form acceptable to the State Mineral Board as set forth in §729.A.3.

22. The state wind lessee and state wind lease operator shall be required, in the state wind lease contract, to take measures to reduce risk to the state, including but not limited to, effecting compliance with any and all wind energy standards established by the American National Standards Institute (ANSI), the American Wind Energy Association (AWEA), the International Electrotechnical Commission (IEC), and any other entity responsible for establishing wind industry consensus standards. Standards for wind energy development/operations include, but are not limited to:

- a. wind turbine safety and design;
- b. power performance;
- c. noise/acoustic measurement;
- d. mechanical load measurements;
- e. blade structural testing;
- f. power quality; and
- g. siting.

C. A party may request proof that a tract was advertised in the official state and parish journals using the official Request for Proof of Publication form published by the Office of Mineral Resources. Proof of publication consists of certified copies of the affidavits from the official state and parish journals attesting to publication. There is a fee of \$20 for providing proof of publication for a tract.

D. If an applicant wants to withdraw a nomination after the tract has been advertised for state wind lease, he shall submit a letter requesting withdrawal of the nomination to the State Mineral Board. No withdrawal shall be allowed unless approved by the State Mineral Board. If the State Mineral Board approves the request, the nomination fee payment shall not be refunded.

E. If a party wants to protest the State Mineral Board wind leasing a state tract, he shall submit a formal letter of protest to the State Mineral Board at least seven days prior to the meeting of the State Mineral Board to receive bids on the tract (generally the lease sale date). The letter of protest shall reference the appropriate tract number, parish, and state mineral lease sale date, as well as set forth the source and

nature of the title claimed, how and when acquired, and by what legal process.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:263 (February 2008), repromulgated LR 41:1736 (September 2015).

**§717. Submission of Bids on State Tract Offered for Wind Lease
[Formerly LAC 43:I.1017]**

A. Interested, registered parties shall submit sealed bids on the state tract advertised as offered for state wind lease to the Office of Mineral Resources in the form it requires by the bid submission deadline (generally no later than 12 noon CT on the Tuesday immediately prior to the Wednesday lease sale at which the tracts are offered unless otherwise noticed). Each bid shall be accompanied by any other documentation and information required.

B. Only those bidders who are registered prospective leaseholders with the Office of Mineral Resources as set forth under §707 shall be allowed to bid on tracts for the purpose of obtaining a wind lease from the state of Louisiana.

C. A party interested in bidding on a state tract for wind lease shall prepare a bid packet that includes the items listed below. The bidder shall place all of the items required to be included in the bid packet in an envelope, completely seal the envelope, write the official tract number on the outside of the envelope, and notate on the outside of the envelope that "Sealed Bid for State Wind Lease is Enclosed." If a bidding party is submitting multiple bids then he may place the individual sealed bid packet envelopes into a larger envelope, completely seal the envelope, and notate on the outside of the envelope that "Sealed Bids for State Wind Lease are Enclosed."

1. An official bid form available from the Office of Mineral Resources. Provide one originally signed paper copies and no electronic copy.

2. A summary of experience that shall include, at a minimum, the number of years experience in the exploration, development and production of wind energy and project descriptions. Experience with wind energy projects involving government lands and water bottoms shall be so specified.

3. A proposed plan of operations that shall set forth the following:

a. a summary of the overall business plan of the proposed wind energy development including size of operation, development costs, marketing of the site, market prices, and status of acquiring a power purchase agreement;

b. a summary of the overall wind project including status of site control (progress with leasing other properties within the entire wind project boundaries), wind data reviews, and application process with the transmission provider, as well as a time frame for the project to be operational;

c. summary of the wind development (include plat) proposed on the state lands and water bottoms sought to be leased including layout of wind power and transmission facilities, proposed wind tower information (size, location, number), which towers will be affixed to existing platforms, which towers will necessitate newly constructed platforms, turbine make, type, nameplate power production capacity, and selection criteria used, and supporting infrastructure;

d. the status and timeline of the major milestones in the wind project exploration, development, production, and decommissioning;

e. the name of the company that will operate the wind project and the linkage, if any, to the applicant;

f. a summary of the expected revenue and cash flow for the wind project on state lands and water bottoms, including a detailed list of assumptions;

g. the measures proposed to reduce risk to the state, including but not limited to, a summary of compliance with any and all wind energy standards established by the American National Standards Institute (ANSI), the American Wind Energy Association (AWEA), the International Electrotechnical Commission (IEC), and any other entity responsible for establishing wind industry consensus standards. Standards for wind energy development/operations include, but are not limited to, wind turbine safety and design, power performance, noise/acoustic measurement, mechanical load measurements, blade structural testing, power quality, and siting;

h. a summary of how the wind energy project will ensure the viability of the state's natural resources, provide a continuing energy source for the citizens and businesses of Louisiana, promote economic development through job retention and creation in the state of Louisiana, and promote a clean and lasting environment;

i. a summary of how the use of the state land and water bottoms for the exploration, development and production of wind energy will be coordinated with other users of the state lands and water bottoms.

4. A summary of the environmental issues including, but not limited to, avian and baseline noise levels, the environmental impact of the placement of wind turbines and other equipment necessary for the exploration, development and production of wind energy, and the steps proposed to minimize the environmental impact, along with any supporting environmental impact documentation.

5. A list of project participants who are or will be participating in the planning, predevelopment, construction, operation, maintenance, remediation, and/or decommission phases of the proposed project, and a brief description of their role. This list shall be supplemented for each new project participant.

6. A summary of project financing which shall include, at a minimum, identification of the sources of financing and a discussion of such financing.

7. A list of governmental entities including each federal, state, parish and local governmental entity that has jurisdiction in the nomination area and for each, the contact person name, title, office address, telephone and fax numbers, and email, as well as the type of legal authority, if any, acquired or to be acquired from the governmental entity.

8. If two or more parties are submitting a joint bid, each party shall submit a Designation of Principal State Wind Lessee and Operator Form with the joint bid.

D. The sealed bid packet may be hand-delivered or mailed to the Office of Mineral Resources. However, whether hand-delivered or mailed, the sealed bid packet shall be physically in the hands of appropriate Office of Mineral Resources personnel by the bid submission deadline (generally no later than 12 p.m. CT on the Tuesday immediately prior to the Wednesday lease sale at which the tracts are offered unless otherwise noticed). A receipt is generated in the name of and provided to the party delivering the bid. Any bid received after the deadline shall not be accepted. Further, no bid, once submitted, shall be thereafter withdrawn or canceled.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:264 (February 2008), repromulgated LR 41:1738 (September 2015).

§719 – 723 ...

**§725. Transfer of Interest in or Assignment of a State Wind Lease
[Formerly LAC 43:I.1025]**

A. Prior to execution and recordation of a transfer of interest in or assignment of a state wind lease, a prospective transferee or assignee of a state wind lease shall schedule a pre-transfer meeting with and submit a transfer packet to the Office of Mineral Resources no later than the State Mineral Board regular meeting for the month prior to the State Mineral Board regular meeting at which the item is to appear on the State Mineral Board docket for approval.

B. The transfer or assignment shall be docketed for State Mineral Board approval. No transfer or assignment in relation to any state wind lease shall be valid unless approved by the State Mineral Board. Failure to obtain State Mineral Board approval of any transfer or assignment of a state wind lease prior to transfer or assignment shall subject the transferor or assignor and the transferee or assignee, jointly, severally and in solido, to liquidated damages of \$100 per day beginning on the first day following the execution of the transfer or assignment.

C. All parties to transfers or assignments in relation to any state wind lease shall be registered prospective leaseholders with the Office of Mineral Resources. Transfers or assignments shall not be granted to prospective leaseholders that are not currently registered with the Office of Mineral Resources as set forth under forth under §707.

D. The transfer packet shall contain the following items:

1. two original, unexecuted, unrecorded transfer or assignment instruments:

a. provide the marital status of the assignor if the assignor is an individual and, if applicable, the spouse's name and space for the spouse's signature to be affixed thereon;

b. designate the operator and the party who shall be the principal state wind lessee authorized to act on behalf of all co-lessees and attach proof of such agency;

c. after State Mineral Board approval, the transfer or assignment instrument must be executed by both assignor and assignee (and spouse(s), if appropriate), with each signature duly witnessed and a notarized witness acknowledgement provided for each, or the assignee (and spouse, if appropriate) shall

execute an acceptance by assignee form, with the signature duly witnessed and notarized, and a copy attached to each of the transfer instruments;

2. a designation of principal state wind lessee and operator form completed by each prospective leaseholder;

3. a separate statement of conveyance—wind lease form completed for each state wind lease impacted by the transfer and reflect only the gross working interest in the lease existing before and after the conveyance (no net revenue interests are to be considered or reported);

4. a proposed plan of operations that includes all the items set forth in §717.C.3.a-i;

5. any environmental impact documentation supplementing and updating §711.C.7;

6. a list of project participants who are or will be participating in the planning, predevelopment, construction, operation, maintenance, remediation, and/or decommission phases of the proposed project, and a brief description of their role. This list shall be supplemented for each new project participant;

7. a summary of project financing which shall include, at a minimum, identification of the sources of financing and a discussion of such financing;

8. a list of governmental entities including each federal, state, parish and local governmental entity that has jurisdiction in the nomination area and for each, the contact person name, title, office address, telephone and fax numbers, and email, as well as the type of legal authority, if any, acquired or to be acquired from the governmental entity;

9. if state wind lease operations have commenced, general liability insurance in a form acceptable to the State Mineral Board as set forth in §729.A.2 and financial security in a form acceptable to the State Mineral Board as set forth in §729.A.3;

10. a docket fee payment in the amount of \$100 made payable to the Office of Mineral Resources to cover the cost of preparing and docketing transfers or assignments of state wind leases. A personal or business check is acceptable;

11. any other information and documentation required by the Office of Mineral Resources.

E. After receiving State Mineral Board approval of the transfer or assignment, record the approved transfer instrument and the approval resolution in the appropriate parish(es) per the approval resolution and furnish the Office of Mineral Resources with the recordation information.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:266 (February 2008), repromulgated LR 41:1740 (September 2015).

**§727. Partial or Full Release of a State Wind Lease
[Formerly LAC 43:I.1027]**

A. Upon expiration or termination of a state wind lease, in whole or in part, for any reason, the principle state wind lessee shall execute and record an appropriate instrument of release within 90 days of such expiration or termination in each parish wherein the leased premises are located and shall provide the State Mineral Board through the Office of Mineral Resources with a copy of the recorded instrument of release from each parish wherein it is recorded properly certified by the recorder for that parish. In the event the principle state wind lessee fails to comply, all the state wind lessees currently of record jointly, severally and in solido shall be subject to liquidated damages of \$100 per day beginning on the ninety-first day after expiration or termination, as well as reasonable attorney fees and costs incurred should suit be brought for lease cancellation.

B. The release instrument shall provide the state wind lease number and be signed by the principle state wind lessee, with the signature duly witnessed and notarized. Failure to follow the notarization requirements of R.S. 35:12 shall be grounds for the release instrument to be rejected.

C. If a party wants to release only a portion of the leased acreage, he shall contain the whole of the retained acreage, including the buffer acreage within the boundaries set forth in §729.C.1.a-c, within a single contiguous block of acreage. For a partial release only, the party shall also provide the following items.

1. A written property description, fully justified, using Microsoft Word. The first part shall describe and provide the amount of state owned acreage released. The second part shall describe and provide the amount of state owned acreage retained. Use X-Y Coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable), starting with an X-Y point of beginning and using distance and bearings to each X-Y corner or turning point. Use calculations, closures and ties to existing state wind leases that comply with generally accepted surveying standards. Provide one original paper copy and one

electronic copy as a Word .doc file named "released.doc" on a digital storage method.

2. A plat that clearly delineates the boundaries of and sets forth the state owned acreage amount released and the state owned acreage amount retained. Use an 8 1/2 x 11 copy of the most recent edition of the 7 1/2 minute USGS Quadrangle Map (scale 1" = 2000' or 1" = 3000'; or the block system of 1" = 4000', if applicable). Use X-Y Coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable), starting with an X-Y point of beginning and using distance and bearings to each X-Y corner or turning point. Use calculations, closures and ties to existing state wind leases that comply with generally accepted surveying standards. Provide one original paper copy and one electronic copy included as a .pdf file named "released.pdf" on a digital storage method.

3. A .dxf file that contains only the boundary of the acreage portion to be released, named "released.dxf" and provided on a digital storage method. This boundary shall be a single line with no additional lines, labels, text, or graphics, and shall be constructed of individual line segments between vertices. The X-Y coordinates in the .dxf file must exactly match those in the written property description and the plat.

4. A release instrument on a digital storage method clearly labeled "State Wind Lease Release" that shall have the principal state wind lessee and project names affixed thereon and contain the written property description as a Word .doc file, the plat as a .pdf file, and the .dxf file.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:267 (February 2008), repromulgated LR 41:1740 (September 2015).

§729. State Wind Lease Operations [Formerly LAC 43:I.1029]

A. The state wind lessee and state wind lease operator shall schedule a pre-operations meeting with and submit an operations packet to the Office of Mineral Resources at least 60 days prior to commencement of construction. The operations packet shall be updated and revised as necessary at least once every five years. The operations packet shall contain the following items:

1. notice of beginning of wind lease operations form;

2. proof of general liability insurance for the leased premises in the amount of at least \$1,000,000 issued by an insurer to whom A.M. Best Company has given not less than an A rating, specifically covering all damages, and name as insured the state of Louisiana and its departments, agencies and boards:

a. subsequent to the commencement of construction, an updated proof of general liability insurance is required to be submitted by January 31 of each year. Failure to submit updated proof of general liability insurance may cause the Office of Mineral Resources to levy liquidated damages of \$100 per day until such proof is received;

3. financial security in a form acceptable to the State Mineral Board. The financial security amount for individual turbines shall be equal to the estimated cost to decommission found in the plan required by subsection A.9 of this section. Compliance with this financial security requirement shall be provided by any of the following or a combination thereof:

a. a certificate of deposit issued in sole favor of the Louisiana Department of Natural Resources in a form prescribed by the board from a financial institution acceptable to the board; or

b. a performance bond in sole favor of the Louisiana Department of Natural Resources in a form prescribed by the board issued by an appropriate institution authorized to do business in the state of Louisiana; or

c. a letter of credit in sole favor of the Louisiana Department of Natural Resources in a form prescribed by the board issued by a financial institution acceptable to the board;

4. an updated plan of operations that includes all the items set forth in §717.C.3.a-i;

5. any updated environmental impact documentation supporting §711.D.7;

6. an updated list of project participants as set forth in §717.C.5;

7. any other information and documentation required by the Office of Mineral Resources.

8. designation of proposed acreage to be released at the end of the wind energy lease's primary term where no wind energy is being produced or no construction or other operations is occurring, all as further set forth in the wind energy lease.

9. a decommissioning plan for the end of the proposed facility's expected life or upon circumstances that would require closure of the facility; such plan shall include the estimated cost of

site closure and remediation in accordance with these rules.

B. At the expiration of the primary term, production of wind generated electric power, construction, or operations, all as further set forth in the wind energy lease, shall be required to maintain the lease in force. If the lessee is producing wind generated electric power, the lease shall continue in force so long as production of wind generated electric power continues without lapse of more than 180 days. Any lapse in production of wind generated electric power greater than 180 days shall result in automatic termination of the lease.

C. On or before five years after the lessee commences the production of wind generated electric power on the lease, or five years from the end of the primary term, whichever is sooner (said date being the "Undeveloped Acreage Release Date"), the lessee shall release undeveloped acreage pursuant to the requirements of this Subpart, as well as those set forth in §727.

1. Lessee shall survey the exact locations of any physical improvements that it has made upon the property including, but not limited to, turbines, towers, controller boxes, foundations, guy wires, roads, overhead and underground electrical wires, communication lines, poles and cross members, and substations and transmission facilities, and shall further show on such survey the areas of land containing the improvements with the following boundaries:

- a. approximately 50 feet from the closest point on which a meteorological tower, road, guy wire, or transmission line is located;
- b. approximately 150 feet from the perimeter of any substation; and
- c. approximately 400 feet from the axis of horizontal rotation of any turbine.

2. Lessee shall contain the whole of the retained acreage, including the buffer acreage within the boundaries set forth in Subparagraphs 1.a-c, within a single contiguous block of acreage.

D. Any and all wind data collected during the primary term of the lease by the state wind lessee shall be released to public record at the end of the primary term.

E. The Office of Mineral Resources may require periodic reporting.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:267 (February 2008), repromulgated LR 41:1741 (September 2015).

§731. State Wind Lease Electric Power Production Royalty Payment and Reporting
[Formerly LAC 43:I.1031]

A. A state wind lease shall contain a provision permitting the state, at its option, to take in kind all or any part of the portion due it as royalty of any wind generated electric power produced from the leased premises. Unless the state elects to exercise this in kind option, which option is expressly reserved by the state and which is to be exercised by written notice by the state to the state wind lessee ("lessee") at any time and from time to time while a state wind lease is in effect and either prior or subsequent to acceptance by the state of royalties other than in kind, it being understood that nothing contained in a state wind lease shall ever be interpreted as limiting or waiving this option, the lessee shall pay to the state as royalty an amount as set forth in the wind energy lease. The royalty amount approved by the State Mineral and Energy Board shall be the amount that it determines to be most advantageous to the State and shall be based upon comparable wind energy leases where available.

B. All royalties accruing under a state wind lease (including those paid in kind) shall be without deduction for the cost of producing, interconnecting, transporting and otherwise making electric production available for sale or use at the delivery side of the substation.

C. Prior to the first royalty payment, lessee shall complete a payor notification form available from the Office of Mineral Resources. If the payor attributable to a state wind lease changes between payment dates without notification to the Office of Mineral Resources of the change and without submission of the current mailing address, telephone number, and email address for the new payor prior to the next payment, the new payor shall be subject to liquidated damages of \$1,000. The State Mineral Board may waive all or any part of the liquidated damages based on a consideration of all factors bearing on the issue.

D. The first payments of royalty shall be made within 120 days following commencement of production of wind generated electric power from the leased premises. Thereafter, royalty shall be paid by the twenty-fifth of the second month following that in which wind generated electric power is produced. In the event any royalty payment is not correctly or

timely made, lessee shall pay legal interest and penalty (where applicable), until paid, on royalty owing under the terms of this lease commencing the date such royalty is due and payable, along with damages, attorney fees, and costs. The state may also seek dissolution of the lease.

E. A state wind lessee shall report royalty payments on the official royalty reporting form available from the Office of Mineral Resources. Payment shall accompany the official royalty reporting form. Payments equal to or less than \$9,999 may be made by personal or business check. Payments greater than \$9,999 shall be made by ACH Network transfer. In all cases, the payee shall be the Office of Mineral Resources.

F. A state wind lessee shall keep true, accurate and complete books, records, accounts, contracts and data sufficient to support and verify the calculation of all amounts due under the lease. The state or any representative of the state shall have the right at all reasonable times and upon the provision of reasonable notice, to inspect the books, accounts, contracts, records, and any other relevant data, in possession or control of lessee and pertaining to the production, transportation or sale of electricity produced from the lease premises, including, without limitation, statements, documents, records or other data, from third parties which verify price, value or quantity of electricity generated on the lease premises. Any such inspection and review shall take place at the office of lessee, unless another location is otherwise agreed to by the state and lessee.

G. Should a state wind lessee contest royalty payment or any form of payment under a state wind lease, including requests for recoupment of any alleged overpayment of royalty, or present any claim, dispute or question pertaining to the terms, conditions, obligations, and duties expressed or implied in a state wind lease, the Office of Mineral Resources may collect a fee of \$35 per hour for each hour or portion thereof spent in verification of any such contest, claim, dispute, or question.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:268 (February 2008), repromulgated LR 41:1742 (September 2015).

§733. State Wind Lease Decommissioning [Formerly LAC 43:I.1033]

A. Definitions to be used in this Section:

Decommissioning—ending wind energy operations and returning the lease to a condition that

meets the requirements of the Bureau of Ocean Energy Management, U.S. Department of the Interior, as required by R.S. 41:1732.C, as well as the requirements of the Louisiana Department of Natural Resources, State Mineral Board and Office of Mineral Resources, and the requirements of any other agencies that have jurisdiction over decommissioning activities.

Facility—any installation used for wind energy activities that is permanently or temporarily attached to state lands or water bottoms. Facilities may include obstructions.

Obstructions—structures, equipment or objects that were used in wind energy operations that, if left in place, would hinder other users of the state lands or water bottoms. Obstructions may include, but are not limited to, wind turbines, towers, pads, platforms, templates, pilings, shell mounds, overhead and underground electrical transmission and communications lines, electric transformers, energy storage facilities, telecommunications equipment, power generation facilities, roads, meteorological towers and wind measurement equipment, control buildings, maintenance yards, transmission towers, wires, cables, substations, and related facilities and equipment.

B. Lessees and owners of operating rights are jointly and severally responsible for meeting decommissioning obligations for facilities and obstructions on leases, as the obligations accrue and until each obligation is met. In this Section, the terms *you* or *I* refer to lessees and owners of operating rights, as to facilities installed under the authority of a lease.

C. You accrue decommissioning obligations when you install a facility, create an obstruction to other users of the state lands and water bottoms, are or become a lessee or the owner of operating rights of a lease on which there is a facility or an obstruction, or re-enter a facility or an obstruction that was previously abandoned.

D. When your facilities are no longer useful for operations, you shall get approval from the Office of Mineral Resources before decommissioning facilities and then permanently remove all facilities and obstructions created by your lease operations in a manner that is safe, does not unreasonably interfere with other users of the state lands or water bottoms, and does not cause undue or serious harm or damage to the human, wildlife, aquatic, or coastal environment.

E. You shall submit decommissioning applications and receive approval and submit subsequent reports according to the table in this Subpart.

Decommissioning Applications and Reports Table		
Decommissioning Applications and Reports	When to Submit	Instructions
1. Final removal application for a facility	Before removing a facility	Include information required under Subpart G
2. Post-removal report for a facility	Within 30 days after you remove a facility	Include information required under Subpart I
3. Site clearance report for a facility	Within 30 days after you complete site clearance verification activities	Include information required under Subpart O

F. You shall remove all facilities within one year after the lease terminates unless you receive approval to maintain a facility to conduct other activities. Before you may remove a facility, you shall submit a final removal application to the Office of Mineral Resources for approval and include the information listed in Subsection G. You shall remove a facility according to the approved application. You shall notify the Office of Mineral Resources at least 48 hours before you begin the removal operations.

G. You shall submit a final removal application to remove a facility to the Office of Mineral Resources for approval. Provide one paper copy and one electronic copy of the final removal application. The final removal application shall include the following, as applicable:

1. applicant identification including lease operator, address, contact person and telephone number, and shore base;
2. facility identification including facility name/ID number, location (lease, area, X-Y coordinates based on the Louisiana Coordinate System of 1927, block name and number), year installed, proposed date of removal (month/year), and water depth;
3. description of the facility you are removing including configuration (attach a photograph or a diagram), size, brief description of soil composition and condition, the maximum removal lift weight and estimated number of main lifts to remove the facility, and any other pertinent information;
4. a description, including anchor pattern, of the vessel(s) you will use to remove any facility from state water bottoms;
5. identification of the purpose, including lease expiration date and reason for removing the facility;

6. a description of the removal method, including a brief description of the method you will use. If you are using explosives, the type of explosives, number and sizes of charges, whether you are using a single shot or multiple shots, if multiple shots, the sequence and timing of detonations, whether you are using a bulk or shaped charge, depth of detonation below ground level or mud line (as applicable), whether you are placing the explosives inside or outside of the facility, and a statement whether or not you will use transducers to measure the pressure and impulse of the detonations;

7. if removing a facility from state water bottoms, whether you will use divers or acoustic devices to conduct a pre-removal survey to detect the presence of aquatic life and a description of the proposed detection method;

8. your plans for transportation and disposal (including as an artificial reef) or salvage of the removed facility;

9. if available, the results of any recent biological surveys conducted in the vicinity of the structure and recent observations of wildlife or aquatic life at the facility site;

10. your plans to protect archaeological and sensitive biological features during removal operations, including a brief assessment of the environmental impacts of the removal operations and procedures and mitigation measures you will take to minimize such impacts;

11. your plans to return and restore the state lands or water bottoms to a condition as nearly equivalent to that which existed before said operations were conducted and/or facility was constructed;

12. if removing a facility from state water bottoms, a statement whether or not you will use divers to survey the area after removal to determine any effects on aquatic life.

H. Unless the Office of Mineral Resources approves an alternate depth under Paragraph 2 of this Subpart, you shall remove all facilities on state water bottoms to at least 15' below mud line and you shall remove all facilities on state lands to at least 2' below plow depth. The Office of Mineral Resources may approve an alternate removal depth if:

1. the remaining facility or part thereof would not become an obstruction to other users of the state lands and water bottoms, and geotechnical and other information you provide demonstrate that erosional processes capable of exposing the obstructions are not expected; or

2. if removing a facility from state water bottoms, you determine, and the Office of Mineral Resources concurs, that you must use divers and the seafloor sediment stability poses safety concerns.

I. Within 30 days after you remove a facility, you shall submit a post-removal report to the Office of Mineral Resources that includes the following:

1. a summary of the removal operation including the date it was completed;

2. a description of any mitigation measures you took; and

3. a statement signed by your authorized representative that certifies that the types and amount of explosives you used in removing the facility were consistent with those set forth in the approved final removal application.

J. The Office of Mineral Resources may grant a departure from the requirement to remove a facility by approving partial facility removal or toppling in place for conversion to an artificial reef or other use if you meet the following conditions:

1. the structure becomes part of a state artificial reef program, and the responsible state agency acquires a permit from the U.S. Army Corps of Engineers and accepts title and liability for the facility; and

2. you satisfy any U.S. Coast Guard (USCG) navigational requirements for the facility.

K. Within 60 days after you remove a facility from state water bottoms, you shall verify that a site is clear of obstructions by using one of the following methods.

1. For a facility site in water depths less than 300 feet, you shall drag a trawl over the site.

2. For a facility site in water depths 300 feet or more, you shall drag a trawl over the site, scan across the site using sonar equipment or use another method approved by the Office of Mineral Resources if the particular site conditions warrant.

L. If you drag a trawl across the site, you shall comply with the following.

1. Drag the trawl in a grid-like pattern across a 1,320 foot radius circle centered on the location of the facility.

2. Trawl 100 percent of the limits, described in Subparagraph 1 above, in two directions.

3. Mark the area to be cleared as a hazard to navigation according to USCG requirements until you complete the site clearance procedures.

4. Use a trawling vessel equipped with a calibrated navigational positioning system capable of providing position accuracy of +/-30 feet.

5. Use a trawling net that is representative of those used in the commercial fishing industry (one that has a net strength equal or greater than that provided by No. 18 twine).

6. Ensure that you trawl no closer than 300 feet from a shipwreck, and 500 feet from a sensitive biological feature.

7. If you trawl near an active pipeline, you must meet the requirements in the following table.

For-	You Must Trawl-	And You Must-
1. Buried active pipelines		First contact the pipeline owner or operator to determine the condition of the pipeline before trawling over the buried pipeline.
2. Unburied active pipelines that are 8 inches in diameter or larger	no closer than 100 feet to the either side of the pipeline	Trawl parallel to the pipeline. Do not trawl across the pipeline.
3. Unburied smaller diameter active pipelines in the trawl area that have obstructions (e.g., pipeline valves) present	no closer than 100 feet to either side of the pipeline	Trawl parallel to the pipeline. Do not trawl across.
4. Unburied active pipelines in the trawl area that are smaller than 8 inches in diameter and have no obstructions present.	parallel to the pipeline	

8. Ensure that any trawling contractor you may use has no corporate or other financial ties to you and has a valid commercial trawling license for both the vessel and its captain.

M. If you do not trawl a state water bottom site, you can verify that the site is clear of obstructions by using any of the methods shown in the following table.

If You Use-	You Must-	And You Must-
1. Sonar	Cover 100 percent of the appropriate grid area.	Use a sonar signal with a frequency of at least 500 kHz.

If You Use-	You Must-	And You Must-
2. A diver	Ensure that the diver visually inspects 100 percent of the appropriate grid area.	Ensure that the diver uses a search pattern of concentric circles or parallel lines spaced no more than 10 feet apart.
3. An ROV (remotely operated vehicle)	Ensure that the ROV camera records videotape over 100 percent of the appropriate grid area.	Ensure that the ROV uses a pattern of concentric circles or parallel lines spaced no more than 10 feet apart.

N. Within 60 days after you remove a facility from state lands other than water bottoms, you shall verify that you have returned and restored the state lands to a condition as nearly equivalent to that which existed before said operations were conducted and/or facility was constructed.

O. You shall submit a site clearance report to the Office of Mineral Resources within 30 days after you complete the verification activities. The site clearance report shall include the following:

1. a letter signed by an authorized company official certifying that the facility site area is cleared of all obstructions and that a company representative witnessed the verification activities;

2. a letter signed by an authorized official of the company that performed the verification work for you certifying that they cleared the facility site area of all obstructions;

3. the date the verification work was performed and if applicable, the vessel used;

4. the extent of the area surveyed;

5. the survey method used;

6. the results of the survey, including a list of any debris removed or, if applicable, a statement from the trawling contractor that no objects were recovered; and

7. a post-trawling job plot or map showing the trawled area.

P. If a Lessee or owner of operating rights fails to decommission in accordance with this section after a good faith effort by the Office of Mineral Resources to locate and demand they perform such decommissioning, the Office of Mineral Resources may declare that no responsible party can be located for purposes of decommissioning by mailing a notice of the declaration to the Lessee and publishing a notice of such declaration in the Louisiana State Register. Upon such declaration, the Secretary of the Department of Natural Resources may expend sums payable to the department from the financial security required by these rules and enter into contracts for the

purpose of decommissioning and reclaiming the associated wind energy sites in accordance with these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 41:1734.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 34:269 (February 2008), repromulgated LR 41:1743 (September 2015).

Family Impact Statement

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

This Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Analysis

This Rule has no known impact on small businesses as described in R.S. 49:965.6.

Provider Impact Statement

This Rule has no known impact on providers as described in HCR 170 of 2014.

Public Comments

All interested parties will be afforded the opportunity to submit data, views, or arguments, in writing. Written comments will be accepted by hand delivery or USPS only, through June 12th, 2023 at Office of Mineral Resources, P.O. Box 2827, Baton Rouge, LA 70821-2827; or 617 North Third Street, 8th Floor, Baton Rouge, LA 70802. All inquiries should be directed to James Devitt at the above addresses or by phone to (225) 342-7903.

Public Hearing

A public hearing on the proposed Rule amendments will be held at 3:30pm on June 12th, 2023, at the Department of Natural Resources, LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802, so that interested persons may submit oral comments on the proposed amendments.

Thomas Harris

Secretary

Fiscal and Economic Impact Summary

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change has no direct material

effect on state or local government expenditures. The proposed rule amends LAC 43:V to conform to Act 443 of 2022 which establishes a maximum acreage for wind leases; provides for operating agreements relative to the production of wind energy; provides for the powers and duties of the secretary of the Department of Natural Resources; provides for rules and regulations; and provides for related matters.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change will have no effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

There are no expected costs or economic benefits to directly affected persons, small businesses or non-governmental groups.

V. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no expected effect on competition and employment from the proposed rule change.

Mark Brady

Undersecretary