

on the goods and services provided during that quarter, and the names of the individuals to whom they were provided.

(h) Any dispute between an applicant or permittee and the Regional Director as to costs actually incurred by the Department and charged to the applicant or permittee shall be finally decided for the Secretary by the Director, using the procedures described in § 37.22(c).

§ 37.47 Civil penalties.

(a) This section prescribes the procedures for assessing a civil penalty for the violation of any provision of an approved exploration plan, any term or condition of the special use permit issued under § 37.23, or any prohibition contained in this part. The civil penalty remedy afforded by this section is in addition to all other remedies available to the Secretary.

(b) *Notice of violation.* (1) The notice of violation shall be issued by the Solicitor and served personally or by registered mail upon the person named in the notice (hereinafter the respondent) or his authorized representative. The notice shall contain:

- (i) A summary of the facts believed to show a violation by the respondent;
- (ii) A specific reference to the provision, term, condition or prohibition allegedly violated; and
- (iii) The amount of the penalty proposed to be assessed. The notice may also contain an initial proposal for compromise or settlement of the action.

(2) The notice of violation shall also advise respondent of his right to:

(i) Respond to the notice within 45 calendar days from the date of its issuance by: (A) Undertaking informal discussions with the Solicitor; (B) Accepting the proposed penalty or the compromise, if any, offered in the notice; or (C) Filing a petition for relief in accordance with paragraph (c) of this section; or

(ii) Take no action and await the Solicitor's notice of assessment. Such response must be received by the Solicitor on or before the 45th day during normal business hours at the address stated in the notice.

(3) Any notice of violation may be amended, but any nontechnical amendment will extend the running of the respondent's 45 day period for response from the date of the notice to the date of the amendment.

(4) Acceptance of the proposed penalty or the compromise, if any, stated in the notice of violation shall be deemed to be a waiver of the notice of assessment required in paragraph (d) of this section and of the respondent's right to an opportunity for a hearing described in paragraph (e) of this section.

(c) *Petition for relief.* If the respondent chooses, he may ask that no penalty be assessed or that the amount be reduced and he may admit or contest the legal sufficiency of the Solicitor's charges and allegations of facts, by filing a petition for relief at the address specified in the notice within 45 calendar days from the date thereof. Such petition must be received by the Solicitor on or before the 45th day during normal business hours. The petition shall be in writing and signed by the respondent. If the respondent is a corporation, partnership, association or agency, the petition must be signed by an officer or official authorized to sign such document. It must set forth in full the legal or other reasons for the relief requested.

(d) *Notice of assessment.* (1) After 45 calendar days from the date of the notice of violation or any amendment thereof, the Solicitor may proceed to determine whether the respondent committed the violation alleged and to determine the amount of civil penalty to be assessed, taking into consideration the information available and such showing as may have been made by the respondent. The Solicitor shall notify the respondent of his determinations by a written notice of assessment, which shall also set forth the basis for his determinations. The notice of assessment shall be served on the respondent personally or by registered mail.

(2) The notice of assessment shall also advise the respondent of his right to request a hearing on the matter in accordance with paragraph (e) of this section.

(e) *Request for a hearing.* Within 45 calendar days from the date of the issuance of the notice of assessment, the respondent may request a hearing to be conducted on the matter in accordance with 5 U.S.C. 554 through 557 by filing a dated, written request for hearing with the Hearings Division, Office of Hearings and Appeals, Department of the Interior, 801 North Quincy Street, Arlington, Virginia 22203. Such request must be received at this address on or before the 45th day during normal business hours. The respondent shall state the respondent's preference as to the place and date for a hearing. The request must enclose a copy of the notice of violation and the notice of assessment. A copy of the request shall be served upon the Solicitor personally or by mail at the address specified in the notice of assessment.

(f) *Finality of decision.* If no request for a hearing is filed in accordance with this section, the assessment stated in the notice of assessment shall be effective and constitute the final administrative decision of the Secretary on the 45th calendar day from the date of the notice of assessment. If the request for hearing is timely filed in accordance with this section, the date of the final administrative decision in the matter shall be as provided in paragraph (g) or (h) of this section. When a civil penalty assessed under this section becomes final, the respondent shall have 20 calendar days from the date of the final administrative decision within which to make full payment of the penalty assessed. Payment will be timely only if received in the Office of the Solicitor during normal business hours on or before the 20th day.

(g) *Hearing.* (1) Upon receipt of a request for a hearing, the Hearings Division will assign an administrative law judge who shall have all the powers accorded by law and necessary to preside over the parties and the hearing and to make decisions in accordance with 5 U.S.C. 554 through 557. Notice of such assignment shall be given promptly to the respondent and to the Solicitor at the address stated in the notice of assessment. Upon notice of the assignment of an administrative law judge to the case, the Solicitor shall file all cor-

respondence and petitions exchanged between the Solicitor and the respondent which shall become a part of the hearing record.

(2) The hearing shall be conducted in accordance with 5 U.S.C. 554 through 557 and with 43 CFR part 4 to the extent that it is not inconsistent with this part. Subject to 43 CFR 1.3, the respondent may appear in person, by representative, or by counsel. The hearing shall be held in a location established by the administrative law judge, giving due regard to the convenience of the parties, their representatives and witnesses. Failure to appear at the time set for hearing shall be deemed a waiver of the right to a hearing and consent to the decision on the record made at the hearing. The judge shall render a written decision on the record, which shall set forth his findings of facts and conclusions of law and the reasons therefore, and an assessment of a civil penalty if he determines that the respondent committed the violation charged.

(3) Discovery shall be obtained by employing the procedures described 43 CFR 4.1130 through 4.1141. In addition, discovery of facts known and opinions held by experts, otherwise discoverable under 43 CFR 4.1132(a) and acquired and developed in anticipation of administrative adjudication or litigation, may be obtained only as follows:

(i)(A) A party through interrogatories require any other party to identify each person whom the other party expects to call as an expert witness, to state the subject matter on which the expert is expected to testify, and to state the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion.

(B) Upon motion, the administrative law judge may order further discovery by other means, subject to such restrictions as to scope and such provisions under paragraph (g)(3)(iii) of this section concerning fees and expenses, as the administrative law judge may deem appropriate.

(ii) A party may discover facts known or opinions held by an expert, who has been retained or employed by another party in anticipation of administrative adjudication or litigation or

preparation therefore and who is not expected to be called as a witness, only upon a showing of exceptional circumstances under which it is impracticable for the party seeking discovery to obtain facts or opinions on the same subject by other means.

(iii) Unless manifest injustice would result, (A) the administrative law judge shall require the party seeking discovery to pay the expert, or the Department if the expert is an employee of the United States, a reasonable fee for time spent in responding to paragraphs (g)(3)(i)(B) and (g)(3)(ii) of this section; and (B) with respect to discovery under paragraph (g)(3)(i)(B) of this section the administrative law judge may require and with respect to discovery under paragraph (g)(3)(ii) of this section the administrative law judge shall require, the party seeking discovery to pay the other party a fair portion of the fees and expenses reasonably incurred by the latter party in obtaining facts and opinions from the expert.

(4) Unless the notice of appeal is filed in accordance with paragraph (h) of this section, the administrative law judge's decision shall constitute the final administrative decision of the Secretary in the matter and shall become effective 30 calendar days from the date of the decision.

(h) *Appeal.* (1) Either the respondent or the Solicitor may seek an appeal from the decision of an administrative law judge as to the respondent's violation or penalty or both by the filing of a notice of appeal with the Director, Office of Hearings and Appeals, United States Department of the Interior, 801 North Quincy Street, Arlington, Virginia 22203, within 30 calendar days of the date of the administrative law judge's decision. Such notice shall be accompanied by proof of service on the administrative law judge and the opposing party.

(2) Upon receipt of such a request, the Director, Office of Hearings and Appeals, shall appoint an ad hoc appeals board to determine whether an appeal should be granted, and to hear and decide an appeal. To the extent they are not inconsistent herewith, the provisions of 43 CFR part 4, subpart G shall apply to appeal proceedings under

this paragraph. The determination of the board to grant or deny an appeal, as well as its decision on the merits of an appeal, shall be in writing and become effective as the final administrative determination of the Secretary in the matter on the date it is rendered, unless otherwise specified therein.

(i) *Amount of penalty.* The amount of any civil penalty assessed under this section shall not exceed \$10,000 for each violation. Each day of a continuing violation shall, however, constitute a separate offense. In determining the amount of such penalty, the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the respondent, his history of any prior offenses, his demonstrated good faith in attempting to achieve timely compliance after being cited for the violation, and such other matters as justice may require shall be considered.

(j) *Petition for remission.* The Solicitor may modify or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this paragraph unless the matter is pending in court for judicial review or for recovery of the civil penalty assessed. A petition for remission may be filed by the respondent with the Solicitor at any time from the date of the notice of violation referred to in paragraph (b) of this section until 90 days after the date of final administrative decision assessing a civil penalty. The petition must set forth in full the legal and other reasons for the relief requested. Any petition that is not timely filed will not receive consideration. The Solicitor's decision shall be the final administrative decision for the Secretary on the petition.

[48 FR 16858, Apr. 19, 1983, as amended at 67 FR 38208, June 3, 2002]

Subpart F—Reporting and Data Management

§ 37.51 Operational reports.

(a) Each permittee shall submit reports every 2 weeks on the progress of exploratory activities in a manner and format approved or prescribed by the Regional Director. These shall include, but are not limited to, a daily log of