

State and local criminal justice agencies or generated by the FBI) will be matched with other information, it is not possible to determine when most of them are relevant or timely.

(6) From subsection (e)(8) because the FBI has no logical manner to determine whenever process has been made public and compliance with this provision would provide an impediment to law enforcement by interfering with ongoing investigations.

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United States Trustees

28 CFR Part 58

RIN 1105-AA32

Qualifications and Standards for Standing Trustees

AGENCY: Department of Justice.

ACTION: Proposed rule.

SUMMARY: The Department of Justice is proposing to amend the qualifications required for an individual to be appointed as a standing trustee. The Department of Justice is also proposing to issue standards to govern the standing trustee. Finally, the Department of Justice is correcting certain typographical errors in part 58.

DATES: Written comments must be submitted on or before September 16, 1996.

ADDRESSES: Please submit written comments to the Office of the General Counsel, Executive Office for United States Trustees, 901 E Street NW., Room 740, Washington, DC 20530.

FOR FURTHER INFORMATION CONTACT: Martha L. Davis, General Counsel, or Jeanne M. Crouse, Attorney, (202) 307-1399. This is not a toll-free number.

SUPPLEMENTARY INFORMATION: Under the provisions of 28 U.S.C. 586, the United States Trustee is responsible for appointing individuals to serve as standing trustees in cases filed under chapter 12 and chapter 13 of the Bankruptcy Code, 11 U.S.C. 101 *et seq.*, subject to the approval of the Attorney General. Section 586 also directs the United States Trustee to supervise standing trustees and their administration of cases. The Attorney General has general supervision over each United States Trustee and is authorized to prescribe by rule qualifications for appointment of a standing trustee by the United States Trustee. See 28 U.S.C. 586 (c)-(d). Finally, the Attorney General, in consultation with the United States

Trustee, is responsible for fixing a percentage fee and the maximum annual compensation for each standing trustee subject to the limitations set forth in the statute, including the actual and necessary expenses of the trustee. By internal order, the Attorney General has delegated to the Director of the Executive Office for United States Trustees (the "Director") the authority to fix percentage fees and compensation and the authority to issue rules governing qualifications for appointment and conduct of standing trustees after appointment.

The qualifications promulgated by the Attorney General are currently found in §§ 58.3 and 58.4 of title 28 to the Code of Federal Regulations. The proposed rule amends these qualifications and formally incorporates certain fiduciary standards that govern the conduct of a standing trustee and his or her operation. These standards address the hiring of relatives, dealings with related parties, and employment relationships among standing trustees.

This rule will aid the Director and the United States Trustees in supervising standing trustees in the administration of cases and in evaluating the actual, necessary expenses of standing trustees relative to fixing appropriate percentage fees and compensation. Adherence to the rule should assist the fair and impartial administration of the office of the standing trustee, help maximize the efficiency and purposes of case administration, and work to avoid improprieties, whether actual or perceived, that could diminish the integrity of the administrative process.

Executive Order 12866

This proposed rule has been drafted and reviewed in accordance with Executive Order 12866, section 1(b), Principles of Regulation. The Director has determined that this rule is not a "significant regulatory action" under Executive Order 12866 section 3(f), Regulatory Planning and Review.

Regulatory Flexibility Act

The Director, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed this proposed rule and by approving it certifies that this rule will not have a significant impact on a substantial number of small entities.

Paperwork Reduction Act

This proposed rule contains no new information collection or recordkeeping requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

List of Subjects in 28 CFR Part 58

Bankruptcy, Trusts, and Trustees.

For the reasons set forth in the preamble, the Department of Justice proposes to amend 28 CFR part 58 as follows:

PART 58—REGULATIONS RELATING TO THE BANKRUPTCY REFORM ACTS OF 1978 AND 1994

1. The authority citation for part 58 is revised to read as follows:

Authority: 28 U.S.C. 509, 510, 586, 5 U.S.C. 301.

2. In § 58.1, paragraph (a) is revised to read as follows:

§ 58.1 Authorization to establish panels of private trustees.

(a) Each U.S. Trustee is authorized to establish a panel of private trustees (the "panel") pursuant to 28 U.S.C. 586(a)(1).

* * * * *

3. Section 58.4 is revised to read as follows:

§ 58.4 Qualifications for appointment as standing trustee and fiduciary standards.

(a) As used in this section—

(1) The term *standing trustee* means an individual appointed pursuant to 28 U.S.C. 586(b).

(2) The term *relative* means an individual related by affinity or consanguinity within the third degree as determined by the law of the jurisdiction where the standing trustee is located, an individual in a step or adoptive relationship within such third degree, or an individual whose close association is the equivalent of a spousal relationship.

(3) The term *financial or ownership interest* excludes ownership of stock in a publicly-traded company if the ownership interest is not controlling.

(b) To be eligible for appointment as a standing trustee, an individual must have the qualifications for membership on a private panel of trustees set forth in § 58.3(b) (1)-(4), (6)-(8). An individual need not be an attorney to be eligible for appointment as a standing trustee. A corporation or partnership may be appointed as standing trustee only with the approval of the Director.

(c) The United States Trustee shall not appoint as a standing trustee any individual who, at the time of appointment, is:

(1) A relative of another standing trustee in the region in which the standing trustee is to be appointed;

(2) A relative of a standing trustee in the region in which the standing trustee is to be appointed, who, within the

preceding one-year period, died, resigned, or was removed as a standing trustee from a case;

(3) A relative of a bankruptcy judge or a clerk of the bankruptcy court in the region in which the standing trustee is to be appointed;

(4) An employee of the Department of Justice within the preceding one-year period; or

(5) A relative of a United States Trustee or an Assistant United States Trustee, a relative of an employee in any of the offices of the United States Trustee in the region in which the standing trustee is to be appointed, or a relative of an employee in the Executive Office for United States Trustees.

(d) A standing trustee must, at a minimum, adhere to the following fiduciary standards:

(1) *Employment of relatives.*

(i) A standing trustee shall not employ a relative of the standing trustee.

(ii) A standing trustee shall also not employ a relative of the United States Trustee or of an Assistant United States Trustee in the region in which the trustee has been appointed or a relative of a bankruptcy court judge or of the clerk of the bankruptcy court in the judicial district in which the trustee has been appointed.

(iii)(A) Paragraphs (d)(1) (i) and (ii) of this section shall not apply to a spouse of a standing trustee who was employed by the standing trustee as of August 1, 1995.

(B) For all other relatives employed by a standing trustee as of August 1, 1995, paragraphs (d)(1)(i) and (ii) of this section shall be fully implemented by October 1, 1998, unless specifically provided below:

(1) The United States Trustee shall have the discretion to grant a written waiver for a period of time not to exceed 2 years upon a written showing by the standing trustee of extraordinary and compelling circumstances that make the continued employment of a relative necessary for a standing trustee's performance of his or her duties.

(2) Additional waivers, not to exceed a period of two years each, may be granted under paragraph (d)(1)(iii)(B)(1) of this section provided the standing trustee makes a similar written showing within 90 days prior to the expiration of a present waiver and the United States Trustee determines that the circumstances for waiver are met.

(3) No waivers will be granted for a relative of the United States Trustee or of an Assistant United States Trustee.

(2) *Related party transactions.*

(i) A standing trustee shall not direct debtors or creditors to an individual or entity that provides products or

services, such as insurance or financial counseling, if a standing trustee is a relative of that individual or if the standing trustee or relative has a financial or ownership interest in the entity.

(ii) A standing trustee shall not contract or allocate expenses with himself or herself, with a relative, or with any entity in which the standing trustee or a relative of the standing trustee has a financial or ownership interest if the costs are to be paid as an expense out of the fiduciary expense fund.

(iii)(A) The United States Trustee may grant a waiver from compliance with paragraph (d)(2)(ii) of this section for up to three years following the appointment of a standing trustee if the newly-appointed standing trustee can demonstrate in writing that a waiver is necessary and the cost is at or below market.

(B) The United States Trustee may grant a provisional waiver from compliance with the allocation prohibition contained in paragraph (d)(2)(ii) of this section if one of the following conditions is present:

(1) A standing trustee has insufficient receipts to earn the maximum annual compensation determined by the Director during any one of the last three fiscal years and provides the United States Trustee with an appraisal or other written evidence that the allocation is appropriate, or

(2) A Chapter 13 standing trustee also serves as a trustee in Chapter 12 cases and provides the United States Trustee with an appraisal or other written evidence that the allocation between Chapter 13 and Chapter 12 cases is appropriate.

(C) Except as otherwise provided below, a standing trustee may seek a reasonable extension of time from the United States Trustee to comply with paragraph (d)(2)(ii) of this section. To obtain an extension, a standing trustee must demonstrate by an appraisal or other written evidence, satisfactory to the United States Trustee, that the expense is at or below market rate. In no event shall an extension be granted for the use and occupation of real estate beyond October 1, 2005. For personal property and personal service contracts, no extension shall be granted beyond one year from the date on which this paragraph becomes effective.

(3) *Employment of Other Standing Trustees.* A standing trustee shall not employ or contract with another standing trustee to provide personal services for compensation payable from fiduciary expense funds. This section does not prohibit the standing trustee

from reimbursing the actual expenses incurred by another standing trustee who provides assistance to the standing trustee provided that the reimbursement has been pre-approved by the United States Trustee.

Dated: July 12, 1996.

Joseph Patchan,

Director.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 50

[FRL-5539-5]

National Ambient Air Quality Standards for Ozone and Particulate Matter

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of public meetings.

SUMMARY: On June 12, 1996 (61 FR 29719), the EPA published an Advance Notice of Proposed Rulemaking (ANPR) for the review of the national ambient air quality standards (NAAQS) for ozone and particulate matter (PM). The ANPR discussed the ongoing reviews of the ozone and PM standards and the integrated implementation approach that EPA has initiated for possible new or revised standards. That ANPR also presented key issues associated with each review and the integrated implementation approach and included the schedule for the completion of the review of the ozone and PM NAAQS.

DATES: Notice is hereby given that a public meeting on the ANPR for the ozone and PM NAAQS will be held on Thursday, July 25, 1996, from 10:00 a.m. to 9:00 p.m. EST. A second public meeting on the ANPR will be held on Monday, August 5, 1996, from 10:00 to 9:00 p.m. CST.

ADDRESSES: The public meeting to be held on July 25, 1996, will be held at the Wyndham Franklin Plaza Hotel, 2 Franklin Plaza, Philadelphia, Pennsylvania (1-800-822-4200). The public meeting to be held on August 5, 1996, will be held at the Holiday Inn Downtown Convention Center, Convention Plaza, 811 N. 9th Street, St. Louis, Missouri (1-800-289-8338).

FOR FURTHER INFORMATION CONTACT: JoAnn Allman (929) 541-1815.

SUPPLEMENTARY INFORMATION: The agenda for both messages will be divided into three segments: (1) A morning presentation, a panel, and an