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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 2, 153, 157, 284, 275, 290, and 385

[Docket No. RM98-9-000; Order No. 603]

Revision of Existing Regulations Under Part 157 and Related Sections of the Commission's Regulations Under the Natural Gas Act

Issued April 9, 1999.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final rule; correction.

SUMMARY: This document corrects regulatory text in the final rule published in the **Federal Register** on May 14, 1999, regarding governing the filing of applications for construction and operation of facilities or service under Section 7 of the Natural Gas Act.

DATES: Effective on July 9, 1999.

FOR FURTHER INFORMATION CONTACT: Michael J. McGehee, Office of Pipeline Regulation, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, (202) 208-2257

Carolyn Van Der Jagt, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426 (202) 208-2246

Correction

In the final rule beginning at 64 FR 26572, on page 26606, in the issue of May 14, 1999, instruction 25 is corrected to read:

25. In § 157.202, paragraph (b)(2)(ii)(G) is removed; paragraph (b)(2)(ii)(F) is redesignated as paragraph (b)(2)(ii)(G) and a new paragraph (b)(2)(ii)(F) is added; paragraphs (b)(2)(i) and (ii)(A), (B), (C), (D), and (E) and paragraphs (b) (4), (5), (6), (7), (10), and

(12) are revised and (b) (13) and (14) are removed to read as follows:

On page 26621, column 3, instruction number 58 and the CFR text following it are corrected to read as follows:

58. In § 385.2001, paragraph (a)(1)(ii) and (b)(3) are revised to read as follows:

§ 385.2001 Filings (Rule 2001)

(a) * * *

(1) * * *

(ii) Hand delivering the documents to Room 1A, 888 First Street, N.E., Washington, D.C.

* * * * *

(b) * * *

(3) The Secretary, or the office director to whom the filing has been referred, will send a letter of rejection with an indication of the deficiencies in the filing and the reason for the rejection.

* * * * *

David P. Boegers,
Secretary.

[FR Doc. 99-17254 Filed 7-8-99; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8476]

RIN 1545-AR05; 1545-AP09

Arbitrage Restrictions on Tax-Exempt Bonds; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 8476) which were published in the **Federal Register** on Friday, June 18, 1993 (58 FR 33510), relating to the arbitrage and related restrictions applicable to tax-exempt bonds issued by States and local governments.

DATES: This correction is effective December 30, 1998.

FOR FURTHER INFORMATION CONTACT: David White, (202) 622-3980 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections are under

section 148 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 8476) contain errors which may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.148-11 is amended by adding paragraphs (b)(4), (h) and (i) to read as follows:

§ 1.148-11 Effective dates.

* * * * *

(b) * * *

(4) *No elective retroactive application for safe harbor for establishing fair market value for guaranteed investment contracts and investments purchased for a yield restricted defeasance escrow.* The provisions of §§ 1.148-5(d)(6)(iii) (relating to the safe harbor for establishing fair market value of guaranteed investment contracts and yield restricted defeasance escrow investments) and 1.148-5(e)(2)(iv) (relating to a special rule for yield restricted defeasance escrow investments) may not be applied to any bond sold before December 30, 1998.

* * * * *

(h) *Safe harbor for establishing fair market value for guaranteed investment contracts and investments purchased for a yield restricted defeasance escrow.* The provisions of § 1.148-5(d)(6)(iii) are applicable to bonds sold on or after March 1, 1999. Issuers may apply these provisions to bonds sold on or after December 30, 1998, and before March 1, 1999.

(i) *Special rule for investments purchased for a yield restricted defeasance escrow.* The provisions of § 1.148-5(e)(2)(iv) are applicable to bonds sold on or after March 1, 1999. Issuers may apply these provisions to

bonds sold on or after December 30, 1998, and before March 1, 1999.

Cynthia E. Grigsby,

Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

[FR Doc. 99-17297 Filed 7-8-99;8:45am]

BILLING CODE 4830-01-P

DEPARTMENT OF JUSTICE

Office of the Attorney General

28 CFR Parts 0 and 600

[A.G. Order No. 2232-99]

Office of Special Counsel

AGENCY: Department of Justice.

ACTION: Final rule.

SUMMARY: This order amends the Code of Federal Regulations to provide regulations concerning Attorney General appointment of Special Counsel to investigate and, when appropriate, to prosecute matters when the Attorney General concludes that extraordinary circumstances exist such that the public interest would be served by removing a large degree of responsibility for a matter from the Department of Justice. These regulations replace the procedures for appointment of independent counsel pursuant to the Independent Counsel Reauthorization Act of 1994.

EFFECTIVE DATES: July 1, 1999.

FOR FURTHER INFORMATION CONTACT: John C. Keeney, Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530, (202) 514-2621.

SUPPLEMENTARY INFORMATION:

Background

The Attorney General is promulgating these regulations to replace the procedures set out in the Independent Counsel Reauthorization Act of 1994. These regulations seek to strike a balance between independence and accountability in certain sensitive investigations, recognizing that there is no perfect solution to the problem. The balance struck is one of day-to-day independence, with a Special Counsel appointed to investigate and, if appropriate, prosecute matters when the Attorney General concludes that extraordinary circumstances exist such that the public interest would be served by removing a large degree of responsibility for the matter from the Department of Justice. The Special Counsel would be free to structure the investigation as he or she wishes and to exercise independent prosecutorial

discretion to decide whether charges should be brought, within the context of the established procedures of the Department. Nevertheless, it is intended that ultimate responsibility for the matter and how it is handled will continue to rest with the Attorney General (or the Acting Attorney General if the Attorney General is personally recused in the matter); thus, the regulations explicitly acknowledge the possibility of review of specific decisions reached by the Special Counsel.

The regulations also remove § 0.14, setting forth procedures for Special Independent Counsels for members of Congress. The regulations in that section have been suspended since April 19, 1989. 54 FR 15752.

Section-by-Section Discussion

Section 600.1 Grounds for Appointing a Special Counsel

“The Attorney General, or in cases in which the Attorney General is recused, the Acting Attorney General, will appoint a Special Counsel when he or she determines that criminal investigation of a person or matter is warranted and—

(a) That investigation or prosecution of that person or matter by a United States Attorney’s Office or litigating Division of the Department of Justice would present a conflict of interest for the Department or other extraordinary circumstances; and

(b) That under the circumstances, it would be in the public interest to appoint an outside Special Counsel to assume responsibility for the matter.”

Section 600.2 Alternatives Available to the Attorney General

“When matters are brought to the attention of the Attorney General that might warrant consideration of appointment of a Special Counsel, the Attorney General may:

(a) Appoint a Special Counsel;

(b) Direct that an initial investigation, consisting of such factual inquiry or legal research as the Attorney General deems appropriate, be conducted in order to better inform the decision; or

(c) Conclude that under the circumstances of the matter, the public interest would not be served by removing the investigation from the normal processes of the Department, and that the appropriate component of the Department should handle the matter. If the Attorney General reaches this conclusion, he or she may direct that appropriate steps be taken to mitigate any conflicts of interest, such as recusal of particular officials.”

Discussion

There are occasions when the facts create a conflict so substantial, or the exigencies of the situation are such that any initial investigation might taint the subsequent investigation, so that it is appropriate for the Attorney General to immediately appoint a Special Counsel. In other situations, some initial investigation, whether factual or legal, may be appropriate to better inform the Attorney General’s decision. This provision is intended to make it clear that a variety of approaches, even in cases that might create an apparent conflict of interest, may be appropriate, depending on the facts of the matter.

Section 600.3 Qualifications of the Special Counsel

“(a) An individual named as Special Counsel shall be a lawyer with a reputation for integrity and impartial decisionmaking, and with appropriate experience to ensure both that the investigation will be conducted ably, expeditiously and thoroughly, and that investigative and prosecutorial decisions will be supported by an informed understanding of the criminal law and Department of Justice policies. The Special Counsel shall be selected from outside the United States Government. Special Counsels shall agree that their responsibilities as Special Counsel shall take first precedence in their professional lives, and that it may be necessary to devote their full time to the investigation, depending on its complexity and the stage of the investigation.

“(b) The Attorney General shall consult with the Assistant Attorney General for Administration to ensure an appropriate method of appointment, and to ensure that a Special Counsel undergoes an appropriate background investigation and a detailed review of ethics and conflicts of interest issues. A Special Counsel shall be appointed as a ‘confidential employee’ as defined in 5 U.S.C. 7511(b)(2)(C).”

Section 600.4 Jurisdiction

“(a) *Original Jurisdiction.* The jurisdiction of a Special Counsel shall be established by the Attorney General. The Special Counsel will be provided with a specific factual statement of the matter to be investigated. The jurisdiction of a Special Counsel shall also include the authority to investigate and prosecute federal crimes committed in the course of, and with intent to interfere with, the Special Counsel’s investigation, such as perjury, obstruction of justice, destruction of evidence, and intimidation of witnesses;