

TECRO/AIT Carnet for the Temporary Admission of Goods (hereinafter referred to as the Agreement).

5. It is proposed to amend § 114.3 (a) introductory text and (a)(2) by adding the words "or Agreement" immediately after the word "Convention" each time it appears.

6. It is proposed to amend § 114.11 by adding the words "or Agreement" immediately after the word "Convention" each time it appears.

7. It is proposed to amend § 114.22 by redesignating paragraph (d) as paragraph (e) and adding a new paragraph (d) to read as follows:

§ 114.22 Coverage of carnets.

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(d) *TECRO/AIT Carnet*—(1) *Use*. The TECRO/AIT carnet is acceptable for the following two categories of goods to be temporarily imported, unless importation is prohibited under the laws and regulations of the United States:

(i) Professional equipment; and
(ii) Commercial samples and advertising material imported for the purpose of being shown or demonstrated with a view to soliciting orders.

(2) *Issue and use*. (i) Issuing associations shall indicate on the cover of the TECRO/AIT carnet the customs territory in which it is valid and the name and address of the guaranteeing association.

(ii) The period fixed for re-exportation of goods imported under cover of a TECRO/AIT carnet shall not in any case exceed the period of validity of that carnet.

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8. It is proposed to amend § 114.23 by adding a new paragraph (c) to read as follows:

§ 114.23 Maximum period.

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(c) *TECRO/AIT carnet*. A TECRO/AIT carnet shall not be issued with a period of validity exceeding one year from the date of issue. This period of validity cannot be extended and must be shown on the front cover of the carnet.

9. It is proposed to amend § 114.24 by adding the phrase "or TECRO/AIT" immediately after the abbreviation "A.T.A."

10. It is proposed to amend § 114.25 by adding the phrase "or TECRO/AIT" immediately after the abbreviation "A.T.A."

11. It is proposed to amend § 114.26 (a) and (b) by adding the phrase "or TECRO/AIT" immediately after the abbreviation "A.T.A." each time it appears.

12. It is proposed to amend § 114.31(b) by adding the phrase "or TECRO/AIT" immediately after the abbreviation "A.T.A."

13. It is proposed to amend § 114.32 by adding the phrase "or TECRO/AIT" immediately after the abbreviation "A.T.A." the first time it appears and by adding the phrase "or TECRO/AIT Agreement" immediately after the phrase "A.T.A. Convention".

14. It is proposed to amend § 114.33 by adding the words "or Agreement" immediately after the word "Convention".

15. It is proposed to amend § 114.34 by adding, in the heading and text of paragraph (b), the phrase "or TECRO/AIT" immediately after the abbreviation "A.T.A." each time it appears.

Approved: October 2, 1996.

George J. Weise,

Commissioner of Customs.

Timothy E. Skud,

Acting Deputy Assistant Secretary of the Treasury.

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Internal Revenue Service

26 CFR Part 1

[SPR-247516-96]

Financial Asset Securitization Investment Trusts (FASITs); Solicitation for Comments

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Solicitation for comments.

SUMMARY: The Treasury Department and the IRS are soliciting comments on issues to be considered in developing guidance under the newly enacted FASIT provisions of the Internal Revenue Code.

DATES: Comments are requested on or before December 31, 1996.

ADDRESSES: Send written comments to: Internal Revenue Service, Attn: CC:DOM:CORP:R (FASIT solicitation), room 5226, POB 7604, Ben Franklin Station, Washington, DC 20044. Alternatively, taxpayers may submit comments in writing, by hand delivery to CC:DOM:CORP:R (FASIT solicitation), Courier's Desk, Internal Revenue Service, 1111 Constitution Ave., NW., Washington, D.C., or, electronically, via the IRS Internet site at: <http://www.irs.ustreas.gov/prod/tax—regs/comments.html>.

FOR FURTHER INFORMATION CONTACT:

David L. Meyer at 202-622-3960 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Section 1621(a) of the Small Business Job Protection Act of 1996, Public Law 104-188, 110 Stat. 1755 (August 20, 1996), amends the Internal Revenue Code (Code) by adding new part V (sections 860H-860L) to subchapter M of chapter 1. These provisions authorize a new statutory vehicle, called a Financial Asset Securitization Investment Trust (FASIT), that will facilitate the securitization of debt obligations, including credit card receivables and automobile loans. In general, a FASIT will use such obligations to issue new, debt-like securities, referred to as regular interests. No Federal income tax is imposed on a FASIT, even if the underlying arrangement is otherwise regarded for tax purposes as a corporation, trust, partnership, or segregated pool of assets.

A FASIT must have a single ownership interest, which has to be held entirely by a non-exempt domestic C corporation other than a corporation that qualifies as a RIC, REIT, REMIC, or subchapter T cooperative. Because a FASIT is not subject to income tax, the holder of the ownership interest generally includes in its taxable income all of the FASIT's items of income, gain, deduction and loss. In addition, the holder recognizes gain (but not loss) when (1) the FASIT acquires property from the holder or an unrelated third party, or (2) the holder uses property to support a regular interest issued by the FASIT.

A FASIT may issue one or more classes of regular interests. Regular interests are treated as debt for all purposes of the Code. Ordinarily, a regular interest may be held by any person, unless the interest is a high-yield interest, in which case it may be held only by another FASIT or a corporation that is allowed to hold an ownership interest.

The FASIT provisions become effective on September 1, 1997. Special transitional rules apply to a securitization arrangement existing on August 31, 1997, that elects FASIT treatment (a pre-effective date FASIT).

In addition to the general authority under section 7805 to prescribe regulations, the Treasury and IRS have specific authority under section 860L(h) to issue regulations that carry out the purposes of the FASIT provisions, including rules to prevent the abuse of the purposes of the FASIT provisions through transactions that are not primarily related to securitization of debt instruments by a FASIT.

Comments

To develop needed guidance timely, the Treasury Department and the IRS invite interested persons to submit comments (in the manner described under the **ADDRESSES** caption) on issues arising under the FASIT provisions. Treasury and the IRS encourage respondents to give particular attention to the following: rules that would allow more than one member of an affiliated group to hold ownership interests in the same FASIT; transitional rules for pre-effective date FASITs; and any other rules that should be in place before September 1, 1997.

If a respondent is submitting written comments, a signed original and eight (8) copies are requested. All comments will be available for public inspection and copying in their entirety.

Judith C. Dunn,

Associate Chief Counsel (Domestic).

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DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 943

[SPATS No. TX-030-FOR]

Texas Regulatory Program

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSM), Interior.

ACTION: Proposed rule; public comment period and opportunity for public hearing.

SUMMARY: OSM is announcing receipt of a proposed amendment to the Texas regulatory program (hereinafter the "Texas program") under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The proposed amendment consists of revisions to and an addition of regulations pertaining to the replacement of water supply where it has been adversely impacted by contamination, diminution, or interruption resulting from surface mining activities. The amendment is intended to revise the Texas program to be consistent with the corresponding Federal regulations.

DATES: Written comments must be received by 4:00 p.m., c.s.t., December 4, 1996. If requested, a public hearing on the proposed amendment will be held on November 29, 1996. Requests to speak at the hearing must be received by 4:00 p.m., c.s.t. on November 19, 1996.

ADDRESSES: Written comments and requests to speak at the hearing should be mailed or hand delivered to Jack R. Carson, Acting Director, Tulsa Field Office, at the address listed below.

Copies of the Texas program, the proposed amendment, a listing of any scheduled public hearings, and all written comments received in response to this document will be available for public review at the addresses listed below during normal business hours, Monday through Friday, excluding holidays. Each requester may receive one free copy of the proposed amendment by contacting OSM's Tulsa Field Office.

Jack R. Carson, Acting Director, Tulsa Field Office, Office of Surface Mining Reclamation and Enforcement, 5100 East Skelly Drive, Suite 470, Tulsa, Oklahoma 74135-6547, Telephone: (918) 581-6430.

Railroad Commission of Texas, Surface Mining and Reclamation Division, 1701 North Congress Avenue, P.O. Box 12967, Austin, Texas 78711-2967, Telephone: (512) 463-6900.

FOR FURTHER INFORMATION CONTACT: Jack R. Carson, Acting Director, Tulsa Field Office, Telephone: (918) 581-6430.

SUPPLEMENTARY INFORMATION:

I. Background on the Texas Program

On February 16, 1980, the Secretary of the Interior conditionally approved the Texas program. General background information on the Texas program, including the Secretary's findings, the disposition of comments, and the conditions of approval can be found in the February 27, 1980, Federal Register (45 FR 12998). Subsequent actions concerning the Texas program can be found at 30 CFR 943.10, 943.15, and 943.16.

II. Description of the Proposed Amendment

By letter dated October 21, 1996 (Administrative Record No. TX-629), Texas submitted a proposed amendment to its program pursuant to SMCRA. Texas submitted the proposed amendment in response to a July 8, 1996, letter (Administrative Record No. TX-618) that OSM sent to Texas in accordance with 30 CFR 732.17(c). The provisions of the Texas Coal Mining Regulations (TCMR) that Texas proposes to revise are: TCMR 701.008, Definitions: TCMR 779.130, Alternative water supply information; and TCMR 816.352, Hydrologic balance—water rights and replacement. Specifically, Texas proposes the following revisions to these regulations.

1. Texas proposes to add the following new definition at TCMR 701.005(77) for replacement of water supply.

Replacement of water supply means, with respect to protected water supplies contaminated, diminished, or interrupted by coal mining operations, provision of water supply on both a temporary and permanent basis equivalent to premining quantity and quality. Replacement includes provision of an equivalent water delivery system and payment of operation and maintenance costs in excess of customary and reasonable delivery costs for premining water supplies.

(a) Upon agreement by the permittee and the water-supply owner, at any time prior to commencement of mining operations, the obligation to pay such operation and maintenance costs may be satisfied by a one-time payment in an amount which covers the present worth of the increased annual operation and maintenance costs for a period agreed to by the permittee and the water supply owner.

(b) If the affected water supply was not needed for the land use in existence at the time of loss, contamination, or diminution, and if the supply is not needed to achieve the postmining land use, replacement requirements may be satisfied by demonstrating that a suitable alternative water source is available and could feasibly be developed. If the latter approach is selected, written concurrence must be obtained from the water supply owner.

2. Texas proposes to clarify its alternative water supply requirements at TCMR 779.130 by replacing the words "mine plan" with the word "permit" in the first sentence; adding the words "which is used" after the words "adjacent areas" in the first sentence; replacing the word "description" with the word "application" in the second sentence; adding the word "water" after the word "existing" in the second sentence; and by adding the phrase "including the suitability of alternative water sources for existing premine uses and approved postmine land uses" at the end of the second sentence. The revised provisions read as follows:

The application shall identify the extent to which the proposed surface mining activities may proximately result in contamination, diminution, or interruption of an underground or surface source of water within the proposed permit or adjacent areas which is used for domestic, agricultural, industrial, or other legitimate use. If contamination, diminution, or interruption may result, then the application shall identify the alternative sources of water supply that could be developed to replace the existing water sources including the suitability of alternative water sources for existing premine uses and approved postmine land uses.

3. Texas proposes to clarify its regulation for water rights and replacement at TCMR 816.352 by