

(2) You operate a gas storage agreement. You must report gas storage agreements to the appropriate BLM office.

\* \* \* \* \*

8. Section 216.53 is revised to read as follows:

**§ 216.53 Oil and gas operations report.**

(a) You must file an Oil and Gas Operations Report, Form MMS-4054, if you operate one of the following that contains one or more wells that are not permanently plugged or abandoned:

- (1) An OCS lease or federally-approved agreement; or
- (2) An onshore Federal or Indian lease or federally-approved agreement for which you elected to report on a Form MMS-4054 instead of a Form MMS-3160.

(b) You must submit a Form MMS-4054 for each well for each calendar month, beginning with the month in which you complete drilling, unless you have only test production from a drilling well or MMS tells you in writing to do otherwise.

(c) MMS must receive your completed Form MMS-4054 according to the following table:

If you submit your form . . .	We must receive it by . . .
(1) Electronically . . . . .	The 25th day of the second month following the month for which you are reporting.
(2) Other than electronically.	The 15th day of the second month following the month for which you are reporting.

(d) You must continue reporting until either:

- (1) BLM or MMS approves all wells as permanently plugged or abandoned and you dispose of all inventory; or
- (2) The lease or agreement is terminated.

9. Section 216.55 is revised to read as follows:

**§ 216.55 Gas plant operations report.**

(a) You must submit a Gas Plant Operations Report, Form MMS-4056, if you operate either:

- (1) A gas plant that processes gas originating from an OCS lease or federally-approved agreement before the point of final royalty determination; or
- (2) A gas plant that processes gas from an onshore Federal or Indian lease or federally-approved agreement before the point of final royalty determination, and MMS has asked you to submit a Form MMS-4056.

(b) You must submit a Form MMS-4056 for each calendar month beginning with the month gas processing is initiated.

(c) MMS must receive your completed Form MMS-4056 according to the following table:

If you submit your Form MMS-4054 . . .	We must receive your Form MMS-4056 by . . .
(1) Electronically . . . . .	The 25th day of the second month following the month for which you are reporting.
(2) Other than electronically.	The 15th day of the second month following the month for which you are reporting.

(d) Your report must show 100 percent of the gas.

(e) You are not required to file a Form MMS-4056 if:

- (1) Your plant has not processed gas that originated from a Federal onshore, OCS, or Indian lease, or federally-approved agreement before the point of final royalty determination for 6 months; and

(2) You notified MMS in writing within 30 days after the end of the 6-month period.

(f) You must file a Form MMS-4056 when your plant resumes processing gas that originated from a Federal onshore, OCS, or Indian lease, or federally-approved agreement before the point of final royalty determination.

10. Section 216.56 is amended by revising paragraph (b) and adding paragraph (c) to read as follows:

**§ 216.56 Production allocation schedule report.**

\* \* \* \* \*

(b) You must submit a Production Allocation Schedule Report, Form MMS-4058, for each calendar month beginning with the month in which you first handle production covered by this section.

(c) MMS must receive your Form MMS-4058 according to the following table:

If you submit your Form MMS-4054 . . .	We must receive your Form MMS-4058 by . . .
(1) Electronically . . . . .	The 25th day of the second month following the month for which you are reporting.

If you submit your Form MMS-4054 . . .	We must receive your Form MMS-4058 by . . .
(2) Other than electronically.	The 15th day of the second month following the month for which you are reporting.

[FR Doc. 99-18005 Filed 7-14-99; 8:45 am]  
BILLING CODE 4310-MR-P

**DEPARTMENT OF THE TREASURY**

**Fiscal Service**

**31 CFR Part 306**

**General Regulations Governing U.S. Securities**

**AGENCY:** Bureau of the Public Debt, Fiscal Service, Treasury.

**ACTION:** Final rule.

**SUMMARY:** We're publishing a final rule to eliminate the reissuance of bearer securities and to eliminate provisions relating to the handling of definitive securities by Federal Reserve Banks.

**DATES:** Effective July 15, 1999.

**ADDRESSES:** You can download this final rule at the following World Wide Web address: <<http://www.publicdebt.treas.gov>>. You may also inspect and copy this final rule at: Treasury Department Library, Freedom of Information Act (FOIA) Collection, Room 5030, Main Treasury Building, 1500 Pennsylvania Ave., NW., Washington, DC 20220.

Before visiting, you must call (202) 622-0990 for an appointment.

**FOR FURTHER INFORMATION CONTACT:**

- Maureen Parker, Director, Division of Securities Systems, Office of Securities and Accounting Services, Bureau of the Public Debt, at (304) 480-7761 or <[mparker@bpd.treas.gov](mailto:mparker@bpd.treas.gov)>.

- Susan J. Klimas, Attorney-Adviser, Office of the Chief Counsel, Bureau of the Public Debt, at (304) 480-3688 or <[sklimas@bpd.treas.gov](mailto:sklimas@bpd.treas.gov)>.

- Edward C. Gronseth, Deputy Chief Counsel, Bureau of the Public Debt, at (304) 480-5192 or <[egronset@bpd.treas.gov](mailto:egronset@bpd.treas.gov)>.

**SUPPLEMENTARY INFORMATION:** This rule eliminates the reissue of bearer securities. We have removed language referring to the reissue of bearer securities in various sections of part 306. We have added specific language:

- to § 306.17 to eliminate the reissue of registered securities into bearer form;
- To § 306.19 to eliminate denominational exchange of bearer securities; and

• To § 306.117 to eliminate the conversion of securities from book-entry form into bearer form.

We stopped offering bearer securities on original issue after December 31, 1982, in response to the Tax Equity and Fiscal Responsibility Act (TEFRA), which prohibited the original issuance of bearer certificates after 1982. TEFRA was designed, in large part, to improve compliance with tax laws and to reduce the opportunity for illegal activities associated with bearer securities. However, we have continued to reissue bearer securities for denominational exchange, for the exchange of registered securities into bearer form, and for the conversion of certain book-entry securities into bearer form.

The number of securities in physical form and related transactions have decreased significantly over the past few years. However, the per transaction costs have increased substantially due to relatively fixed overhead costs. There are currently 17 bond issues remaining that can be held in bearer form. In 1989, we reissued approximately 4,900 bearer certificates; by 1998, we reissued only 66 certificates, for the benefit of only three investors. We reissued 56 of the certificates to two investors who have repeatedly requested bearer certificates over the past several years. Although we reissue only a minimal number of bearer certificates each year, we continue to incur the expense of maintaining an inventory of unissued bearer stock. Clearly, the elimination of bearer reissues impacts only a minimal number of investors. We have conducted a very expensive operation for a few customers a year.

A United States security is a contract between the owner and the United States. The terms of the contract consist of the authorizing statutes, regulations, and applicable circulars. Therefore, any change to the regulations is a change to the terms of the contract. Section 306.127 provides that existing rights that holders of securities have acquired under the regulations may not be limited or restricted. Section 306.128 provides that amendments may be made to the regulations with respect to securities. Thus, the existing contract contemplates that changes can be made to the regulations.

We believe that our core obligations are to make payment on the security on the date due, and to pay interest when due. We are clearly not attempting to avoid these fundamental obligations by eliminating bearer reissuance. The proposed changes are not fundamental, as the liability of the parties is not changed as a result. The owner of a bearer certificate may continue to hold

the bearer certificate until maturity and collect interest on the security. The owner of a definitive security wanting reissue into bearer form will have other options available. Both bearer and registered owners who desire an engraved paper certificate can have a security reissued in registered form. Bearer and registered securities can also be converted to book-entry form in TRADES or *TreasuryDirect*. An eligible security withdrawn from TRADES or *TreasuryDirect* may be reissued in registered form.

We have concluded that the elimination of bearer reissues is the type of change that is permissible to make. The elimination of bearer reissues, while not mandated by TEFRA, is consistent with the Congressional intent in its enactment. Given the cost-effectiveness of this new way of doing business and the available alternatives to continue to obtain securities in certificate form, we believe we are justified in making this change.

We have also eliminated any mention of the handling of definitive securities by Federal Reserve Banks. This operation will be consolidated and handled solely by Public Debt at its Parkersburg, WV office for reasons of economy. In addition, § 306.28 has been deleted, since Treasury bonds eligible for payment of estate taxes (so-called Flower Bonds) are no longer offered and the last eligible issue has reached maturity.

While we have written the preamble in plain language, we did not write this rule in plain language, because we are in the process of rewriting part 306 in its entirety to conform to plain language requirements. We welcome any comments or suggestions relating to our plain language rewrite of part 306.

#### Procedural Requirements

This final rule does not meet the criteria for a "significant regulatory action," as defined in Executive Order 12866. Therefore, the regulatory review procedures contained therein do not apply.

This final rule relates to matters of public contract and procedures for United States securities. The notice and public procedures and delayed effective date requirements of the Administrative Procedure Act are inapplicable pursuant to 5 U.S.C. 553(a)(2).

As no notice of proposed rulemaking is required, the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply.

We ask for no new collections of information in this final rule. Therefore, the Paperwork Reduction Act (44 U.S.C. 3507) does not apply.

#### List of Subjects in 31 CFR part 306

Bonds, Government Securities, Federal Reserve System, Securities.

For the reasons set forth in the preamble, 31 CFR part 306 is amended as follows:

#### PART 306—REGULATIONS GOVERNING U.S. SECURITIES

1. The authority citation for part 306 continues to read as follows:

**Authority:** 31 U.S.C. chapter 31; 5 U.S.C. 301; and 12 U.S.C. 391.

2. Revise § 306.1 to read as follows:

##### § 306.1 Official agencies.

The Bureau of the Public Debt of the Department of the Treasury is charged with matters relating to transactions in securities. Correspondence concerning transactions in securities and requests for appropriate forms may be addressed to the Division of Customer Service, Parkersburg, WV 26102.

3. Amend § 306.2 by revising paragraph (c) to read as follows:

##### § 306.2 Definitions of words and terms as used in these regulations.

\* \* \* \* \*

(c) Bureau refers to the Bureau of the Public Debt, Division of Customer Service, Parkersburg, WV 26102.

\* \* \* \* \*

4. Revise § 306.3 to read as follows:

##### § 306.3 Transportation charges and risks in the shipment of securities.

The following guidelines apply to the transportation of reissued securities or securities presented for authorized transactions:

(a) The securities may be presented in person by the owner or the owner's agent.

(b) If securities are not presented in person, shipment of the securities is at the owner's risk and expense.

(c) Reissued securities will be delivered by certified mail or by other means, at the risk of the registered owner and at the expense of the Department.

##### § 306.12 [Amended]

5. Amend § 306.12 by removing the comma after the word "Bureau", and by removing the words "a Federal Reserve bank or branch".

6. Amend § 306.15 as follows:

a. Revise paragraph (a) to read as set forth below.

b. Amend the fourth sentence of paragraph (b) by removing the words "or exchange for coupon securities".

c. Amend the fifth sentence of paragraph (b) by removing the words "or exchange for bearer securities".

d. Revise paragraph (b)(2) to read as set forth below.

**§ 306.15 Transfers and exchanges of securities—closed periods.**

(a) *General.* The transfer of registered securities should be made by assignment in accordance with subpart F of this part. Transferable registered securities are eligible for denominational exchange. Specific instructions for issuance and delivery of the new securities, signed by the owner or his authorized representative, must accompany the securities presented. (Form PD 3905 or PD 1827, as appropriate, may be used.) Denominational exchanges may be made at any time. Securities presented for transfer must be received by the Bureau not less than 1 full month before the date on which the securities mature or become redeemable pursuant to a call for redemption before maturity. Any security so presented which is received too late to comply with this provision will be accepted for payment only.

\* \* \* \* \*

(2) Payment of principal will be made to the assignee under a proper assignment of the securities.

7. Revise § 306.17 to read as follows:

**§ 306.17 Exchanges of registered securities for coupon securities.**

Exchanges of registered securities for bearer securities are not permitted.

8. Revise § 306.19 to read as follows:

**§ 306.19 Denominational exchanges of coupon securities.**

Denominational exchanges of bearer securities are not permitted.

9. Amend § 306.23 as follows:

a. Revise paragraph (c) to read as set forth below.

b. Amend paragraph (g) in the heading by removing the word “definitive” and adding in its place the word “registered”, and by removing the words “or bearer” in the second sentence.

**§ 306.23 Securities eligible to be held in the TreasuryDirect Book-entry Securities System.**

\* \* \* \* \*

(c) *Procedure for conversion of bearer security.* To convert a bearer security to TREASURY DIRECT, the owner must present it to the Department of the Treasury, accompanied by a request for conversion, which must include the information needed for establishing a TREASURY DIRECT account, unless such account has been previously established, and is identified by its number in the request.

\* \* \* \* \*

**§ 306.24 [Amended]**

10. Amend § 306.24 by removing the word “definitive” and adding in its place the word “registered” in the first sentence.

11. Amend § 306.25 as follows:

a. Revise the third sentence of paragraph (a) to read as set forth below.

b. Remove and reserve footnote 4 in paragraph (a).

**§ 306.25 Presentation and surrender.**

(a) \* \* \* Registered and bearer securities should be presented and surrendered for redemption to the Bureau. \* \* \*

\* \* \* \* \*

12. Revise § 306.26 to read as follows:

**§ 306.26 Redemption of registered securities at maturity, upon prior call, or for prerefunding or advance refunding.**

Registered securities presented and surrendered for redemption at maturity or pursuant to a call for redemption before maturity need not be assigned, unless the owner desires that payment be made to some other person, in which case assignments should be made to “The Secretary of the Treasury for redemption for the account of (inserting name and address of person to whom payment is to be made). Specific instructions for the issuance and delivery of the redemption check, signed by the owner or his authorized representative, must accompany the securities, unless included in the assignment. (Form PD 3905 may be used.) Payment of the principal will be made by check drawn on the United States Treasury to the order of the persons entitled and mailed in accordance with the instructions received. Securities presented for prerefunding or advance refunding should be assigned as provided in the prerefunding or advance refunding offer.

13. Amend § 306.27 by revising the last sentence to read as follows:

**§ 306.27 Redemption of bearer securities at maturity, upon prior call, or for advance refunding or prerefunding.**

\* \* \* Under appropriate circumstances, payment to a financial institution for detached past due coupons may be made by crediting the amount of the proceeds to the account maintained by the financial institution at the Federal Reserve bank of its district.

**§ 306.28 [Removed]**

14. Remove § 306.28.

15. Amend § 306.37 by revising paragraph (d) to read as follows:

**§ 306.37 Interest on registered securities.**

\* \* \* \* \*

(d) *Nonreceipt, loss, theft, or destruction of interest checks.* If an interest check is not received within a reasonable period after an interest payment date, or if a check is lost, stolen, or destroyed after receipt, notification should be sent to the Bureau of the Public Debt, Division of Customer Service, Parkersburg, WV 26102. Notification should include the name and address of the owner, his taxpayer identifying number, and the serial number, denomination, and title of the security upon which the interest was payable. If the check is subsequently received or recovered, the Bureau should be notified.

16. Amend § 306.38 by revising the second sentence to read as follows:

**§ 306.38 Interest on bearer securities.**

\* \* \* Such coupons are payable at participating Federal Reserve banks or by the Bureau. \* \* \*

**§ 306.40 [Amended]**

17. Amend § 306.40 by adding a period after the word “Bureau” in the second sentence and by removing the words “a Federal Reserve bank or Branch”.

**§ 306.41 [Amended]**

18. Amend § 306.41 by removing the words “to the Secretary of the Treasury for exchange for coupon securities,”.

**§ 306.43 [Amended]**

19. Amend § 306.43 by removing the words “or a Federal Reserve bank or branch” from the third sentence.

**§ 306.56 [Amended]**

20. Amend § 306.56 by removing the words “or exchanged for coupon bonds” from the first sentence of paragraph (a).

21. Amend § 306.56 by removing the words “bearer securities or” from the last sentence of paragraph (b).

**§ 306.57 [Amended]**

22. Amend § 306.57 by removing the words “or exchange for bearer securities,” from paragraph (c)(1).

23. Amend § 306.117 as follows:

a. Revise the heading to read as set forth below.

b. Remove the words “A Reserve Bank” from paragraph (b) and add the words “Public Debt” in their place, and remove the word “definitive” and add in its place the word “registered”.

c. Revise paragraph (d) to read as set forth below.

**§ 306.117 Withdrawal of eligible book-entry Treasury securities for conversion to registered form.**

\* \* \* \* \*

(d) Treasury securities which are to be delivered upon withdrawal may be issued in registered form, to the extent permitted by the applicable offering circular.

Dated: June 28, 1999.

**Donald V. Hammond,**

*Fiscal Assistant Secretary.*

[FR Doc. 99-18060 Filed 7-14-99; 8:45 am]

BILLING CODE 4810-39-P

## DEPARTMENT OF DEFENSE

### Department of the Air Force

#### 32 CFR Part 989

RIN: 0701-AA56

#### Environmental Impact Analysis Process (EIAP)

**AGENCY:** Department of the Air Force, DoD.

**ACTION:** Final rule.

**SUMMARY:** The Department of the Air Force has revised its instruction to improve the Air Force process for compliance with the National Environmental Policy Act (NEPA) and Executive Order (E.O.) 12114, *Environmental Effects Abroad of Major Federal Actions*. The revisions integrate environmental analysis and align environmental document approval levels with the Air Force decision-making process. It also expands Air Force environmental participants and responsibilities of the Environmental Planning Function (EPF) and the proponent of an action.

**EFFECTIVE DATE:** July 6, 1999.

**FOR FURTHER INFORMATION CONTACT:** Mr. Jack C. Bush (HQ USAF/ILEVP), 1260 Air Force Pentagon, Washington, DC 20330-1260, (703) 604-0553.

**SUPPLEMENTARY INFORMATION:** The Department of the Air Force has determined that this rule is not a major rule because it will not have an annual effect on the economy of \$100 million or more. The Secretary of the Air Force has certified that this rule is exempt from the requirements of the *Regulatory Flexibility Act*, 5 U.S.C. 601-612, because this rule does not have a significant economic impact on small entities as defined by the Act, and does not impose any obligatory information requirements beyond internal Air Force use.

#### Responses to Proposed Rule 32 CFR Part 989

##### Discussion of Major Issues

*Comment:* Commenters recommend that paragraph (r) in the Discussion of

Major Issues that §§ 989.18(b), 989.19(c)(3), and § A2.2.8 of Attachment B<sup>1</sup> be changed to refer to disproportionately high and adverse human health or environmental effects on "minority or low-income populations."

*Response:* Accepted. This change is necessary to be consistent with E.O. 12898 on environmental justice. A population can be low income and not minority and visa versa.

##### 1. Responsibilities

*Comment:* Commenters state that the Air Force needed to include a special provision regarding government-to-government relations with federally recognized Indian tribes, consistent with the special role for tribes under the Council on Environmental Quality (CEQ) regulations, in order to assess the impacts of federal actions on tribal resources.

*Response:* Section 989.3(c)(4) includes Tribal governments as key participants in the Air Force environmental impact analysis process. Additionally, § 989.1(b) states that the CEQ regulations and this proposed document must be used together in order to comply with NEPA. Individually and in combination with the CEQ regulations, this final rule provides for proper tribal involvement.

##### 2. Requests From Non-Air Force Agencies or Entities

*Comment:* Commenters recommend clarifying the use of the term "proponent," in particular "proponents" that are non-Air Force entities, in the final rule.

*Response:* The term "proponent" throughout the document, as defined in Attachment 1, refers to the office, unit, or activity that proposes to initiate an action. The "proponent" may not always be an Air Force organization. When an action affects Air Force properties or programs, the "proponent" organizations must comply with § 989.7. However, we changed references from "proponent" to "Air Force" or the appropriate Air Force organization in order to clarify §§ 989.8(b), 989.14(l), and § 989.19(b).

*Comment:* Commenters recommend adding the following statement: "For EAs the Air Force must make its own evaluation of the environmental issues and take responsibility for the scope and content of the Environmental Assessment."

<sup>1</sup> **Note:** Attachments 1, 2, and 3 in the proposed rule published December 24, 1997 (62 FR 67305) have been redesignated as Appendices A, B, and C to conform to **Federal Register** style.

*Response:* Accepted. Section 989.7(b) allows the Air Force to ask the requester to provide an analysis of the environmental impacts. However, as stated in § 989.7(c), the Air Force must independently evaluate and approve the scope and content of the analyses before using the analyses to fulfill environmental impact analysis process requirements.

*Comment:* Commenters recommend adding the following statement related to requests from non-Air Force agencies or entities: "EISs must be prepared directly by the Air Force or a contractor selected by the Air Force or where appropriate under 40 CFR 1501.6(b), a cooperating agency."

*Response:* Accepted. Section 989.7(b) states an EA or EIS can be prepared by either the Air Force or a contractor that is selected and supervised by the Air Force.

##### 3. Analysis of Alternatives

*Comment:* Commenters recommend adding the word "explicitly" to the § 989.8(c) to change the phrase to read: "Except in those rare instances where explicitly excused by law . . ."

*Response:* The language in § 989.8(c), as currently stated, sufficiently highlights the legally narrow exceptions where the environmental impacts of no-action alternatives are not considered.

##### 4. Cooperation and Adoption

*Comment:* Commenters recommend that § 989.9 should include a requirement for the Air Force to advocate for serving as a cooperating agency for those environmental documents that it intends to later adopt. Otherwise, such documents must follow appropriate CEQ guidelines for recirculating the documents.

*Response:* The language in § 989.9, as currently stated, sufficiently addresses the requirement to serve as a cooperating agency or to otherwise follow the appropriate CEQ guidelines for environmental documents that the Air Force intends to later adopt.

##### 5. Categorical Exclusion

*Comment:* Commenters note that § 989.13(e) references § 989.28. Recommend the reference be made to § 989.30.

*Response:* Accepted.

*Comment:* Commenters contend that it is unclear how the Air Force is determining no significance in terms of categorical exclusions, and request that the Air Force define existing environment.

*Response:* The Air Force decided not to define the phrase as requested. The Air Force agrees that the term "existing environment" may have different