distributions attributable to the interest income in the hands of A's interest holders is determined as if realized directly from the source from which realized by A, under Country X law the interest holders in A do not have to take into account their respective share of the interest income received by A on a current basis whether or not distributed. Accordingly, A derives the U.S. source interest income for purpose of the U.S.-X treaty.

Example 11. Treatment of charitable organizations. (i) *Facts.* Entity A is a corporation organized under the laws of Country X that has an income tax treaty in effect with the United States. Entity A is established and operated exclusively for religious, charitable, scientific, artistic, cultural, or educational purposes. Entity A receives U.S. source dividend income from U.S. sources. A provision of Country X law generally exempts Entity A's income from Country X tax due to the fact that Entity A is established and operated exclusively for religious, charitable, scientific, artistic, cultural, or educational purposes. But for such provision, Entity A's income would be subject to tax by Country X.

(ii) *Analysis.* Entity A is not fiscally transparent under paragraph (d)(3)(ii) of this section with respect to the U.S. source dividend income because, under Country X law, the dividend income is treated as an item of income of A and no other persons are required to take into account their respective share of the item of income on a current basis, whether or not distributed. Accordingly, Entity A is treated as deriving the U.S. source dividend income.

Example 12. Treatment of pension trusts. (i) *Facts.* Entity A is a trust established and operated in Country X exclusively to provide pension or other similar benefits to employees pursuant to a plan. Entity A receives U.S. source dividend income. A provision of Country X law generally exempts Entity A's income from Country X tax due to the fact that Entity A is established and operated exclusively to provide pension or other similar benefits to employees pursuant to a plan. Under the laws of Country X, the beneficiaries of the trust are not required to take into account their respective share of A's income on a current basis, whether or not distributed and the character and source of the income in the hands of A's interest holders are not determined as if realized directly from the source from which realized by A.

(ii) *Analysis.* A is not fiscally transparent under paragraph (d)(3)(ii) of this section with respect to the U.S. source dividend income because under the laws of Country X, the beneficiaries of A are not required to take into account their respective share of A's income on a current basis, whether or not distributed. A is also not fiscally transparent under paragraph (d)(3)(ii) of this section with respect to the U.S. source dividend income because under the laws of Country X, the character and source of the income in the hands of A's interest holders are not determined as if realized directly from the source from which realized by A. Accordingly, A derives the U.S. source dividend income for purposes of the U.S.-X income tax treaty.

(6) *Effective date.* This paragraph (d) applies to items of income paid on or after June 30, 2000.

Robert E. Wenzel,

Deputy Commissioner of Internal Revenue.

Approved: June 28, 2000.

Jonathan Talisman,

Deputy Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 00–16761 Filed 6–30–00; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 250

RIN 1010–AC–73

Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Production Measurement Document Incorporated by Reference

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: MMS is adding a production measurement document incorporated by reference to the regulations governing oil, gas, and sulphur operations in the Outer Continental Shelf (OCS). The document will continue to ensure that lessees are able to use the best available and most accurate technologies while operating in the OCS. The document is from the American Petroleum Institute's Manual of Petroleum Measurement Standards.

DATES: This rule is effective August 2, 2000. The incorporation by reference of publications listed in the regulation is approved by the Director of the Federal Register as of August 2, 2000.

FOR FURTHER INFORMATION CONTACT: Sharon Buffington, Engineering and Research Branch, at (703) 787–1147.

SUPPLEMENTARY INFORMATION: MMS uses standards, specifications, and recommended practices developed by standard-setting organizations and the oil and gas industry as a means of establishing requirements for activities in the OCS. This practice, known as incorporation by reference, allows MMS to incorporate the requirements of technical documents into the regulations without increasing the volume of the Code of Federal Regulations (CFR). MMS currently incorporates by reference approximately 85 documents into the offshore operating regulations.

The regulations found at 1 CFR part 51 govern how MMS and other Federal agencies incorporate various documents by reference. Agencies can only incorporate by reference through publication in the **Federal Register**. Agencies must also gain approval from the Director of the Federal Register for each publication incorporated by reference.

Incorporation by reference of a document or publication is limited to the edition of the document or publication cited in the regulations. This means that newer editions, amendments, or revisions to documents already incorporated by reference in regulations are not part of MMS's regulations.

This rule adds the following API document to those currently incorporated by reference into MMS regulations:

- API Manual of Petroleum Measurement Standards (MPMS), Chapter 10, Section 9, Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration, First Edition, November 1993.

MMS has reviewed this document and has determined that it must be incorporated into regulations to ensure that industry is able to use the best available and most accurate technologies. Our review shows that the option to use this standard will not impose additional costs on the offshore oil and gas industry. In fact, industry will still have the option to use the other procedures in current documents incorporated, as approved. Therefore, MMS is including this document via a final rule. MMS has determined under the Administrative Procedure Act (5 U.S.C. 553(b)(3)(B)) that publishing this rule as a notice of proposed rulemaking would be contrary to the public interest. The regulations found at 30 CFR 250.198(a)(2) allow updating documents without opportunity to comment when MMS determines that the revisions to a document result in safety improvements or represent new industry standard technology and do not impose undue costs on the affected parties.

A summary of MMS's review of the document is provided below:

API MPMS Chapter 10, Section 9, Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration, First Edition, November, 1993.

This document lists the method for directly determining water in crude oils by volume and weight. It represents an industry standard that would be newly used in the OCS. The MMS will retain the documents from MPMS, Chapter 10, Sediment and Water, that describe the other methods of determining water in crude oils.

Procedural Matters

This is a very simple rule. The rule's purpose is to add a document to those that are currently incorporated by reference in the regulations. If MMS did not give the option to use the other techniques incorporated into the regulations, MMS could not add this document via a final rule. The document will not cause any economic effect on any entity (small or large). It simply gives industry standards for using an alternate method to determine sediment and water.

Federalism (Executive Order 13132)

According to Executive Order 13132, the rule does not have

Federalism implications because it does not affect the relationship between the Federal and State governments.

The rule simply provides the option and guidance to use new technology. It does not prevent any lessee, operator, or drilling contractor from performing operations on the OCS, provided they follow the regulations. This rule will not impose costs on States or localities.

Regulatory Planning and Review (Executive Order 12866)

This document is not a significant rule and is not subject to review by the Office of Management and Budget (OMB) under Executive Order 12866.

(1) This rule will not have an effect of $100 million or more on the economy. It will not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. This rule does not have new requirements. This rule will not create an inconsistency or otherwise interfere with an action taken or planned by another agency.

(2) This rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency. The standards only apply to those lessees who choose to use the new technology. Either way, the costs will be the same.

(3) This rule does not alter the budgetary effects or entitlements, grants, user fees, or loan programs or the rights or obligations of their recipients. There are no new costs. The standards contain guidance if lessees use the new measurement technology. They do have the option to use current technology. Therefore, the costs will be the same.

(4) This rule does not raise novel legal or policy issues. The requirements are based on the legal authority of the OCS Lands Act and other laws.

Civil Justice Reform (Executive Order 12988)

According to Executive Order 12988, the Office of the Solicitor has determined that this rule does not unduly burden the judicial system and meets the requirements of §§ 3(a) and 3(b)(2) of the Order.

Unfunded Mandate Reform Act (UMRA) of 1995 (Executive Order 12866)

This rule does not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than $100 million per year. The document was added to give lessees the option to use new technology. If they choose to do so, the cost will be the same. It does not contain new requirements, and it will not have a significant or unique effect on State, local, or tribal governments or the private sector. Therefore, a statement containing the information required by the UMRA (2 U.S.C. 1531 *et seq.*) is not required.

National Environmental Policy Act (NEPA) of 1969

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under the NEPA is not required.

Takings Implication Assessment

According to Executive Order 12630, the proposed rule does not represent a governmental action capable of interference with constitutionally protected property rights. The standards are optional. Thus, a Takings Implication Assessment need not be prepared according to Executive Order 12630, Government Action and Interference with Constitutionally Protected Property Rights.

Regulatory Flexibility (RF) Act

The Department certifies that this document will not have a significant economic effect on a substantial number of small entities under the RF Act (5 U.S.C. 601 *et seq.*). The optional standards will not have a significant economic effect on offshore lessees and operators, including those that are classified as small businesses. The Small Business Administration (SBA) defines a small business as having:

- Annual revenues of $5 million or less for exploration service and field service companies.
- Fewer than 500 employees for drilling companies and for companies that extract oil, gas, or natural gas liquids.

Under the Standard Industrial Classification code, 1381, Drilling Oil and Gas Wells, MMS estimates that there is a total of 1,380 firms that drill oil and gas wells onshore and offshore. Of these, approximately 130 companies are offshore lessees/operators, based on current estimates. According to SBA estimates, 39 companies qualify as large firms, leaving 91 companies qualified as small firms with fewer than 500 employees. This rule imposes no new operational requirements, reporting burdens, or other measures that would increase costs to lessees/operators, large or small. Therefore, this rule has no significant economic impact on small entities.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small businesses. If you wish to comment on the enforcement actions of MMS, call toll-free (888) 734–3247.

Small Business Regulatory Enforcement Fairness Act (SBREFA)

This rule is not a major rule under (5 U.S.C. 804(2)) the SBREFA. This rule:

(a) Does not have an annual effect on the economy of $100 million or more. The main purpose of this rule is to add industry standards to give lessees the option to use new measurement technology and the guidance if they choose to do so. The rule does not have new requirements.

(b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions. The cost to comply with the rule is the same as current requirements.

(c) Does not have a significant adverse effect on competition, employment, investment, productivity, innovation, or ability of United States-based enterprises to compete with foreign-based enterprises. The rule does not contain new requirements.

Paperwork Reduction Act (PRA) of 1995

The Department of the Interior has determined that this regulation does not contain information collection requirements pursuant to PRA (44 U.S.C. 3501 *et seq.*). We will not be submitting an information collection request to OMB.

List of Subjects in 30 CFR Part 250

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Incorporation by reference, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

Dated: June 7, 2000.

Sylvia V. Baca,

Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, MMS amends 30 CFR Part 250 as follows:

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 250 continues to read as follows:

Authority: 43 U.S.C. 1331, *et seq.*

2. In § 250.198, in the table in paragraph (e), add the following in alpha-numerical order:

§ 250.198 Documents incorporated by reference.

* * * * *

(e) * * *

Title of documents	Incorporated by reference at
* * * * * * *	
API MPMS, Chapter 10, Section 9, Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration, First Edition, November 1993, API Stock No. 852–30210.	§ 250.1202(a)(3), (l)(4)
* * * * * * *	

[FR Doc. 00–15659 Filed 6–30–00; 8:45 am]
BILLING CODE 4310–MR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 199

TRICARE; Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); Bonus Payments in Medically Underserved Areas

AGENCY: Office of the Secretary, DoD.

ACTION: Interim final rule.

SUMMARY: This interim final rule implements a bonus payment, in addition to the amount normally paid under the allowable charge methodology, to providers in medically underserved areas. For purposes of this rule, medically underserved areas are the same as those determined by the Secretary of Health and Human Services for the Medicare program. Such bonus payments shall be equal to the bonus payments authorized by Medicare, except as necessary to recognize any unique or distinct characteristics or requirements of the CHAMPUS program, and as described in instructions issued by the Director, OCHAMPUS. Due to the urgency for such bonus payments in medically underserved areas to alleviate problems of access to healthcare coverage caused by lower payments, the interim final rule making process has been utilized. This rule promotes a reimbursement enhancement to a limited number of providers designed to increase CHAMPUS beneficiary access to care, which also supports the use of the interim final rule.

DATES: This rule is effective August 2, 2000. Written comments will be accepted until September 1, 2000.

ADDRESSES: Forward comments to Medical Benefits and Reimbursement Systems, TRICARE Management Activity, 16401 East Centretech Parkway, Aurora, CO 80011–9043.

FOR FURTHER INFORMATION CONTACT: Stan Regensberg, Medical Benefits and Reimbursement Systems, TRICARE Management Activity, telephone (303) 676–3742.

SUPPLEMENTARY INFORMATION: 32 CFR Part 199, ''Civilian Health and Medical Program of the Uniformed Services (CHAMPUS),'' was published in the **Federal Register** on July 1, 1986. This interim final rule implements a bonus payment, in addition to the amount normally paid under the allowable charge methodology, to providers in medically underserved areas. For purposes of this rule, medically underserved areas are the same as those determined by the Secretary of Health and Human Services for the Medicare program. Such bonus payments shall be equal to the bonus payments authorized by Medicare, except as necessary to recognize any unique or distinct characteristics or requirements of the CHAMPUS program, and as described in instructions issued by the Director, OCHAMPUS. If the Department of Health and Human Services acts to amend or remove the provision for bonus payments under Medicare, CHAMPUS likewise may follow Medicare in amending or removing provision for such payments. To expedite access to healthcare coverage that has been impacted by lower payments in such medically underserved areas, the interim final rule process is being utilized. Additionally, it provides a reimbursement enhancement that favors providers in underserved areas, thus alleviating healthcare access problems experienced by beneficiaries residing in such areas. Finally, because Medicare previously established a bonus payment reimbursement mechanism in these areas, our emulation of this well established mechanism complies with existing statutory mandates that CHAMPUS follow Medicare reimbursement policy wherever practicable. This rule will not unilaterally increase payments to all providers, but just those residing in these underserved areas. Due to the urgency for additional payments to ensure beneficiary access to care in these areas, it would be impracticable and contrary to the public's interest not to use the interim final rule process. To do otherwise would prevent OCHAMPUS from fulfilling its duty to beneficiaries in these underserved areas.

Regulatory Procedure

Executive Order 12866 requires certain regulatory assessments for any significant regulatory action, defined as one which would result in an annual effect on the economy of $100 million or more, or have other substantial impacts. The Regulatory Flexibility Act (RFA) requires that each Federal agency prepare, and make available for public