(b) The refusal of a witness at any such hearing to answer any question which has been ruled to be proper shall, in the discretion of the administrative law judge or hearing officer, be ground for striking all testimony previously given by such witness on related matters.

(c) Notwithstanding any action taken under paragraph (a) of this section, misconduct including unprofessional or improper behavior by an attorney or party representative before the Agency, including but not limited to such misconduct at any hearing, shall be ground for appropriate discipline including suspension and/or disbarment from practice before the Agency and/or other sanctions.

(d) Allegations of misconduct pursuant to paragraph (c) of this section, except for those involving the conduct of Agency employees, shall be handled in accordance with the following procedures:

(1) Allegations that an attorney or party representative has engaged in misconduct may be brought to the attention of the Investigating Officer by any person. The Investigating Officer, for purposes of this paragraph, shall be the Associate General Counsel, Division of Operations-Management, or his/her designee.

(2) The Investigating Officer or his/her designee shall conduct such investigation as he/she deems appropriate. Following an investigation, the Investigating Officer shall make a recommendation to the General Counsel, who shall make the determination whether to institute disciplinary proceedings against the attorney or party representative. If the General Counsel determines not to institute disciplinary proceedings, all interested persons shall be notified of the determination, which shall be final.

(3) If the General Counsel decides to institute disciplinary proceedings against the attorney or party representative, the General Counsel or his/her designee shall serve the Respondent with a complaint which shall include: a statement of the acts which are claimed to constitute misconduct including the approximate date and place of such acts together with a statement of the discipline recommended; notification of the right to a hearing before an administrative law judge with respect to any material issues of fact or mitigation; and an explanation of the method by which a hearing may be requested. Sections 102.24 through 102.51, rules applicable to unfair labor practice proceedings, shall be applicable to the extent that they are not contrary to the provisions of this section.

(4) Within 14 days of service of the disciplinary complaint, the respondent shall respond by admitting or denying the allegations, and may request a hearing. If no response is filed or no material issue of fact or relevant to mitigation warranting a hearing is raised, the matter may be submitted directly to the Board. If no response is filed, then the allegations shall be deemed admitted.

(5) The hearing shall be conducted at a reasonable time, date, and place. In setting the hearing date, the administrative law judge shall give due regard to the respondent's need for time to prepare an adequate defense and the need of the Agency and the respondent for an expeditious resolution of the allegations.

(6) The hearing shall be public unless otherwise ordered by the Board or the administrative law judge.

(7) Any person bringing allegations of misconduct or filing a petition for disciplinary proceedings against an attorney or party representative shall be given notice of the scheduled hearing and shall be afforded the opportunity to examine or cross-examine witnesses called by the General Counsel and respondent at such hearing. Any such questioning must be limited to the issues raised in the General Counsel's complaint. Any such person shall not be a party to the disciplinary proceeding, however, and shall not be afforded the rights of a party to call witnesses and introduce evidence at the hearing, to file exceptions to the administrative law judge's decision, or to appeal the Board's decision.

(8) The respondent will, upon request, be provided with an opportunity to read the transcript or listen to a recording of the hearing.

(9) The General Counsel must establish the alleged misconduct by a preponderance of the evidence.

(10) At any stage of the proceeding prior to hearing, the respondent may submit a settlement proposal to the General Counsel, who may approve the settlement or elect to continue with the proceedings. Any formal settlement reached between the General Counsel and the respondent, providing for entry of a Board order, shall be subject to final approval by the Board. In the event any settlement, formal or informal, is reached after opening of the hearing, such settlement must be submitted to the administrative law judge for approval. In the event the administrative law judge rejects the settlement, either the General Counsel or the respondent may appeal such ruling to the Board as provided in § 102.26.

(11) If it is found that the respondent has engaged in misconduct in violation of paragraph (c) of this section, the Board may issue a final order imposing such disciplinary sanctions as it deems appropriate, including suspension and/or disbarment from practice before the Agency, and/or other sanctions.

(12) Any person found to have engaged in misconduct warranting disciplinary sanctions under this section may seek judicial review of the administrative determination.

Dated: Washington, D.C., May 14, 1996.

By direction of the Board.

John J. Toner,

Executive Secretary.

[FR Doc. 96–12464 Filed 5–17–96; 8:45 am]

BILLING CODE 7545–01–P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Chapter II

Review of Existing Regulations

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Review of regulations; request for comment.

SUMMARY: MMS performs annual periodic reviews of its significant regulations and asks the public to participate in these reviews. The purpose of the reviews is to identify and eliminate regulations that are obsolete, ineffective or burdensome. In addition, the reviews are meant to identify essential regulations that should be revised because they are either unclear, inefficient or interfere with normal market conditions.

The purpose of this document is to: Provide the public an opportunity to comment on MMS regulations that should be eliminated or revised; and provide a status update of the actions MMS has taken on comments previously received from the public in response to documents published March 1, 1994 and March 28, 1995.

DATES: Written comments must be received by July 19, 1996.

ADDRESSES: Mail written comments to Department of the Interior; Minerals Management Service, Mail Stop 4013; 1849 C Street NW., Washington, DC 20240; Attention: Bettine Montgomery, MMS Regulatory Coordinator, Policy and Management Improvement.

FOR FURTHER INFORMATION CONTACT: Bettine Montgomery, Policy and

Management Improvement, telephone (202) 208–3976; Fax (202) 208–3118.

SUPPLEMENTARY INFORMATION: MMS began a review of its regulations in early 1994 pursuant to the directives contained in the President's Executive Order 12866. The Executive Order calls for periodic regulatory reviews to ensure that all significant regulations are efficient and effective, impose the least possible burden upon the public, and are tailored no broader than necessary to meet the agency's objectives and Presidential priorities.

MMS invited the public to participate in the regulatory review. The invitation was sent out via different media, namely a Federal Register document dated March 1, 1994 (59 FR 9718), MMS and independent publications, and public speeches by MMS officials during that time.

MMS received approximately 40 public comments which were almost equally divided between its Royalty Management and Offshore Minerals Management Programs. MMS acknowledged the comments in a July 15, 1994 document (59 FR 36108) and set forth its planned actions to address the comments, along with an estimated timetable for the actions.

In the March 28, 1995, document (60 FR 15888), MMS: (a) asked for further public comments on its regulations, and (b) provided a status update of actions it had taken on the 40 public comments received the prior year. MMS received 10 responses from the March 28 document. We believe MMS has been very responsive to most of the comments received, to date.

This document updates the MMS planned actions and related timetables on the major comments received to date. It also solicits additional comments from the public concerning regulations that should be either eliminated or revised. Since some of the public responses received in response to prior documents contained comments on very specific and detailed parts of the regulations, this document does not address every one received. For information on any comment submitted which is not addressed in this document, please contact Mrs. Montgomery at the number and location stated in the forward sections of this document.

These annual reviews of regulations have resulted in the elimination of approximately 18 pages of regulations from the Code of Federal Regulations and the improvement, by rewriting, of over 200 pages. We are fully committed to improving our regulations and working more closely with our customers and constituents. This is part of our effort to improve government by making it more efficient and responsive.

MMS regulations are found at Title 30 in the Code of Federal Regulations. Parts 201 through 243 contain regulations applicable to MMS' Royalty Management Program (note: part 213 applies to Offshore royalty rate reductions); Parts 250 through 282 are applicable to MMS' Offshore Minerals Management; and Part 290 is applicable to Administrative Appeals.

Status Report

The following is a status report by program area on the comments MMS has received, to date, on its regulations.

A. Offshore Minerals Management (OMM) Program

OMM is currently reviewing the following eight sections of OMM regulations.

1. Regulations applicable to production in deepwater (30 CFR Part 250, Subpart H, Production).

Comments Received—(a) ''Revise current regulations to provide for approval of extended flaring periods under certain situations (e.g., deepwater prospects, well tests, etc.) and clarify criteria for flaring or venting small amounts of gas'',

(b) ''Revise requirements associated with subsea installations * * *'', etc.

Action Taken or Planned—An MMS workgroup finalized its report on deepwater regulatory issues. The major recommendation from the report was that MMS should evaluate and regulate deepwater production activities through a ''total systems'' approach. Under this recommendation, MMS would require a lessee to submit a Deepwater Operations Plan for each deepwater or subsea development project. Individual projects could then be evaluated within the context of the master plan. The Associate Director for Offshore Minerals Management approved the report in May 1995, and we are finalizing guidelines and procedures for the preparation and approval of the Deepwater Operations Plan.

Timetable—We are preparing a Letter to Lessees explaining the Deepwater Operations Plan and will issue it in June 1996.

2. Regulations applicable to blowout preventer (BOP) testing and maintenance requirements (30 CFR 250.56 and 57).

Comments Received—''Revise BOP testing regulations to allow for less frequent and shorter tests. Allow 14 day BOP test interval vs. current 7 day * * *.''

Action Taken or Planned—MMS recently announced (March 1996) the selection of an engineering consulting firm to assess the performance of blowout preventer equipment and the frequency it should be tested. Selection of the firm was a joint effort of MMS and industry. MMS will use this cooperative study in determining if increased blowout preventer testing intervals will afford an equal or better degree of protection, safety, or performance. This study requires the systematic review and analysis of blowout preventer test results from wells drilled on the OCS.

Timetable—The contractor will provide us with a report on the study in November 1966. MMS will use the study's results to revise our regulations as appropriate.

3. Regulations governing safety and pollution prevention equipment (SPPE) (30 CFR Subpart H).

Comments Received—(a) ''Reduce associated administrative burden on lessees and operators by eliminating unnecessary record keeping requirements (i.e., inventory lists, paperwork notifications, etc.).'' (b) ''Revise regulations governing Safety Valves to increase time between test and allowable leakage rates.''

Action Taken or Planned—(a) MMS is drafting a proposed rule to revise the regulations governing SPPE. This proposed rule will address the concerns raised regarding recordkeeping. (b) MMS is reviewing Subpart H, Production Safety Systems, and plans to rewrite the subpart in plain English and update requirements where warranted. We expect to work with industry in areas where we need further data. The cooperative effort with the blowout preventer study can serve as a model.

Timetable.—(a) MMS should publish this proposed rule in the Federal Register by September 1996. (b) MMS will begin rewriting subpart H by this summer. We will work with industry to initiate needed safety value studies early in 1997, following the joint blowout preventer study.

4. Regulations governing conservation of resources and diligence (30 CFR 250. Subpart A, General and Subpart K, Oil and Gas Production Rates).

Comment Received—(a) ''Revised Suspension of Production approval/ lease holding criteria * * *'', (b) ''Revise Determination of Well Producibility to make wireline testing and/or mud logging analysis optional * * *'', (c) ''revise current regulations to provide for approval of extending flaring periods * * *'', (d) ''Relax restrictions on commingling reservoirs in a common wellbore * * *'', (e) ''Allow flexibility in the methods of

testing subsea wells. * * *'', (f) ''MMS [should] determine and specify allowable volumes of liquid hydrocarbons that lessees could burn without requesting approval.''

Action Taken or Planned—For (a) above, MMS published a proposed rule on April 25, 1996, to extend the period for holding a lease beyond its primary term from 90 to 180 days. For (b) above, MMS is currently rewriting Subpart A in plain English. This effort will also include any changes needed to the regulations. We will obtain more ideas from industry concerning what changes are needed. For (c) above, MMS will not relax current regulations at this time. We are reviewing the results of air quality studies and will not make any changes to the regulations until this review is complete. For (d) above, MMS issued a Letter to Lessees that allowed for greater flexibility in dealing with commingling issues. For (e) above, MMS will not change the regulations. Current regulations allow operators to request that different testing methods be allowed when conventional testing is impractical. For (f) above, MMS, is addressing the burning of liquid hydrocarbons in a rule that we published as proposed on February 17, 1995. MMS agrees with the benefits of using a specific value for the term ''minimal.'' However, in approving a request to burn liquid hydocarbons, we need to deal with many economic, technical, safety, and environmental factors. Conservation is a key factor in determining how much liquid hydrocarbons a lessee can burn. Making volume determinations on a case by case basis allows us to properly consider technical, safety, and environmental factors.

Timetable.—A final rule addressing (f) above, (burning small quantities of liquid hydrocarbons) is scheduled for publication in May 1996. Proposed rules covering the other matters mentioned above will be published during 1996 and early 1997.

5. Regulations regarding construction and removal of platforms and structures (30 CFR 250. Subpart I, Platforms and Structures).

Comments Received—(a) ''Modify platform design wave return period calculation by placing a cap of 100 years on the field life calculation * * *'', (b) ''Adopt API RP2A (20th edition) Section 14, Surveys, in its entirety * * *'', (c) ''Revise site clearance requirements * * *'', (d) ''Revise requirements for placing protective domes over well studs * * *'', etc.

Action Taken or Planned—For (a) above, MMS is reviewing this request and considering some options. For (b) above, MMS will not modify the regulations. Current rules allow operators to petition for longer inspection intervals. On April 15–17, 1996, MMS held a workshop in New Orleans and discussed lease abandonment and platform removal issues with interested parties from other government agencies and private industry. We will continue to work with these parties to identify needed research and potential changes to the regulations.

Timetable—In the coming months, MMS will identify specific action items and timetables for both further regulatory changes and research.

6. Regulations applicable to directional surveys, (30 CFR 250.51).

Comments Received—''Revise directional survey requirements to allow composite measurement-while-drilling directional survey to be acceptable * * *.''

Action Taken or Planned—MMS is planning to rewrite the regulations governing Oil and Gas Drilling Operations, found in Subpart D, in plain English. We plan to update the regulations to keep pace with current technology as part of the plain English initiative.

Timetable—MMS plans to begin drafting a proposed rule shortly, Publication in the Federal Register would be sometime in 1997.

7. Regulations applicable to daily pollution inspection requirements (30 CFR 250.41).

Comments Received—''Revise current requirements for daily pollution inspection of unmanned production facilities * * *.''

Action Taken or Planned—On February 15, 1996, MMS issued a Notice to Lessees regarding the pollution inspection frequency for unmanned facilities. The current regulations allow operators to request a waiver from the daily inspection of unmanned facilities. The Notice to Lessees reviewed the criteria MMS uses in determining whether or not to grant the waiver.

Timetable—MMS has no plans to change the regulations in this area.

8. Regulations applicable to production safety system training (30 CFR 250.214).

Comments Received—(a) ''Revise training regulations to reduce the associated burden on operators by modifying requirements (e.g., frequency, refresher requirements, structure, etc.) and allow expanded training delivery modes.'' (b) ''* * * training regulations (well-control) are not clearly stated and often not relevant * * *.''

Action Taken or Planned—MMS rewrote the entire section (subpart O) of training regulations in a plain English format and published a proposed rule in the Federal Register on November 2, 1995 (60 FR 55683), MMS received comments and is preparing the final rule.

Timetable—MMS should publish the final rule by the end of 1996.

9. Regulations applicable to Pipelines and Pipeline Rights-of-Way (Subpart J).

Comments Received—Revise regulations to avoid duplication of requirements between DOI and the Department of Transportation (DOT).

Action Taken or Planned—MMS continues to work with DOT and with other interested parties to develop a new memorandum of understanding (MOU) between DOI and DOT. After we have a new MOU, MMS will revise regulations to clarify rules and remove redundant requirements, and promote compatible regulations.

Timetable—We expect that DOI and DOT will approve a new MOU by fall of 1996.

B. Royalty Management Program (RMP)

RMP is reviewing regulations in the following subject areas.

1. Statute of Limitations and Record Retention

Comments Received—''Statute of limitations is unclear.''

—''Establish a reciprocal 5-year statute of limitations from the date an obligation becomes due.''

—''Absence of a record retention program creates some confusion. Regulations should require record retention to coincide with the 5-year statute of limitations.''

Action Taken or Planned—The extent of the time periods covered by audits of royalty payments has been a matter of considerable controversy between MMS and the minerals industry for several years. MMS's goal, more recently, as reflected in the Contemporaneous Audit Initiative, has been to conduct all audits on a contemporaneous basis consistent with the most effective and efficient use of audit resources, to provide industry with earlier closure, to streamline the royalty collection process, and to be more responsive to the public we serve.

Timetable—Accordingly, MMS issued a policy memorandum on July 14, 1995, that affirms MMS's policy to complete reviews and audits of royalty payments made on Federal and Indian leased land, including issuance of enforcement documents for underpayments (orders to pay or to recompute and pay). Within the 30 U.S.C. 1713 principal documents retention period, that is within six years of the royalty payment due date. Some exceptions to this requirement may occur in RMP compliance activities.

2. Interests on Overpayments

Comment received—''Interest accrual should be equitable between the Agency and industry.''

Action Taken or Planned—MMS does not have statutory authority to remit interest to companies for overpayments. We are pursuing strategies to improve electronic royalty reporting and paying options to our customers. This along with the option for companies to post surety in lieu of paying disputed amounts should decrease lost interest on overpayments to MMS.

Timetable—Ongoing.

3. Gas Valuation

Comments received—''Define gross proceeds more equitably and clearly in this ever changing gas marketing environment.''

—''It is important that the Federal Gas Valuation Rule final rule not discriminate against producers which are affiliated with marketing companies and are party to non-arms-length contracts.''

—''Extend the elimination of processing and transportation allowance forms to oil.''

—''* * * commends the MMS on their use of negotiated rulemaking process to address the valuation of gas. Rule should result in administrative cost savings for all parties.''

—''If the Takes vs. Entitlements policy stays in effect, MMS should strictly enforce reporting on actual quantities taken for all industry participants.''

Action Taken or Planned—Revisions of the Valuation Regulations Governing Allowances were published in the Federal Register as a final rule on February 12, 1996. This rule eliminated most allowance forms filing requirements for oil, gas, and coal produced from Federal leases.

The Federal Gas Valuation proposed rule was published in the Federal Register on November 6, 1995, and the comment period closed on February 5, 1996. The proposed rule represented the consensus of the Federal Gas Valuation Negotiated Rulemaking Committee with representation from MMS, industry and the states.

MMS is preparing a Federal Register document to announce the reconvening of the committee in June 1966 and another Federal Register document to reopen the public comment period. The proposed rule would provide alternatives to using gross proceeds as a basis for gas valuation, such as published natural gas index prices.

The Indian Gas Valuation Negotiated Rulemaking Committee is developing a proposed rule governing the valuation for royalty purposes of natural gas produced from Indian leases. The proposed rule would add a methodology to calculate the major portion value and an alternative methodology for dual accounting as required by Indian lease terms. The proposed rulemaking would simplify and add certainty to the valuation of production from Indian leases.

MMS is developing a proposed rule clarifying what deductions may be taken from gross proceeds for the costs of transportation under Federal Energy Regulatory Commission (FERC) Order No. 636.

Timetable—MMS will reconvene the Federal Gas Valuation Negotiated Rulemaking Committee in June 1996, and has reopened the comment period to discuss options for proceeding further with a rulemaking. MMS anticipates publishing a proposed rulemaking for Indian gas valuation in July 1996. MMS also expects to publish a proposed rule on FERC Order No. 636 early this summer.

4. Reporting Procedures and Threshold

Comments Received—''Eliminate or streamline MMS Form 2014 reporting.''

—''Report prior period adjustments on a 'net' basis.''

—''Change estimated payment from lease level to payor level.''

—''Assess interest at the payor level—for the Indian leases on the basis of each Indian Tribe.''

—''Eliminate Payor Information (PIF) Filings. This is an unnecessary and costly reporting requirement.''

—''MMS should modify the regulations and system tolerances/thresholds so that only those exceptions that are cost beneficial for MMS to pursue are generated.''

—''Set thresholds or tolerances for regulations to save costs to both MMS and industry. (Example: Invoices are sent for less than $1.00.)''

—''MMS should not implement regulations until its systems are programmed to handle the new regulations.''

Action Taken or Planned—MMS has revised its billing thresholds and assessments policy to reduce administrative costs, and we continue to review these issues through the Royalty Policy Committee which was formed in September 1995. The Committee's membership includes representatives from states, tribes, allottee associations, industry trade groups and other agencies. At their initial meeting, a Royalty Reporting and Production Accounting Subcommittee was established.

The Subcommittee had its first meeting in November 1995 and agreed to review all royalty and production reporting forms and policies. To assure all areas were addressed, four workgroups were formed to review the Payor Information Form, royalty reporting, oil and gas production reporting, and solids production reporting.

The preliminary recommendations from the workgroups cover streamlining of all reporting forms; reducing or eliminating redundant data collection; changing estimates; and reviewing thresholds for allowance and interest billings.

Timetable—The Subcommittee recommendations are to be finalized and forwarded to the full committee for their review and approval in June 1996. The recommendations will then be reviewed for possible implementation by MMS. In particular, recommendations that can be implemented in the short term without significant cost will be pursued by MMS.

5. Refunds Due to Industry Which Are Controlled by Section 10 of the Outer Continental Shelf Lands Act

Comments Received—''Section 10 refund requirements should be eliminated. The refund process used for onshore properties should be established for offshore properties.''

—''Eliminate documentation requirements for refund requests over $250 M, and/or increase this threshold to $500 M; raise the refund request limit to $5 M. Exempt pure accounting adjustments for items such as production date adjustments and incorrect AID numbers; exempt unit revisions because these revisions are often made more than two years after the date of production; establish a time limit on MMS for review of a refund request to expedite the process; and overpayments on OCS properties should be allowed to be offset against any OCS underpayment.''

Action Taken or Planned—A legislative change would be required to eliminate the Section 10 refund requirements of 43 U.S.C. 1339.

Section 10(b) of 43 U.S.C. 1339(b) requires MMS to report refunds or credits to both Houses of Congress and can increase the time to process refunds and recoupments. The final rule published on July 28, 1994 (59 FR 38359), Titled ''Offsets Recoupments and Refunds of Excess Payments of Royalties, Rentals; Bonuses, or other amounts under Federal Offshore

Minerals Leases'' established procedures for obtaining refunds and credits of excess payments and clarified what payments are not subject to Section 10's requirements. Unit agreement revisions are covered in this rule under ''Transactions not subject to section 10''.

This rule also provides for a de minimis exception to the MMS approval process. On February 23, 1996 (61 FR 7016), MMS published a document raising the de minimis reporting requirements from $250 to $2,500. By raising the de minimis level, companies may now recover overpayments below the de minimis amount from future royalty payments. This change will reduce administrative costs for MMS and companies.

6. The Appeals Process

Comments Received—''Current appeals process is too long.''

Action Taken or Planned—MMS has made several administrative processing changes to streamline the appeal process. One change was transferring decisionmaking on routine appeals from the Appeals Division to the Royalty Management Program. This has reduced the Appeals Division's workload by 20 percent and freed up staff to work on more complex cases.

Other efforts included the initiation of several pilot programs to look at additional streamlining possibilities. One pilot program was aimed at decreasing the time and expense incurred by MMS in its preparation of an appellant's administrative record. A second pilot program involved reformatting the decisionmaking process to speed the issuance of shorter, more timely decisions. The third pilot program will test the use of alternative dispute resolution mechanisms to resolve many of the administrative appeals.

Spinoff projects from these pilot efforts are still ongoing and will result in further changes to the appeals process in the future. We are engaged in a concentrated effort, during the spring and summer of 1996, to resolve all of the older, active appeals on the docket. Also, the Royalty Policy Committee has established an Appeals/Settlement/ADR subcommittee which should provide MMS with additional advice on ways to improve the process of resolving disputes involving royalty collections.

Timetable—The first two pilots were put in place the latter half of 1994, and the third pilot began the end of February 1995.

Further administrative streamlining changes and possibly regulatory changes by MMS are anticipated for calendar year 1996.

7. Other MMS Regulatory Actions

—MMS is evaluating comments received on the proposed rule to establish liability for royalty due on Federal and Indian leases, and to establish responsibility to pay and report royalty and other payments.

—MMS published an advance notice of proposed rulemaking on valuation of oil from Federal and Indian leases and is evaluating the comments received from industry, States, and Indian tribes on this notice.

Dated: May 13, 1996.

Cynthia Quarterman,

Director, Minerals Management Service.

[FR Doc. 96–12545 Filed 5–17–96; 8:45 am]

BILLING CODE 4310–MR–M

DEPARTMENT OF THE TREASURY

Office of the Assistant Secretary for Financial Markets

Fiscal Service

31 CFR Part 356

Amendments to the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes and Bonds

AGENCY: Office of the Assistant Secretary for Financial Markets, Treasury.

ACTION: Advance Notice of Proposed Rulemaking.

SUMMARY: The Secretary of the Treasury (Secretary) is authorized under Chapter 31 of Title 31, United States Code, to issue United States obligations and to offer them for sale under such terms and conditions as the Secretary may prescribe. The Department of the Treasury (Department or Treasury) is issuing this Advance Notice of Proposed Rulemaking to solicit comments on the design details, terms and conditions, and other features of a new type of marketable book-entry security the Treasury intends to issue, inflation-protection notes or bonds, with a return linked to the inflation rate in prices or wages. The Treasury is specifically interested in comments concerning choice of index, structure of the security, auction technique, offering sizes, and maturities. The Treasury also invites comments on other specific issues raised, as well as on any other issues relevant to the new type of security.

DATES: Comments must be received on or before June 19, 1996.

ADDRESSES: Comments should be sent to: the Government Securities Regulations Staff, Bureau of the Public Debt, 999 E Street NW., Room 515, Washington, DC 20239. Comments received will be available for public inspection and copying at the Treasury Department Library, Room 5030, Main Treasury Building, 1500 Pennsylvania Avenue NW., Washington, DC 20220.

FOR FURTHER INFORMATION CONTACT: Norman Carleton, Director, Office of Federal Finance Policy Analysis, Office of the Assistant Secretary for Financial Markets, at 202–622–2680. In addition, the Treasury plans to hold a series of investor meetings in New York, Washington, DC, Chicago, Boston, San Francisco, and possibly other cities in late May and in June 1996 to discuss the new securities, answer questions, and solicit comments. To request information about attending any of these meetings, contact the Office of Financing, Bureau of the Public Debt, at 202–219–3350.

SUPPLEMENTARY INFORMATION: The Treasury Department intends to issue a new type of marketable book-entry security with a nominal return linked to the inflation rate in prices or wages, as officially published by the United States Government. The Treasury is considering various indices for this purpose, including the Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics (BLS) of the Department of Labor, the core CPI (CPI-U, excluding food and energy, as published by the BLS), the Gross Domestic Product (GDP) deflator published by the Bureau of Economic Analysis (BEA) of the Department of Commerce, and the Employment Cost Index—Private Industry (ECI) also published by BLS. Through this notice, the Treasury is soliciting comments on the design details of the planned inflation-protection securities and on which index (those mentioned above or another index) would be most likely to result in the broadest market for the new securities. At the end of this notice is a hypothetical term sheet with proposed formulas applicable to one of the structures being considered for the new security.

This advance notice of proposed rulemaking is not an offering of securities, and any of the currently contemplated features of inflation-protection securities that are described in this notice may change. The terms and conditions of particular securities that may be offered will be set forth in