Applicability: Model 737–300, –400, and –500 series airplanes; line numbers 1001 through 3063 inclusive; certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (c) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously. To prevent fatigue cracking of the rod ends on the leading edge slat actuators, which could result in uncommanded deployment of the wing leading edge slat and consequent reduced controllability of the airplane, accomplish the following:

(a) Within 24 months after the effective date of this AD: Replace the leading edge slat actuator with an actuator that has a new rod end, or replace the rod end on the existing slat actuator with a new rod end, at slat positions 1, 2, 5, and 6; in accordance with the Accomplishment Instructions in Boeing Alert Service Bulletin 737–27A1211, dated November 19, 1998.

Spares

(b) As of the effective date of this AD, no person shall install any part having a part number identified in the ''Existing Part Number'' column of Section 2.E. of Boeing Alert Service Bulletin 737–27A1211, dated November 19, 1998, on any airplane.

Alternative Methods of Compliance

(c) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

Special Flight Permits

(d) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on August 13, 1999.

D. L. Riggin,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 99–21575 Filed 8–18–99; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206

RIN 1010–AC59

Valuation of Federal Geothermal Resources

AGENCY: Minerals Management Service, Interior.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: In response to deregulation of the electric power market in California and resulting changes to the geothermal industry, the Minerals Management Service (MMS) is considering amending its regulations regarding the valuation, for royalty purposes, of Federal geothermal resources used to generate electricity. MMS specifically seeks comments on the use of the netback procedure to value geothermal resources that are not sold under arm's-length contracts, whether the existing netback procedure should be modified, and whether there are reasonable alternatives to netback valuation. MMS also seeks comments on any other aspects of the rules including the rules governing valuation of resources used in direct utilization processes, particularly alternatives for valuing those resources that are not subject to a sales transaction.

DATES: Comments must be received on or before October 18, 1999.

ADDRESSES: The mailing address for written comments regarding geothermal valuation issues is David S. Guzy, Chief, Rules and Publications Staff, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3021, Denver, Colorado 80225. Courier address is Building 85, Room A–613, Denver Federal Center, Denver, Colorado 80225. E-mail address is RMP.comments@mms.gov. For additional details, see **SUPPLEMENTARY INFORMATION.**

FOR FURTHER INFORMATION CONTACT: David S. Guzy, Chief, Rules and Publications Staff, MMS, Royalty Management Program, at telephone (303) 231–3432, FAX (303) 231–3385, or e-mail david.guzy@mms.gov.

SUPPLEMENTARY INFORMATION:

Public Comment Procedure: If you wish to comment, you may submit your comments by any one of several methods. You may mail comments to David S. Guzy, Chief, Rules and Publications Staff, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3021, Denver, CO 80225–0165. Courier or overnight delivery address is Building 85, Room A–613, Denver Federal Center, Denver, Colorado 80225. You may also comment via the Internet to RMP.comments@mms.gov. Please submit Internet comments as an ASCII file avoiding the use of special characters and any form of encryption. Please also include ''Attn.: RIN 1010–AC59'' and your name and return address in your Internet message. If you do not receive a confirmation from the system that we have received your Internet message, contact David S. Guzy directly at (303) 231–3432.

We will post public comments after the comment period closes on the Internet at *http://www.rmp.mms.gov.* You may arrange to view paper copies of the comments by contacting David S. Guzy, Chief, Rules and Publications Staff, telephone (303)231–3432, FAX (303)231–3385. Our practice is to make comments, including names and addresses of respondents, available for public review on the Internet and during regular business hours at our offices in Lakewood, Colorado. Individual respondents may request that we withhold their home address from the rulemaking record, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold from the rulemaking record a respondent's identity, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

I. Background

The Geothermal Steam Act of 1970, as amended (30 U.S.C. 1001–1025), requires the lessee to pay royalty to the United States on the amount or value of steam, or any other form of heat or energy derived from production under the lease and sold or used by the lessee or reasonably susceptible to sale or use by the lessee. Federal geothermal leases

reserve to the Secretary considerable discretion to determine value for royalty purposes. As steward of the Nation's public resources, the Secretary is responsible for ensuring that the public receives a fair return—in the form of royalties—in exchange for the lessee's exclusive right and privilege to extract and use geothermal resources produced from Federal leases. The value of geothermal resources for royalty purposes is defined by regulation in 30 CFR part 206. The purpose of this Advance Notice of Proposed Rulemaking is to solicit comments on possible new methods of determining the royalty value of Federal geothermal resources. We also seek comments on other aspects of the geothermal rules. We will consider the comments received in response to this Advance Notice in developing a proposed rulemaking, which MMS would publish in the **Federal Register**.

We are specifically requesting comments on the netback valuation procedure defined in 30 CFR 206.353 and 206.354 (1998) and whether there are reasonable alternatives to that procedure. The netback procedure derives the value of the geothermal resource by subtracting the lessee's costs of generating and transmitting electricity from the lessee's revenue received for the sale of electricity. The amount remaining from this calculation is the value of the geothermal resource upon which royalty is due. (You can find a detailed description of the netback procedure in MMS's ''Geothermal Payor Handbook-Product Valuation'' at www.rmp.mms.gov/custserv/pubserv/handbook.htm.) Netback is now the most widely used method to value Federal geothermal resources.

Application of the netback method in the deregulated California electric power market has resulted in a dramatic decrease in geothermal royalty payments. When the current geothermal rules were adopted in 1992, electricity generated by geothermal resources was subject to incentive pricing. Because of this incentive and the inherent risk involved in developing geothermal resources, the Department allowed a generous rate of return in the netback calculation. However, this incentive pricing is no longer being paid, and we are concerned about whether twice the Standard and Poor's BBB industrial bond rate is still the appropriate rate of return to use in the netback calculation.

Over the past 2 years, State and county agencies that share in this royalty are seeing losses in royalty revenue from 50 percent to over 95 percent. County officials have told MMS that they do not have a ready source of replacement funds. Members of Congress have also become alarmed at the declining royalties and have asked us to expeditiously reevaluate our geothermal valuation regulations to assure taxpayers a fair return for their resources.

II. Goals of Valuation Alternatives

The goals of any proposed alternative to the current netback procedure, whether a modification to the existing netback procedure or a completely different valuation method, should be twofold. First, the proposed method should derive a value of the resource that reflects its market value. Second, the proposed method should be easy to apply and readily verifiable.

To achieve these goals, we pose the following questions:

1. Should we modify the netback procedure and, if so, how?

2. Should we abandon the netback procedure in favor of an alternative valuation method?

3. What are the alternative methods to value geothermal resources that are not subject to a sales transaction? (Note that reliance on comparable arm's-length sales is not a viable alternative because in most cases there are no arm's-length sales of Federal geothermal resources that could be used to establish value.)

If you propose an alternative valuation method, please describe it in sufficient detail to provide an understanding of its workings and effects. Please use examples where possible.

III. Possible Alternative Valuation Methods

As a starting point for discussion, we request comments on the following possible alternatives:

(a) Modification of the existing netback valuation procedure.

Two areas where the existing netback procedure might be modified are: (1) reducing the rate of return on capital investments; and (2) reducing the limits on deductions. The current rate of return, twice the Standard and Poor's industrial BBB bond rate, yields an annual return on power plant and transmission investments of about 15 percent at current rates. We ask what rationale exists to reduce this rate and, if so, to what standard (for example, 1 × BBB, 1.5 × BBB, another index, etc.).

MMS currently limits the combined generating and transmission deductions to 99 percent of the lessee's monthly gross proceeds for the sale of electricity. Should this limit be reduced and, if so, to what amount?

We are also interested in suggestions for other modifications to the netback procedure.

(b) A ''rate-of-return'' method.

This method would use discounted cash flow analyses (DCFs) to determine a resource value that yields the same rate of return for both the resource recovery and power plant portions of the geothermal project. This would ensure that, for royalty purposes, an equal portion of the total return from a combined geothermal resource recovery and electricity generating operation would be allocated to the resource recovery activity.

The lessee would prepare separate DCFs for both the resource recovery and power plant portions of the project using its actual costs associated with developing and operating each portion. DCFs for the resource recovery would assume a range of geothermal resource values to represent expected income for the field. DCFs for the power plant would assume a range of geothermal resource values to represent the cost of purchasing the resource, and a range of electricity prices to represent expected income.

Starting with a given electricity price for the power plant, the lessee would repeat the DCFs for each project portion over the range of resource values until the rate of return for the resource recovery operation equals the rate of return for the power plant. The lessee would repeat the DCFs over the range of expected electricity prices to determine the relationship between electricity price and resource value. The value of the geothermal resource equals the cost of purchasing the geothermal resource when the rates of return for both portions are the same.

We request comments and analyses of the feasibility of using the ''rate-of-return'' method for valuing geothermal resources. We also ask for suggested improvements to this method.

(c) A ''percentage-of-revenue'' method.

This method would set the value of the geothermal resource as a percentage of the electricity value. In most cases the electricity value would be the lessee's total revenue received for the sale of electricity and other generating services. We ask what percentages are reasonable and how they are determined. We also ask whether the percentages should be fixed or whether they should vary with time or price of electricity, such as a step or sliding scale.

Again, we offer these alternatives as a starting point for discussion. We invite you to suggest other valuation methods not presented here.

IV. Valuation of Resources Used in Direct Utilization Processes

We also solicit comments on the valuation standards for direct utilization at 30 CFR 206.355, particularly options for the ''alternative fuel'' method used to value geothermal resources that are not subject to a sales transaction. Proposed alternative methods should satisfy the valuation goals discussed above.

V. Other Comments

MMS also seeks comments on any other aspects of the rules.

Dated: August 13, 1999.

Shayla Freeman Simmons,

Acting Assistant Secretary, Land and Minerals Management.

[FR Doc. 99–21506 Filed 8–18–99; 8:45 am]

BILLING CODE 4310–MR–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CA 009–0143b; FRL–6420–5]

Approval and Promulgation of Implementation Plans; California State Implementation Plan Revisions for Six California County Air Pollution Control Districts

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing to approve revisions to the California State Implementation Plan (SIP) which concern the control of particulate matter (PM) emissions from open burning, incinerator burning, and orchard heater sources. The intended effect of this action is to regulate emissions of PM in accordance with the requirements of the Clean Air Act, as amended in 1990 (CAA or the Act). In the Final Rules section of this **Federal Register**, the EPA is approving the state's SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision and anticipates no adverse comments. A detailed rationale for this proposed approval is set forth in the direct final rule. If no relevant adverse comments are received, no further activity is contemplated in relation to this rule. If EPA receives relevant adverse comments, the direct final rule will not take effect and all public comments received will be addressed in a subsequent final rule based on this proposed rule. EPA will not institute a second comment period on this rule. Any parties interested in commenting on this rule should do so at this time.

DATES: Comments must be received in writing by September 20, 1999.

ADDRESSES: Written comments should be addressed to: Andrew Steckel, Rulemaking Office (AIR–4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105–3901.

Copies of the rules and EPA's evaluation report for the rules are available for public inspection at EPA's Region IX office during normal business hours. Copies of the submitted rules are also available for inspection at the following locations:

California Air Resources Board, Stationary Source Divison, Rule Evaluation Section, 2020 ''L'' Street, Sacramento, CA 95812

Kern County Air Pollution Control District, 2700 ''M'' Street, Suite 290, Bakersfield, CA 93301

Northern Sierra Air Quality Management District, 540 Searles Avenue, Nevada City, CA 95959

Siskiyou County Air Pollution Control District, 525 South Foothill Drive, Yreka, CA 96097

San Joaquin Valley Unified Air Pollution Control District, 1990 East Gettysburg Street, Fresno, CA 93726

Tehama County Air Pollution Control District, 1760 Walnut Street, Red Bluff, CA 96080

Tuolumne County Air Pollution Control District, 2 South Green Street, Sonora, CA 95370

FOR FURTHER INFORMATION CONTACT: Al Petersen, Rulemaking Office, (AIR–4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, Telephone: (415) 744–1135.

SUPPLEMENTARY INFORMATION:

I. Applicability

This document concerns the following rules submitted by the California Air Resources Board:

- Kern County Air Pollution Control District Rule 416, Open Burning (submitted on October 18, 1996).
- Kern County Air Pollution Control District Rule 417, Agricultural Burning (submitted on October 18, 1996).
- Northern Sierra Air Quality Management District Rules 302 to 312, Open Burning (submitted on October 25, 1991).
- San Joaquin Valley Unified Air Pollution Control District Rule 4302, Incinerator Burning (submitted on May 24, 1994).
- San Joaquin Valley Unified Air Pollution Control District Rule 4303, Orchard Heaters (submitted on May 24, 1994).
- Siskiyou County Air Pollution Control District Rule 4.3, Non-Agricultural Burning (submitted on March 26, 1990).
- Tehema County Air Pollution Control District Rule 3.12, Wildland Vegetation Management Burning, (submitted on May 13, 1991).
- Tuolumne County Air Pollution Control District Rules 302 to 310, Open Burning (submitted on March 26, 1990).

For further information, please see the information provided in the Direct Final action that is located in the Rules section of this **Federal Register**.

Dated: July 30, 1999.

David P. Howekamp,

Acting Regional Administrator, Region IX.

[FR Doc. 99–21165 Filed 8–18–99; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CA 126–163b; FRL–6420–1]

Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; South Coast Air Quality Management District; Ventura County Air Pollution Control District; Mojave Desert Air Quality Management District

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA proposes to approve revisions to the California State Implementation Plan (SIP). Two rules to be approved into the SIP control volatile organic compound (VOC) emissions from storage tank cleaning and degassing operations and from components at crude oil and natural gas production and processing facilities. Two rules to be removed from the SIP control VOC emissions from pumps, compressors, and relief valves.

The intended effect of this action is to regulate emissions of VOCs in accordance with the requirements of the Clean Air Act, as amended in 1990 (CAA or the Act). In the Final Rules section of this **Federal Register**, the EPA is approving the state's SIP submittal as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision and anticipates no adverse comments. A detailed rationale for this approval is set forth in the direct final rule. If no adverse comments are received, no further activity is contemplated. If EPA receives adverse comments, the direct