

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 999

Amendment of Filbert Import Regulation; Extension of Time for Filing Comments

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Extension of time for filing comments.

SUMMARY: At the request of several persons, the time for filing comments regarding proposed changes in the filbert import regulation is extended June 16 to July 1.

DATES: Written comments must be received by July 1, 1980.

ADDRESS: Written comments should be submitted in duplicate to the Hearing Clerk, Room 1077, South Building, U.S. Department of Agriculture, Washington, D.C. 20250. All written submissions will be made available for public inspection at the office of the Hearing Clerk during regular business hours.

FOR FURTHER INFORMATION CONTACT:

J. S. Miller, Acting Chief, Specialty Crops Branch, Fruit and Vegetable Division, Agricultural Marketing Service, Washington, D.C. 20250 (202) 447-5053.

SUPPLEMENTARY INFORMATION: Notice was published in the April 9, 1980, *Federal Register* (45 FR 24187) to revise the grade requirements for shelled filberts [~~§ 999.300~~ Exhibit A] as required by section 8e (7 U.S.C. 608e-1) of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601.674). This action to extend the time for filing comments is based on the requests of interested persons to give them additional time to review the April 9 proposal.

Dated: June 6, 1980.

D. S. Kuryloski,
Acting Director, Fruit and Vegetable Division.

[FR Doc. 80-17643 Filed 6-10-80; 8:45 am]

BILLING CODE 3410-02-0M

FARM CREDIT ADMINISTRATION

12 CFR Part 618

General Provisions

AGENCY: Farm Credit Administration.

ACTION: Proposed rule.

SUMMARY: The Farm Credit Administration, by its Federal Farm Credit Board, has under consideration a proposed amendment to its regulation pertaining to internal controls for the operations of the Farm Credit banks and associations. The existing regulation contains specific provisions as to how this function, including internal auditing, is to be performed by the institutions. By eliminating these specific requirements, the proposed will provide the district Farm Credit boards greater flexibility to establish policies for assuring the effective control over and accountability for the operations, programs and resources of these institutions.

DATES: Written comments must be received on or before August 11, 1980.

ADDRESSES: Submit any comments or suggestions in writing to Donald E. Wilkinson, Governor, Farm Credit Administration, Washington, DC 20578. Copies of all communications received will be available for examination by interested persons in the Office of Director, Public Affairs Division, Office of Administration, Farm Credit Administration.

FOR FURTHER INFORMATION CONTACT: Larry H. Bacon, Acting Deputy Governor, Office of Administration, Farm Credit Administration, 490 L'Enfant Plaza, East, S.W., Washington, DC 20578 (202) 755-2181.

Title 12, Chapter VI is proposed to be amended by revising § 618.8430 as follows:

PART 618—GENERAL PROVISIONS

Subpart I—Internal Controls

§ 618.8430 Internal Controls

(a) General. The district board shall adopt an internal control policy

designed to provide direction to banks and associations in establishing effective control over and accountability for operations, programs, and resources. Board policy should include:

(1) Direction to management which ensures the fixation of responsibility for the internal control function (financial and administrative) in an officer (or officers) of the bank.

(2) Requirements that the bank adopt internal audit and control procedures, evidencing responsibility in the review and maintenance of a comprehensive and effective internal control operation.

(b) The Farm Credit Administration shall include a review and analysis of the internal control function of each bank in its supervisory and examination effort, including the reporting of policy and management weaknesses.

(Secs. 5.9, 5.12, 5.18, 85 Stat. 619, 620, 621)

Donald E. Wilkinson,

Governor.

[FR Doc. 80-17671 Filed 6-10-80; 8:45 am]

BILLING CODE 6705-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

15 CFR Part 938

Gray's Reef Marine Sanctuary; Designation

AGENCY: National Oceanic and Atmospheric Administration (NOAA), Department of Commerce.

ACTION: Proposed rule.

SUMMARY: The National Oceanic and Atmospheric Administration proposes the designation by the Secretary of Commerce of the Gray's Reef Marine Sanctuary 17.5 nmi east of Sapelo Island, Georgia. Presidential approval of the designation is required. After designation, the Secretary of Commerce must promulgate necessary and reasonable regulations to control activity within the sanctuary. These proposed regulations define permissible activities within the Sanctuary, the procedures by which persons may obtain permits for prohibited activities, and the penalties for committing prohibited acts without a permit.

DATE: Comments due August 11, 1980.

ADDRESS: Send comments to: Director, Sanctuary Programs Office, Office of

Coastal Zone Management, NOAA, 3300 Whitehaven Street, NW., Washington, D.C. 20235.

FOR FURTHER INFORMATION CONTACT:

Jr. Nancy Foster, Deputy Director, Sanctuary Programs Office, Office of Coastal Zone Management, NOAA, 3300 Whitehaven Street, NW., Washington, D.C. 20235 (202) 634-4236.

SUPPLEMENTARY INFORMATION: Title III of the Marine Protection, Research, and Sanctuaries Act of 1972, 16 U.S.C. 1431-1434 (the Act) authorizes the Secretary of Commerce, with Presidential approval, to designate ocean waters as far seaward as the outer edge of the Continental Shelf as marine sanctuaries to preserve or restore distinctive conservation, recreational, ecological, or aesthetic values. Section 302(f) of the Act directs the Secretary to issue necessary and reasonable regulations to control any activities permitted within a designated marine sanctuary. The authority of the Secretary to administer the provisions of the Act has been delegated to the Assistant Administrator for Coastal Zone Management within the National Oceanic and Atmospheric Administration, U.S. Department of Commerce (the Assistant Administrator).

The Office of Coastal Zone Management proposes to designate a 16.68 square nautical mile (sq nmi) marine sanctuary 17.5 nmi east of Sapelo Island, Georgia. The proposed area is a biologically productive live bottom reef on the South Atlantic Continental Shelf which supports representatives of Virginian, Carolinian and West Indian biota, including an array of invertebrates, fish and turtles.

In 1978 the Georgia Department of Natural Resources recommended the Gray's Reef area as a marine sanctuary. In July 1979, NOAA distributed the Gray's Reef nomination for review and comment among Federal and State authorities, regional fishery management councils, environmental and special interest groups and interested individuals. Most responses to the nomination were favorable. On October 12, 1979, based on information obtained through consultation and on criteria stated in NOAA's General Marine Sanctuary Regulations (15 CFR Part 922, 44 FR 44831, July 31, 1979), NOAA determined that Gray's Reef would be eligible for its initial List of Recommended Areas when published and, at the same time, selected the site as an Active Candidate for sanctuary designation (44 FR 58638) and announced its intent to prepare an issue paper and to schedule public workshops in areas affected by the proposed

designation. Shortly afterwards, NOAA distributed an Issue Paper which described the Gray's Reef resources, major issues and a range of boundary, regulatory and management alternatives related to the proposed action. In November 1979, NOAA held a public workshop on the proposal in Brunswick and Savannah, Georgia. Scientists, environmentalists, educators, and resource managers testified in favor of the proposal, citing as beneficial impacts, initiation of a comprehensive management framework for the coordination of uses and conservation of live bottom resources and habitats, development of research and education programs and implementation of appropriate regulations. Local fishermen and divers took issue with the possible regulation of spearfishing, arguing that at Gray's Reef spearfishing is a low-intensity, non-impacting sport. A few commentators, while not opposed to the proposed action, questioned the purpose and need for a marine sanctuary, citing management authority of the regional fisheries management councils as an alternative.

NOAA evaluated all comments, issues and available information and decided to prepare a Draft Environmental Impact Statement (DEIS) for a proposed Gray's Reef Marine Sanctuary in December 1979 and conducted a scoping meeting in January 1980 concerning development of the DEIS.

After consultation with other Federal agencies, State agencies, the Gulf and South Atlantic Regional Fishery Management Councils, and local interest groups and individuals, NOAA prepared a DEIS which is being published concurrently with these regulations (a copy can be obtained by writing to the contact identified above), which describes the impacts of the marine sanctuary proposal including its ability to focus on this particularly valuable marine area and to provide comprehensive planning. It discusses marine sanctuary management including research and monitoring of the conditions of the site and the resources to assure long-term protection and maximum safe use and enjoyment and the educational element of the program to increase public awareness of the value of the resources. The rationale for designation and for the proposed regulatory system as well as alternative approaches, both regulatory and nonregulatory, are more fully set forth in the DEIS.

OCZM will receive public comments on the proposal, hold public hearings in Brunswick and Savannah, Georgia, and prepare a final EIS and regulations

which incorporate and respond to the comments received. Only after final consultation with Federal agencies, and with Presidential approval, can the Secretary designate the sanctuary and promulgate regulations.

NOAA's Marine Sanctuary Regulations provide that the regulatory system for a marine sanctuary will be established by two documents, a Designation document and the regulations issued pursuant to Section 302(f) of the Act. The Designation will serve as a constitution for the Sanctuary, establishing among other things the purposes of the Sanctuary, the types of activities that may be subject to regulation within it, and the extent to which other regulatory programs will continue to be effective.

As proposed, the Gray's Reef Marine Sanctuary Designation document, would provide as follows:

**Draft Designation Document
Designation of the Gray's Reef Marine
Sanctuary**

Preamble

Under the authority of the Marine Protection, Research and Sanctuary Act of 1972, Pub. L. 92-532 (the Act), the waters at Gray's Reef, South Atlantic Bight off the coast of Georgia, are hereby designated a Marine Sanctuary for the purposes of: (1) Protecting and enhancing the quality of this unique and fragile ecological community; (2) promoting scientific understanding of this live bottom ecosystem; and (3) enhancing public awareness and wise use of this significant regional resource.

Article 1. Effect of Designation

Within the area designated as The Gray's Reef Marine Sanctuary) the Sanctuary) described in Article 2, the Act authorizes the promulgation of such regulations as are reasonable and necessary to protect the values of the Sanctuary. Article 4 of the Designation lists those activities which may require regulation, but the listing of any activity does not by itself prohibit or restrict it. Restrictions or prohibitions may be accomplished only through regulation, and additional activities may be regulated only by amending Article 4.

Article 2. Description of the Area

The Sanctuary consists of a 16.68 square nautical mile (sq nmi) area of the high seas waters located 17.5 nmi due east of Sapelo Island, Georgia. The precise boundaries are defined by regulations.

Article 3. Characteristics of the Area

The Sanctuary consists of submerged limestone rock "reefs" and contiguous shallow-buried hardlayer and soft sedimentary regime which support rich and diverse marine plants, invertebrates, finfish, turtles and occasional marine mammals in an otherwise relatively barren expanse of ocean. The area attracts multiple human use, including recreational fishing and diving, research and educational use.

Article 4. Scope of Regulation

Section 1. Activities Subject to Regulation. To ensure the protection and preservation of the Sanctuary's marine features and the ecological, recreational, and aesthetic value of the area, the following activities within the Sanctuary may be regulated to the extent necessary:

- a. Dredging or alteration of, or construction on, the seabed;
- b. Discharging or depositing any substance or object;
- c. Vessel operations, including anchoring;
- d. Wire trap fishing;
- e. Bottom-trawling and specimen-dredging;
- f. Spearfishing;
- g. Marine specimen collecting; Removing or otherwise harming natural or historical resources.

Section 2. Consistency with International Law. The regulations governing the activities listed in Section 1 of this Article will apply to foreign flag vessels and persons not citizens of the United States only to the extent consistent with recognized principles of international law, including treaties and international agreements to which the United States is signatory.

Section 3. Emergency Regulations. Where essential to prevent immediate, serious, and irreversible damage to the ecosystem of the area, activities other than those listed in Section 1 may be regulated within the limits of the Act on an emergency basis for an interim period not to exceed 120 days, during which an appropriate amendment of this Article will be proposed in accordance with the procedures specified in Article 6.

Article 5. Relation to Other Regulatory Programs

Section 1. Defense Activities. The regulation of activities listed in Article 4 shall not prohibit any Department of Defense activity that is essential for national defense or because of emergency. Such activities shall be consistent with the regulations to the maximum extent practicable.

Section 2. Other Programs. All applicable regulatory programs will remain in effect, and all permits, licenses and other authorizations issued pursuant thereto shall be valid within the Sanctuary unless authorizing any activity prohibited by any regulation implementing Article 4. The Sanctuary regulations will set forth any necessary certification procedures.

Article 6. Alterations to This Designation

This Designation can be altered only in accordance with the same procedures by which it has been made, including public hearings, consultation with interested Federal and State agencies and the South Atlantic Regional Fishery Management Council, and approval by the President of the United States.

[End of Designation]

Only those activities listed in Article 4 are subject to regulation in the Sanctuary. Before any additional activities may be regulated, the Designation must be amended through the entire designation procedure including public hearing and approval by the President. Spearfishing is listed in Article 4 because of the potential for damage. However, no additional regulation of this activity is proposed at this time.

The primary purpose of the proposed regulations is to protect and to preserve the live bottom reef ecosystem, including many reef dwelling organisms. Accordingly, all activities which would adversely impact live bottom resources are prohibited, except those permitted by the Assistant Administrator in accordance with § 938.8. Such activities include: alteration of or construction on the seabed (§ 938.6(a)(1)); wire trap fishing (§ 938.6(a)(4)); bottom trawling and specimen dredging (§ 938.6(a)(5)); and marine specimen collecting (§ 938.6(a)(7)). Similarly, activities harming cultural or historical artifacts in the area are prohibited, except by permit (§ 937.6(a)(6)). Anchoring in such a way as to injure live bottom habitat areas or living marine resources is prohibited (§ 938.6(a)(3)). Finally, discharge and dumping of polluting materials which could damage the natural values of the area are prohibited (§ 938.6(a)(2)). Spearfishing is listed in the Designation document but no regulations are proposed at this time.

Except with respect to the removal or deliberate damage of live bottom resources, anchoring, the use of certain fishing methods, and discharges, fishing activities are not subject to regulation and remain the responsibility of the

Regional Fishery Management Council(s).

Public Review and Comment

NOAA invites public review and comment on these proposed regulations. Written comments should be submitted to: Director, Sanctuary Programs Office, Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, 3300 Whitehaven Street, NW., Washington, D.C. 20235, on or before August 5, 1980.

Dated: June 4, 1980.

Michael Glazer,
Assistant Administrator for Coastal Zone Management.

Accordingly, Part 938 is proposed as follows:

PART 938—THE GRAY'S REEF MARINE SANCTUARY REGULATIONS

Sec.	
938.1	Authority.
938.2	Purpose.
938.3	Boundaries.
938.4	Definitions.
938.5	Allowed activities.
938.6	Prohibited activities.
938.7	Penalties for Commission of prohibited acts.
938.8	Permit procedures and criteria.
938.9	Certification of other permits.
938.10	Appeals of administrative action.
938.11	Amendments.

Authority: Sec. 302 (a), (f), (g) and 303 of Title III of the Marine Protection, Research and Sanctuaries Act of 1972 (16 U.S.C. 1431-1434).

§ 938.1 Authority.

The Sanctuary has been designated by the Secretary of Commerce pursuant to the authority of Section 302(a) of Title III of the Marine Protection, Research and Sanctuaries Act of 1972, 16 U.S.C. 1431-1434 (the Act). The following regulations are issued pursuant to the authorities of sections 302(f), 302(g) and 303 of the Act.

§ 938.2 Purpose.

The purpose of designating the Sanctuary is to protect and preserve the live bottom ecosystem, and other natural resources of the waters of Gray's Reef, and to ensure the continued availability of the area as an ecological, research, and recreational resource.

§ 938.3 Boundaries.

The Sanctuary consists of an area of 16.68 square nautical miles of high seas waters off the coast of Georgia. The Sanctuary boundary includes all waters within a rectangle starting at coordinate 31°21'45" N, 80°55'17" W, commencing to coordinate 31°21'15" N, 80°49'42" W, thence to coordinate 31°25'15" N, 80°55'17" W, thence to coordinate

31°21'45" N, 80°48'42" W, thence back to the point of origin.

§ 938.4 Definitions.

(a) "Administrator" refers to the Administrator of the National Oceanic and Atmospheric Administration.

(b) "Assistant Administrator" refers to the Assistant Administrator for Coastal Zone Management, National Oceanic and Atmospheric Administration.

(c) "Person" is any private individual, partnership, corporation, or other entity; or any officer, employee, agent, department, agency or instrumentality of the Federal government or any State or local unit of government.

§ 938.5 Allowed activities.

All activities except those specifically prohibited by § 938.6, may be carried within the Sanctuary subject to all prohibitions, restrictions and conditions imposed by any other authority.

§ 938.6 Prohibited activities.

(a) Except as may be necessary for national defense in accordance with Article 5, Section 2 of the Designation or as may be necessary to respond to an emergency threatening life, property or the environment, the following activities are prohibited within the Sanctuary unless permitted by the Assistant Administrator in accordance with Section 938.8. All prohibitions must be applied consistently with international law.

(1) *Alteration of or construction on the seabed.* No person shall dredge, drill or otherwise alter the seabed in any way nor construct any structure other than a navigation aid without a permit.

(2) *Discharge of substances.* No person shall deposit or discharge any materials or substances of any kind except:

- (i) Fish or parts, bait and chumming materials;
- (ii) Effluent from marine sanitation devices; and
- (iii) Non-polluted cooling waters from vessels.

(3) *Operation of Watercraft.* (i) All watercraft shall be operated in accordance with Federal rules and regulations that would apply if there were no Sanctuary.

(ii) No person shall place any rope, chain, or anchor in such a way as to damage the live bottom formation or attached living marine resources anywhere within the Sanctuary. Anchors shall be dropped on sand flats off the rock outcrops and placed so as not to drift into the live bottom formations. When anchoring dive boats, the first diver down shall inspect the anchor to

ensure that it is placed on sand bottom and will not shift in such a way as to impact the live bottom outcrops. No further diving is permitted until the anchor is placed in accordance with these requirements.

(4) *Wire trap fishing.* No person shall use or place wire fish traps within the sanctuary without a permit.

(5) *Bottom-trawling and specimen-dredging.* No person shall use a bottom-trawl, specimen-dredge or similar vessel-towed bottom sampling device within the Sanctuary without a permit.

(6) *Marine specimen collecting.* (i) No person shall break, cut or similarly damage, take or remove any bottom formation, any marine invertebrate or any marine plant without a permit.

(ii) No person shall take without a permit any tropical fish which is a fish of minimal sport and food value, usually brightly colored, often used for aquaria purposes and which lives in a direct interrelationship with the live bottom community.

(iii) There shall be a rebuttable presumption that any items listed in this paragraph found in the possession of a person within the Sanctuary have been collected or removed from the Sanctuary.

(iv) No person shall use poisons, electric charges, explosives or similar methods to take any marine animal or plant.

(7) *Removing or damaging historic or cultural resources.* (i) No person shall tamper with, damage or remove any historic or cultural resources without a permit.

(ii) All activities currently carried out by the Department of Defense within the Sanctuary are essential for the national defense and, therefore, not subject to these prohibitions. The exemption of additional activities having significant impacts shall be determined in consultation between the Assistant Administrator and the Department of Defense.

(iii) The prohibitions in this section are not based on any claim of territoriality and will be applied to foreign persons and vessels only in accordance with recognized principles of international law, including treaties, conventions and other international agreements to which the United States is signatory.

§ 938.7 Penalties for commission of prohibited acts.

Section 303 of the Act authorizes the assessment of a civil penalty of not more than \$50,000 against any person subject to the jurisdiction of the United States for each violation of any regulation issued pursuant to the Act,

and further authorizes a proceeding in rem against any vessel used in violation of any such regulation.

§ 938.8 Permit procedures and criteria.

(a) Any person in possession of a valid permit issued by the Assistant Administrator in accordance with this section may conduct any activity in the Sanctuary including any activity specifically prohibited under § 938.6, if such activity is (1) research related to the resources of the Sanctuary, (2) to further the educational value of the Sanctuary, or (3) for salvage or recovery operations.

(b) Permit applications shall be addressed to the Assistant Administrator for Coastal Zone Management, Attn: Office of Sanctuary Programs, Division of Operations and Enforcement, National Oceanic and Atmospheric Administration, 3300 Whitehaven Street NW., Washington, D.C. 20235. An application shall provide sufficient information to enable the Assistant Administrator to make the determination called for in paragraph (c) of this section and shall include a description of all activities proposed, the equipment, methods, and personnel (particularly describing relevant experience) involved, and a timetable for completion of the proposed activity. Copies of all other required licenses or permits shall be attached.

(c) In considering whether to grant a permit, the Assistant Administrator shall evaluate (1) the general professional and financial responsibility of the applicant, (2) the appropriateness of the methods envisioned to the purpose(s) of the activity, (3) the extent to which the conduct of any permitted activity may diminish or enhance the value of the Sanctuary, (4) the end value of the activity and (5) other matters as deemed appropriate.

(d) In considering any application submitted pursuant to this section, the Assistant Administrator may seek and consider the views of any person or entity, within or outside of the Federal Government, and may hold a public hearing, as deemed appropriate.

(e) The Assistant Administrator may, at his or her discretion, grant a permit which has been applied for pursuant to this section, in whole or in part, and subject to such condition(s) as deemed appropriate. The Assistant Administrator or a designated representative may observe any permitted activity and/or require the submission of one or more reports of the status or progress of such activity. Any information obtained will be made available to the public.

(f) The permit granted under paragraph (e) of this section may not be transferred.

(g) The Assistant Administrator may amend, suspend or revoke a permit granted pursuant to this section, in whole or in part, temporarily or indefinitely, if the permit holder (the Holder) has violated the terms of the permit or applicable regulations. Any such action will set forth in writing to the Holder, and will include the reason(s) for the action taken. The Holder may appeal the action as provided for in Section 938.10.

§ 938.9 Certification of other permits.

(a) All permits, licenses and other authorizations issued pursuant to any other authority are hereby certified and shall remain valid if they do not authorize any activity prohibited by § 938.6. Any interested person may request that the Assistant Administrator offer an opinion on whether an activity is prohibited by these regulations.

(b) The Assistant Administrator may amend, suspend, or revoke the certification made under this section whenever continued operation would violate any term or conditions of the certification. Any such action shall be forwarded in writing to both the holder of the certified permit and the issuing agency and shall set forth reason(s) for the action taken. Either the holder or the issuing agency may appeal the action as provided for in § 938.10.

§ 938.10 Appeals of administrative action.

(a) Any interested person (the Appellant) may appeal the granting, denial, or conditioning of any permit under § 938.8 to the Administrator of NOAA. In order to be considered by the Administrator, such appeal must be in writing, must state the action(s) appealed, and the reason(s) therefore, and must be submitted within 30 days of the action(s) by the Assistant Administrator. The Appellant may request an informal hearing on the appeal.

(b) Upon receipt of an appeal authorized by this section, the Administrator will notify the permit applicant, if other than the Appellant, and may request such additional information and in such form as will allow action upon the appeal. Upon receipt of sufficient information, the Administrator will decide the appeal in accordance with the criteria defined in § 938.8(c) as appropriate, based upon information relative to the application file at OCZM and any additional information, the summary record kept of any hearing, and the Hearing Officer's recommended decision, if any, as

provided in paragraph (c) of this section, and such other considerations as deemed appropriate. The Administrator will notify all interested persons of the decision, and the reason(s) for the decision, in writing, within 30 days of receipt of sufficient information, unless additional time is needed for a hearing.

(c) If a hearing is requested or if the Administrator determines one is appropriate, the Administrator may grant an informal hearing before a designated Hearing Officer after first giving notice of the time, place, and subject matter of the hearing in the Federal Register. Such hearing must normally be held no later than 30 days following publication of the notice in the Federal Register unless the Hearing Officer extends the time for reasons deemed equitable. The Appellant, the Applicant (if different) and other interested persons (at the discretion of the Hearing Officer) may appear personally or by counsel at the hearing and submit such material and present such arguments as determined appropriate by the Hearing Officer. Within 30 days of the last day of the hearing, the Hearing Officer shall recommend in writing a decision to the Administrator.

(d) The Administrator may adopt the Hearing Officer's recommended decision, in whole or in part, or may reject or modify it. In any event, the Administrator shall notify interested persons of the decision, and the reason(s) for the decision (in writing) within 30 days of receipt of the recommended decision of the Hearing Officer. The Administrator's action will constitute final action for the Agency for the purposes of the Administrative Procedures Act.

(e) Any time limit prescribed in this section may be extended for a period not to exceed 30 days by the Administrator for good cause upon written request from the Appellant or Applicant stating the reason(s) for the extension.

[FR Doc. 80-17367 6-10-80; 8:45 am]

BILLING CODE 3510-08-M

15 CFR Part 938

Designation of Gray's Reef, Ga., as a Marine Sanctuary; Availability of Funds for Public Participation; Public Hearings

AGENCY: Office of Coastal Zone Management, (OCZM), National Oceanic and Atmospheric Administration, Department of Commerce.

ACTION: Announcement of public hearings and availability of funds for public participation.

SUMMARY: Pursuant to Title III of the Marine Protection, Research and Sanctuaries Act of 1972, 16 U.S.C. 1431-1434, the OCZM is considering the designation of certain waters known as Gray's Reef, Georgia as a Marine sanctuary. A draft environmental statement (DEIS) discussing this proposal was published in May 1980. This document announces the dates for two public hearings to be held to discuss these issues. Also, in order to promote a full and fair determination of the issues involved, the document announces the availability of \$5,000 to compensate persons eligible under the criteria set forth in NOAA regulations (15 CFR Part 904) for their participation in this proceeding.

DATES: The public hearings will be held on July 7, and July 8, 1980, beginning at 7:00 p.m. both days.

The closing date for the receipt of applications for compensation is June 25, 1980.

Comments on the DEIS will be accepted until August 5, 1980.

ADDRESSES: The July 7 hearing will be held at the Brunswick-Glynn County Regional Library, 208 Gloucester Street, Brunswick, Georgia.

The July 8 hearing will be held at the Savannah Science Museum, 4405 Paulsen Street, Savannah, Georgia.

Applications for compensation must be filed with the Director, Sanctuary Programs Office, Office of Coastal Zone Management, NOAA, 3300 Whitehaven Street, N.W., Washington, D.C. 20235.

FOR FURTHER INFORMATION CONTACT: Dr. Nancy Foster, Deputy Director, Sanctuary Programs Office, (202) 634-4236.

SUPPLEMENTARY INFORMATION: In June 1978, the Georgia Department of Natural Resources submitted to NOAA a recommendation to designate Gray's Reef, South Atlantic Continental Shelf, as a marine sanctuary. In July 1979, NOAA consulted with other Federal agencies, Fishery Management Councils, State and local government officials and interested persons and individuals. In October 1979, NOAA distributed an Issue Paper on the proposed site and, in November 1979, held public workshops on the proposed action. Based on written and oral input, NOAA proposed a DEIS on which comment is solicited. NOAA will hold public hearings in Brunswick on July 7, and in Savannah on July 8, 1980 to receive comments on the proposal and on the DEIS.

Issues Involved: The basic issues which will be considered at the public hearings are analyzed in the DEIS and include:

(a) Ecological, and esthetic resources found in the proposed area; and

(b) Management, boundary and regulatory alternatives considered within the proposed area to ensure protection and proper management.

Available Fund: A total fund of \$5,000 is available to compensate eligible applicants. This fund may be distributed among one or more applicants, or, at the discretion of the Administrator, not distributed at all.

Eligible Persons: In accordance with the criteria of 15 CFR 904.3, persons who represent an interest, the presentation of which can reasonably be expected to contribute substantially to a fair determination of the issues described above may be eligible for compensation from these funds. In determining eligibility and the amount of compensation, the Administrator may take into account:

(a) Whether the interest will be adequately represented otherwise;

(b) The need to encourage participation by segments of the public who may have little economic incentive to participate;

(c) The importance of the representation to a fair balance of interests;

(d) The number and complexity of the issues presented;

(e) The importance of public participation; and

(f) The applicant's resources available for participation.

Eligible Costs: The Administrator may compensate eligible persons for some or all of the reasonable costs incurred in participating including:

(1) Salaries for participants or employees of participants;

(2) Fees for consultants, experts, contractual services, and attorneys;

(3) Travel and travel related costs such as lodging, meals, tipping, telephone calls, etc.; and

(4) Document reproduction, postage, etc.

Procedures for applying: Applications must be filed with the Director, Sanctuary Programs Office, Office of Coastal Zone Management, NOAA, no later than June 25, 1980, and shall contain the information required by and be filed in accordance with NOAA's financial participation regulations, 43 FR 17806 (April 26, 1978).

Dated: June 4, 1980.

Michael Glazer,

Assistant Administrator for Coastal Zone Management.

BILLING CODE 3810-08-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[LR-276-76]

Treatment of Gain From Disposition of Certain Oil, Gas, or Geothermal Property; Proposed Rulemaking

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to the tax treatment of gain from the disposition of certain oil, gas, or geothermal property. Changes to the applicable tax law were made by the Tax Reform Act of 1976 and the Energy Tax Act of 1978. This document also proposes several minor technical changes to the regulations to conform them to the Act of September 12, 1966 (Pub. L. 89-570) and the Tax Reform Act of 1969. The regulations will provide the public with the guidance needed to comply with the changed tax laws.

DATES: Written comments and requests for a public hearing must be delivered by August 11, 1980. The amendments are proposed to be effective in the case of a disposition of oil or gas property in taxable years ending after December 31, 1975, with respect to intangible drilling and development costs paid or incurred after December 31, 1975. In the case of a disposition of geothermal property, the amendments are proposed to be effective with respect to intangible drilling and development costs for wells commenced on or after October 1, 1978, in taxable years ending on or after such date.

ADDRESS: Send comments and requests for a public hearing to: Commissioner of Internal Revenue, Attention: CC:LR:T (LR-276-76), Washington, D.C. 20224.

FOR FURTHER INFORMATION CONTACT: William E. Mantle of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. 20224 (Attention: CC:LR:T) (202-566-3294).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to the Income Tax

sections 170, 301, 312, 341, 453, 751, 1254, and 1502 of the Internal Revenue Code of 1954. These amendments are proposed to conform the regulations to section 205 (a), (b), and (c) (1) and (2) of the Tax Reform Act of 1976 (90 Stat. 1533) and section 402(c) of the Energy Tax Act of 1978 (92 Stat. 3202) and to make certain other technical amendments to the regulations to conform them to section 1(c) of the Act of September 12, 1966 (Pub. L. 89-570, 80 Stat. 762), section 211(b)(6) of the Tax Reform Act of 1969 (83 Stat. 570), and sections 1042(c)(2), 1101(d)(2), 1901(a)(93), and 2110(a) of the Tax Reform Act of 1978 (90 Stat. 1637, 1658, 1780, 1905). The amendments are to be issued under the authority contained in sections 1254(b) and 7805 of the Internal Revenue Code of 1954 (90 Stat. 1534, 26 U.S.C. 1254(b); 68A Stat 917, 26 U.S.C. 7805).

Technical Amendments

Paragraphs 1 through 6 and paragraph 8 of this document contain amendments to certain of the regulations under sections 170 (relating to charitable, etc., contributions and gifts), 301 (relating to distributions of property), 312 (relating to effect on earnings and profits), 341 (relating to collapsible corporations), 453 (relating to installment method of accounting), 751 (relating to unrealized receivables and inventory items) and 1502 (relating to tax liability of an affiliated group of corporations). These paragraphs make only technical and conforming amendments necessary because of the addition of section 1254 to the Code and because of the amendments made by section 1(c) of the Act of September 12, 1966 (Pub. L. 89-570) and section 211(b)(6) of the Tax Reform Act of 1969.

Explanation of Section 1254 Provisions

The proposed regulations under section 1254 are contained in paragraph 7 of this document.

Proposed § 1.1254-1 provides for recapture of certain intangible drilling and development costs upon a disposition of oil or gas property in a taxable year ending after December 31, 1975, and upon disposition of geothermal property if the well was commenced on or after October 1, 1978, in taxable years ending on or after such date. The amount subject to recapture is the lower of two amounts. The first amount is the adjusted intangible drilling and development costs with respect to the,