

Comments received will be available for public inspection and copying at the Division of Special Investments and at the Treasury Department Library, FOIA Collection, Room 5030, Main Treasury Building, 1500 Pennsylvania Avenue NW, Washington, D.C. 20220. Persons wishing to visit the library should call 202-622-0990 for an appointment. Comments may also be sent through the Internet to Fred Pyatt, Director, or Howard Stevens, Supervisory Program Analyst, Division of Special Investments at fpatt@bpd.treas.gov or hstevens@bpd.treas.gov. When sending comments by Internet, please provide your full name and mailing address.

FOR FURTHER INFORMATION CONTACT: Fred Pyatt, Director, or Howard Stevens, Supervisory Program Analyst, Division of Special Investments, at 304-480-7752.

SUPPLEMENTARY INFORMATION:

I. Background

The Department of the Treasury, Bureau of the Public Debt, desires to make the SLGS securities program more attractive and flexible for State and local government issuers of debt obligations that are subject to the arbitrage and rebate rules of the Internal Revenue Code. It is the Department's intent to do so in a manner consistent with tax policy objectives and in a manner that is cost effective.

In recent years, market participants have advised the Department that aspects of the existing SLGS securities regulations impose burdens that are not needed or cost-effective. Changes in the Internal Revenue Code since the inception of the SLGS securities program, specifically changes in the arbitrage and rebate restrictions under Section 148, make it possible to eliminate certain requirements that are now contained in the SLGS securities regulations. Section 148 restricts the use of proceeds of tax-exempt State and local bonds to acquire higher yielding investments. For example, Section 148(a) provides generally that interest on a State or local bond is tax-exempt only if the issuer invests bond proceeds at a yield that is not materially higher than the yield on the bond issue. Section 148(f) provides that interest on a State or local bond is tax-exempt only if the issuer rebates to the Federal government certain arbitrage earnings derived from investing gross proceeds at a yield exceeding the yield on the bond issue.

II. Set Forth Below Are Possible Changes in the SLGS Program That the Department is Studying

1. Eliminate the "all or nothing" certification which requires all yield restricted investments be invested either all in SLGS securities or all in open market Treasury securities.

2. Allow subscriptions for time deposit and special zero interest SLGS securities in increments of less than \$100 above the \$1,000 minimum investment and permit partial redemptions in multiples of less than \$100.

3. Reduce the minimum maturity for zero interest time deposit and special zero interest certificates of indebtedness.

4. Reduce the time between the date of subscription and the date of issue for time deposit and special zero interest SLGS securities.

5. Make SLGS securities pricing more consistent with open market Treasury securities pricing by reducing the 1/8 of 1% (12.5 basis points) differential that now exists between SLGS securities prices and the then current estimated Treasury borrowing rate for a security of comparable maturity.

6. Permit SLGS securities to be purchased with funds subject to rebate as well as yield restriction by removing from the current SLGS securities regulations certifications which limit or prohibit investment. Certain of the limitations would be incorporated into the Internal Revenue Service regulations.

7. Revise the demand deposit program. Revisions being considered include adjusting the rate formula and eliminating certifications that are duplicative of current tax regulations or could be better administered through the tax regulations.

8. Change the formula for determining the redemption value of SLGS securities to one where the remaining interest and principal payments are discounted by the Treasury borrowing rate for the remaining term to maturity of the security being redeemed. This would result in a premium in cases where the Treasury borrowing rate is lower than the stated interest rate of the SLGS security.

9. Zero interest time deposit SLGS securities could be redeemed early at par.

10. Permit the purchase of SLGS securities with the proceeds of previously redeemed SLGS securities or open market Treasury securities.

These proposed changes to the SLGS securities program could be omitted, modified or additions made in light of

any comments received or as a result of any internal Department decisions.

This advance notice of proposed rulemaking is being issued to secure the benefit of public comment. After receipt and consideration of responses to this advance notice of proposed rulemaking, the Department may issue a notice of proposed rulemaking or it may only issue a final rule amending 31 CFR Part 344. However, because any proposed or final rule will relate to matters of public contract and procedures for United States securities, as well as the borrowing power and fiscal authority of the United States, the notice, public comment and delayed effective date provisions of the Administrative Procedure Act are inapplicable pursuant to 5 U.S.C. 553(a)(2).

List of Subjects in 31 CFR Part 344

Bonds, Government securities, Securities.

Authority: 31 U.S.C. 3102, *et seq.*, Pub. L. 99-514, 100 Stat. 2654, Sec. 1301(d).

Dated: April 25, 1996.

Gerald Murphy,

Fiscal Assistant Secretary.

[FR Doc. 96-10726 Filed 4-26-96; 10:23 am]

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD07-94-017]

RIN 2115-AE48

Special Local Regulations; City of Charleston, SC

AGENCY: Coast Guard, DOT.

ACTION: Notice of termination.

SUMMARY: This rulemaking project was initiated to better serve the boating public by providing advance notice of the regulated area established for the Festival On The Fourth celebrations in Charleston Harbor, and to avoid the reoccurring costs of publication related with temporary regulations. Since the publishing of the Notice of Proposed Rulemaking, the sponsor of the Festival on the Fourth has down-sized the event to such an extent that no federal regulations are required. Therefore, the Coast Guard is terminating further rulemaking under docket number [CGD07-94-017].

FOR FURTHER INFORMATION CONTACT: ENS M.J. DaPonte, project officer, Coast Guard Group Charleston, SC at (803) 724-7621.

SUPPLEMENTARY INFORMATION: A notice of proposed rulemaking was published in the Federal Register on August 19, 1994 (59 FR 42787), inviting comments for a proposed rulemaking which would create a regulated area on the Ashley River in Charleston, South Carolina for the Festival on the Fourth celebration. The day long event included personal watercraft demonstrations, aerial demonstration, ski jumping, and kite skiing throughout the day.

The proposed rulemaking would have created a regulated area between Brittle Bank Park and the main river channel. Entry into this regulated area would have been prohibited to all non-participants annually on July 4, from 11 a.m. to 10:30 p.m. Eastern Standard Daylight Time, unless otherwise specified in the Seventh Coast Guard District Local Notice to Mariners. Since the publication of the Notice of Proposed Rulemaking, the event has been down-sized to such an extent that no federal regulatory action is needed. Therefore, this rulemaking is no longer necessary, and the Coast Guard is terminating further rulemaking under docket number [CGD07-94-017].

Dated: April 22, 1996.

P.J. Cardaci,

Captain U.S. Coast Guard, Acting

Commander, Seventh Coast Guard District.

[FR Doc. 96-10659 Filed 4-29-96; 8:45 am]

BILLING CODE 4910-14-M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CA153-2-7274b; FRL-5459-4]

Approval and Promulgation of State Implementation Plans; California State Implementation Plan Revision; Ventura County Air Pollution Control District; Sacramento Metropolitan Air Quality Management Division; Placer County Air Pollution Control District

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 oxides of nitrogen (NO_x) emissions from natural gas-fired central furnaces, stationary internal combustion engines, and biomass boilers.

The intended effect of proposing approval of these rules is to regulate emissions of NO_x 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 approval is set forth in the direct final rule. If no adverse comments are received in response to this proposed rule, no further activity is contemplated in relation to this rule. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this document. Any parties interested in commenting on this action should do so at this time.

DATES: Comments on this proposed rule must be received in writing by May 30, 1996.

ADDRESSES: Written comments on this action should be addressed to: Daniel A. Meer, Rulemaking Section (A-5-3), Air and Toxics Division, U.S. Environmental Protection Agency, Region 9, 75 Hawthorne Street, San Francisco, CA 94105-3901.

Copies of the rules and EPA's evaluation report of each rule are available for public inspection at EPA's Region 9 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 Division, Rule Evaluation Section, 2020 "L" Street, Sacramento, CA 95814.

Ventura County Air Pollution Control District, Rule Development Section, 669 County Square Drive, Ventura, CA 93003.

Sacramento Metropolitan Air Quality Management District, Rule Development Section, 8411 Jackson Road, Sacramento, CA 95826.

Placer County Air Quality Management District, Rule Development, 11464 B. Avenue, Auburn, CA 95603.

FOR FURTHER INFORMATION CONTACT:

Wendy Colombo, Rulemaking Section (A-5-3), Air and Toxics Division, U.S. Environmental Protection Agency, Region 9, 75 Hawthorne Street, San Francisco, CA 94105-3901, Telephone: (415) 744-1202.

SUPPLEMENTARY INFORMATION: This document concerns the following district rules:

- Ventura County Air Pollution Control District (VCAPCD), Rule 74.22, Natural Gas-Fired, Central Fan-Type Furnaces;

- Sacramento Metropolitan Air Quality Management District (SMAQMD), Rule 412, Stationary Internal Combustion Engines Located at Major Stationary Sources; and

- Placer County Air Pollution Control District (PCAPCD), Rule 233, Biomass Boilers.

The rules were submitted to EPA on February 11, 1994, June 16, 1995, and October 19, 1994, respectively, by the California Air Resources Board. For further information, please see the information provided in the Direct Final action which is located in the Rules Section of this Federal Register.

Authority: 42 U.S.C. 7401-7671q.

Dated: April 1, 1996.

Felicia Marcus,

Regional Administrator.

[FR Doc. 96-10567 Filed 4-29-96; 8:45 am]

BILLING CODE 6560-50-W

40 CFR Part 52

[CA-095-0006b; FRL-5455-1]

Approval and Promulgation of State Implementation Plans; California State Implementation Plan Revision, Placer County Air Pollution Control District, El Dorado County Air Pollution Control District, Ventura County Air Pollution Control District, Yolo-Solano Air Quality Management District, and Mojave Desert Air Quality Management District

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 volatile organic compound (VOC) emissions from organic solvent degreasing, surface preparation and cleanup, motor vehicles and mobile equipment coating operations, wood coating operations, and graphic arts.

The intended effect of proposing approval of these rules 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 revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision amendment 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 in response to this proposed rule, no further activity is contemplated