

would be required to be done following the ASB's described previously.

We estimate that this proposed AD would:

- Affect 624 helicopters of U.S. registry;
- Take about 1 work hour per helicopter to modify the fuel bleed lever at an average labor rate of \$65 per work hour.
- Cost about \$300 for consumable materials.

Based on these figures, we estimate the total cost impact of the proposed AD on U.S. operators would be \$227,760.

We have determined that this proposed AD would not have federalism implications under Executive Order 13132. Additionally, this proposed AD would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that the proposed regulation:

1. Is not a "significant regulatory action" under Executive Order 12866;
2. Is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and
3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a draft economic analysis of the estimated costs to comply with this proposed AD. See the DMS to examine the draft economic analysis.

#### List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

#### The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

#### PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701.

##### § 39.13 [Amended]

2. Section 39.13 is amended by adding a new airworthiness directive to read as follows:

**Eurocopter France:** Docket No. FAA-2004-19038; Directorate Identifier 2004-SW-24-AD.

**Applicability:** Model AS350B, BA, B1, B2, B3, C, D, D1, and EC130 B4 helicopters, pre-MOD 073239, with fuel bleed lever, part number (P/N) 350A55104320, installed, certificated in any category.

**Compliance:** Required within 6 months for the Model EC130 B4 helicopters and within 100 hours time-in-service or 6 months, whichever comes first, for the Model AS350B, BA, B1, B2, B3, C, D, and D1 helicopters, unless accomplished previously.

To prevent a fuel bleed lever from separating and striking the tail rotor blade (blade), resulting in damage to or loss of a blade, and subsequent vibration and loss of control of the helicopter, do the following:

(a) Remove and modify the fuel bleed lever, P/N 350A55104320, by following the Accomplishment Instructions, paragraph 2.B., of Eurocopter Alert Service Bulletin Nos. 28A001 for the Model EC130 B4 and 28.00.16 for the Model AS350B, BA, B1, B2, B3, C, D, and D1 helicopters, both dated March 3, 2004, as applicable. Reinstall the modified fuel bleed lever and mark it with P/N 350A08254720.

(b) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Contact the Safety Management Group, FAA, for information about previously approved alternative methods of compliance.

**Note:** The subject of this AD is addressed in Direction Generale de L'Aviation Civile (France) AD Nos. F-2004-033 and F-2004-034, both dated March 17, 2004.

Issued in Fort Worth, Texas, on August 31, 2004.

**Kim Smith,**

*Acting Manager, Rotorcraft Directorate, Aircraft Certification Service.*

[FR Doc. 04-20311 Filed 9-7-04; 8:45 am]

**BILLING CODE 4910-15-P**

## DEPARTMENT OF THE TREASURY

### Fiscal Service

#### 31 CFR Part 356

[Docket No. BPD GSRS 04-01]

#### Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds—Bidder Definitions

**AGENCY:** Bureau of the Public Debt, Fiscal Service, Treasury.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of the Treasury ("Treasury," "We," or "Us") proposes to amend 31 CFR Part 356 (Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds) by modifying its definitions of different types of bidders in Treasury marketable securities auctions. We are proposing this amendment to allow a certain business relationship between two

entities that currently would be treated as a single bidder under the auction rules to be treated as separate bidders. Specifically, the proposed amendment would state that an entity that is more than 50-percent-owned by a corporation or partnership is not deemed to be an affiliate of the corporation or partnership if the ownership is for investment purposes only. The amendment would update the auction rules to acknowledge a business practice that currently is not accommodated in the rules.

**DATES:** Send your comments to reach us on or before November 8, 2004.

**ADDRESSES:** You may send comments to: Bureau of the Public Debt, Government Securities Regulations Staff, 799 9th Street NW., Washington, DC 20239-0001. You also may e-mail us comments at either [govsecreg@bpd.treas.gov](mailto:govsecreg@bpd.treas.gov), or through the federal eRulemaking portal at <http://www.regulations.gov> and following the instructions for submitting comments. When sending comments by e-mail, please provide your full name, mailing address, and docket number BPD GSRS 04-01. You may download this proposed amendment from <http://www.regulations.gov> or from the Bureau of the Public Debt's Web site at <https://treasurydirect.gov/laws-and-regulations/auction-regulations-uocl>. The comments we receive will be available from Public Debt's website. The proposed amendment and comments will also be available for public inspection and copying at the Treasury Department Library, Room 1428, Main Treasury Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220. To visit the library, call (202) 622-0990 for an appointment.

**FOR FURTHER INFORMATION CONTACT:** Lori Santamarena (Executive Director) or Chuck Andreatta (Associate Director), Bureau of the Public Debt, Government Securities Regulations Staff, (202) 504-3632 or e-mail us at [govsecreg@bpd.treas.gov](mailto:govsecreg@bpd.treas.gov).

#### SUPPLEMENTARY INFORMATION: I. Background

The Uniform Offering Circular (UOC), in conjunction with the announcement for each auction, provides the terms and conditions for the sale and issuance in an auction to the public of marketable Treasury bills, notes and bonds.<sup>1</sup> For the most part, these terms and conditions

<sup>1</sup> The Uniform Offering Circular was published as a final rule on January 5, 1993 (58 FR 412). The circular, as amended, is codified at 31 CFR Part 356. A final rule revising the UOC in plain language and making certain other minor changes was published in the *Federal Register* on July 28, 2004 (69 FR 45202).

apply to “bidders”<sup>2</sup> in an auction. For example, we will not award more than 35 percent of an auction’s offering amount to any particular competitive bidder to help ensure broad distribution of Treasury securities at original issuance.<sup>3</sup>

Appendix A of the UOC provides bidder definitions that describe the categories of bidders eligible to bid in Treasury auctions. We provide these definitions so that persons and entities can use them to determine whether they are considered to be one bidder or more than one bidder for the purpose of bidding in auctions, and for compliance purposes.

Two of the bidder categories in Appendix A are “Corporations” and “Partnerships.” We consider a corporation or partnership and all of its “affiliates”—in other words, the entire corporate or partnership structure—collectively to be one bidder. Using the “Corporation” category as an example, Appendix A defines an “affiliate” as “any:

- entity that is more than 50-percent owned, directly or indirectly, by the corporation;
- entity that is more than 50-percent owned, directly or indirectly, by any other affiliate of the corporation;
- Person or entity that owns, directly or indirectly, more than 50 percent of the corporation;
- Person or entity that owns, directly or indirectly, more than 50 percent of any other affiliate of the corporation; or
- Entity, a majority of whose board of directors or a majority of whose general partners are directors or officers of the corporation, or of any affiliate of the corporation.”<sup>4</sup>

The more-than-50-percent ownership standard is an important part of the definition because it implies at least potential, if not actual, control of an entity.

Appendix A also provides a mechanism by which a major organizational component (for example, a parent or a subsidiary), or group of components, in a corporate or partnership structure may obtain recognition by us as a bidder separate from the larger corporate or partnership structure. Separate-bidder status may be sought for a variety of reasons, the most common being that it simplifies the process of net long position reporting

that applies to large competitive bidders.<sup>5</sup>

To obtain recognition as a separate bidder, each component or group of components must request such recognition from us, provide a description of the component or group and its position within the corporate or partnership structure, meet certain criteria, and provide a certification that it has policies or procedures in place designed to prevent any improper exchanges of information about participation in an auction or in any way acting together with respect to participating in an auction.<sup>6</sup> As previously noted, these requests for separate-bidder status come from the component or group of components seeking to be separated from the larger corporation or partnership structure. In general, these entities requesting separate-bidder status are financial in nature and are likely to participate in Treasury auctions.

## II. Discussion

We have become aware that a business relationship, commonly referred to as “merchant banking,” can under certain circumstances make technical compliance with the auction rules impractical. In this business relationship, a corporation or partnership typically makes investments in other commercial enterprises, not for the purpose of actually engaging in the business of the enterprise, but rather to seek a return on the investment. Usually these other commercial enterprises are not financial in nature, although they may, on occasion, purchase and hold Treasury securities.

It is during those instances when a corporation’s or partnership’s investment in another enterprise causes its ownership percentage to exceed 50 percent that the complications can arise. For example, if the corporation or partnership is a large enough bidder in Treasury securities auctions that it has to calculate and possibly report its net long position, under the auction rules it is supposed to contact the acquired enterprise and find out if it has any position in the security being auctioned. This can be impractical since the net long position must be calculated as of one-half hour prior to the deadline for competitive bidding and enterprises acquired through merchant banking

activities generally do not participate in Treasury securities auctions.

We believe entities acquired through merchant-banking activities pose much less potential for acting in concert with their acquiring corporation or partnership in regard to transactions in, and holdings of, Treasury securities. Corporations or partnerships invest in such entities generally to seek a return on investment and not to engage in the business of the entity, they do not exercise any control over or make operational or investment decisions for such entities and, in general, such entities are not engaged in the securities business and generally do not participate in Treasury securities auctions. Therefore, we believe the public interest is served by allowing the exclusion of merchant-banking activities from a corporate or partnership structure, as described below.

We are proposing that an entity that is more than 50-percent-owned by a corporation or partnership be deemed not to be an affiliate of the corporation or partnership if the ownership is for investment purposes only. Such entities would be deemed to be separate bidders from the corporation or partnership that owns them.

Because majority ownership still carries the potential for the acquiring corporation or partnership to exercise management control of the acquired entity, we are further proposing that any corporations or partnerships that intend to make use of this proposed change in the bidder definitions notify us in advance in writing. We do not intend to approve or formally acknowledge these letters, but submitters may contact us to determine whether the letters have been received.

This written communication would include a certification that the corporation or partnership does not exercise control over or make operational or investment decisions for such acquired entities, and that it has written policies in place to prevent any inappropriate exchange of information concerning participation in Treasury marketable securities auctions. We do not intend, however, to prevent a corporation or partnership from submitting bids on behalf of acquired entities, as long as the corporation or partnership has not exercised any control over or made operational or investment decisions for the entity, and the transaction is otherwise in compliance with the regulations. Until we publish a final rule or issue other guidance on this matter, we do not expect any such corporations or partnerships to change their current

<sup>2</sup> See § 356.2 and Appendix A of 31 CFR Part 356.

<sup>3</sup> See § 356.22(b).

<sup>4</sup> The “Partnership” category uses the same definition of “affiliate” except that “partnership” is used in place of “corporation.”

<sup>5</sup> See § 356.13. A bidder must report its net long position when the total of all of its bids in an auction plus its net long position in the security being auctioned equals or exceeds the net long position reporting threshold amount stated in the offering announcement, generally 35 percent of the offering amount.

<sup>6</sup> See Appendix A, Section II.

practices regarding the reporting of positions of majority-owned entities.

#### Procedural Requirements

It has been determined that this proposed rule is not a significant regulatory action for purposes of Executive Order 12866. Although we are issuing this proposed rule in proposed form to benefit from public comment, the notice and public procedures requirements of the Administrative Procedure Act do not apply, under 5 U.S.C. 553(a)(2).

Since no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

The Office of Management and Budget previously approved the collections of information in this proposed amendment in accordance with the Paperwork Reduction Act under control number 1535-0112. We are not proposing changes that would impose additional burdens on auction bidders.

#### List of Subjects in 31 CFR Part 356

Bonds, Federal Reserve System, Government Securities, Securities.

For the reasons stated in the preamble, we propose to amend 31 CFR Part 356 as follows:

#### **PART 356—SALE AND ISSUE OF MARKETABLE BOOK-ENTRY TREASURY BILLS, NOTES, AND BONDS (DEPARTMENT OF THE TREASURY CIRCULAR, PUBLIC DEBT SERIES NO. 1-93)**

1. The authority citation for Part 356 continues to read as follows:

**Authority:** 5 U.S.C. 301; 31 U.S.C. 3102 *et seq.*; 12 U.S.C. 391.

2. In Appendix A to Part 356, amend Section I by revising the introductory text and paragraphs (a) and (b) to read as follows:

#### **Appendix A to Part 356—Bidder Categories**

##### **I. Categories of Eligible Bidders**

We describe below various categories of bidders eligible to bid in Treasury auctions. You may use them to determine whether we consider you and other persons or entities to be one bidder or more than one bidder for auction bidding and compliance purposes. For example, we use these definitions to apply the competitive and noncompetitive award limitations and for other requirements. Notwithstanding these definitions, we consider any persons or entities that intentionally act together with respect to bidding in a Treasury auction to collectively be one bidder. Even if an auction participant does not fall under any of the categories listed below, it is our intent that no auction participant receives a larger auction award by

acquiring securities through others than it could have received had it been considered one of these types of bidders.

(a) *Corporation*—We consider a corporation to be one bidder. A corporation includes all of its affiliates, which may be persons, partnerships, or other entities. We consider a business trust, such as a Massachusetts or Delaware business trust, to be a corporation. We use the term “corporate structure” to refer to the collection of affiliates that we consider collectively to be one bidder. An affiliate is any:

- Entity that is more than 50-percent owned, directly or indirectly, by the corporation;
- Entity that is more than 50-percent owned, directly or indirectly, by any other affiliate of the corporation;
- Person or entity that owns, directly or indirectly, more than 50 percent of the corporation;
- Person or entity that owns, directly or indirectly, more than 50 percent of any other affiliate of the corporation; or
- Entity, a majority of whose board of directors or a majority of whose general partners are directors or officers of the corporation, or of any affiliate of the corporation.

An entity that is more than 50-percent owned as described in this definition is not an affiliate, however, if:

- The purpose of such ownership is to seek a return on investment and not to engage in the business of the entity;
- The owner does not exercise any control over or make operational or investment decisions for the entity;
- The corporation has written policies or procedures, including ongoing compliance monitoring processes, that are designed to prevent it from acting together with the entity regarding participation in Treasury auctions or investment strategies regarding Treasury securities being auctioned; and
- The corporation submits notice and certification to us, as provided in this Appendix A.

A corporation that plans to make use of this exception to the definition of “affiliate” must inform us of this fact in writing and provide the following certification:

[Name of corporation] hereby certifies that, with regard to any entity of which it owns more than 50 percent as defined in Appendix A to 31 CFR Part 356, but for which the purpose of such ownership is to seek a return on investment and not to engage in the business of the entity:

- We do not exercise any control over or make operational or investment decisions for the entity;
- We have written policies or procedures, including ongoing compliance monitoring processes, that are designed to prevent the corporation from acting together with the entity regarding participation in Treasury auctions or investment strategies regarding Treasury securities being auctioned; and
- We will continue to meet the terms of this certification until we notify the Treasury of a change.

(b) *Partnership*—We consider a partnership to be one bidder if it is a partnership for which the Internal Revenue Service has

assigned a tax-identification number. A partnership includes all of its affiliates, which may be persons, corporations, general partners acting on behalf of the partnership, or other entities. We use the term “partnership structure” to refer to the collection of affiliates that we consider collectively to be one bidder. We may consider a partnership structure that contains one or more corporations as a “partnership” or a “corporation,” but not both.

An affiliate is any:

- Entity that is more than 50-percent owned, directly or indirectly, by the partnership;
- Entity that is more than 50-percent owned, directly or indirectly, by any other affiliate of the partnership;
- Person or entity that owns, directly or indirectly, more than 50 percent of the partnership;
- Person or entity that owns, directly or indirectly, more than 50 percent of any other affiliate of the partnership; or
- Entity, a majority of whose general partners or a majority of whose board of directors are general partners or directors of the partnership or of any affiliate of the partnership.

An entity that is more than 50-percent owned as described in this definition is not an affiliate, however, if:

- The purpose of such ownership is to seek a return on investment and not to engage in the business of the entity;
- The owner does not exercise any control over or make operational or investment decisions for the entity;
- The partnership has written policies or procedures, including ongoing compliance monitoring processes, that are designed to prevent it from acting together with the entity regarding participation in Treasury auctions or investment strategies regarding Treasury securities being auctioned; and
- The partnership submits notice and certification to us, as provided in this Appendix A.

A partnership that plans to make use of this exception to the definition of “affiliate” must inform us of this fact in writing and provide the following certification:

[Name of partnership] hereby certifies that, with regard to any entity of which it owns more than 50 percent as defined in Appendix A to 31 CFR Part 356, but for which the purpose of such ownership is to seek a return on investment and not to engage in the business of the entity:

- We do not exercise any control over or make operational or investment decisions for the entity;
- We have written policies or procedures, including ongoing compliance monitoring processes, that are designed to prevent the partnership from acting together with the entity regarding participation in Treasury auctions or investment strategies regarding Treasury securities being auctioned; and
- We will continue to meet the terms of this certification until we notify the Treasury of a change.

\* \* \* \* \*

Dated: August 30, 2004.

**Donald V. Hammond,**

*Fiscal Assistant Secretary.*

[FR Doc. 04-20189 Filed 9-7-04; 8:45 am]

BILLING CODE 4810-39-P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 70

[NM-47-1-7606b; FRL-7810-3]

#### Clean Air Act Approval of Revisions to the Title V Operating Permits Program in the State of New Mexico, Albuquerque/Bernalillo County, NM, and the State of Arkansas

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The EPA is proposing to approve revisions to the title V Operating Permits Program for the State of New Mexico, Albuquerque/Bernalillo County, New Mexico, and the State of Arkansas. This includes revisions that the State of New Mexico, Albuquerque/Bernalillo County, New Mexico, and the State of Arkansas submitted to EPA on November 5, 2002, May 2, 2003, and October 24, 2002, respectively to revise the definition of "Major Source" as defined in the States' or County's regulation.

This also includes other administrative revisions to other areas of Arkansas' regulations to incorporate updated Federal regulatory citations.

**DATES:** Written comments must be received in writing on or before October 8, 2004.

**ADDRESSES:** Submit your comments, by one of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the on-line instructions for submitting comments.

- U.S. EPA Region 6 "Contact Us" Web site: <https://www.epa.gov/aboutepa/contact-epas-region-6-south-central-office>.

Please click on "6PD" (Multimedia) and select "Air" before submitting comments.

**For more information:** Mr. David Neleigh at [neleigh.david@epa.gov](mailto:neleigh.david@epa.gov). Please also cc the person listed in the **FOR FURTHER INFORMATION CONTACT** section below.

- Fax: Mr. David Neleigh, Chief, Air Permits Section (6PD-R), at fax number 214-665-7263.

- Mail: Mr. David Neleigh, Chief, Air Permits Section (6PD-R), Environmental Protection Agency, 1445 Ross Avenue, Suite 1200, Dallas, Texas 75202-2733.

- Hand or Courier Delivery: Mr. David Neleigh, Chief, Air Permits Section (6PD-R), Environmental

Protection Agency, 1445 Ross Avenue, Suite 1200, Dallas, Texas 75202-2733. Such deliveries are accepted only between the hours of 8 a.m. and 4 p.m. weekdays except for legal holidays. Special arrangements should be made for deliveries of boxed information.

**Instructions:** Please include the text "Public Comment on File ID No. NM-47-1-7606a" in the subject line of the first page of your comments. EPA's policy is that all comments received will be included in the public file without change, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Do not submit information through [regulations.gov](http://regulations.gov) or e-mail if you believe that it is CBI or otherwise protected from disclosure. [Regulations.gov](http://Regulations.gov) is an "anonymous access" system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through [regulations.gov](http://regulations.gov), your e-mail address will be automatically captured and included as part of the comment that is placed in the public file and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

**Official File:** Copies of the documents relevant to this action are in the official file which is available at the Air Permits Section (6PD-R), Environmental Protection Agency, 1445 Ross Avenue, Suite 700, Dallas, Texas 75202-2733. The file will be made available by appointment for public inspection in the Region 6 FOIA Review Room between the hours of 8:30 a.m. and 4:30 p.m. weekdays except for legal holidays. Contact the person listed in the **FOR FURTHER INFORMATION CONTACT** paragraph below to make an appointment. If possible, please make the appointment at least two working days in advance of your visit. There will be a 15 cent per page fee for making photocopies of documents. On the day of the visit, please check in at the EPA Region 6 reception area on the 7th floor

at 1445 Ross Avenue, Suite 700, Dallas, Texas.

Copies of any State submittals and EPA's technical support document are also available for public inspection at the State Air Agency listed below during official business hours by appointment:

Arkansas Department of Environmental Quality, Air Division, 8001 National Drive, P.O. Box 8913, Little Rock, Arkansas 72219-8913.

New Mexico Environment Department, Air Quality Bureau, 1190 St. Francis Drive, Santa Fe, New Mexico 87502.

Albuquerque Environmental Health Department, Air Pollution Control Division, One Civic Plaza, Albuquerque, New Mexico 87103.

**FOR FURTHER INFORMATION CONTACT:**

Allen Chang of the Air Permits Section (6PD-R), Environmental Protection Agency, Region VI, 1445 Ross Avenue, Suite 700, Dallas, Texas 75202-2733. The telephone number is (214) 665-7541. Mr. Allen Chang can also be reached via electronic mail at [chang.allen@epa.gov](mailto:chang.allen@epa.gov).

**SUPPLEMENTARY INFORMATION:** In the "Rules and Regulations" section of this **Federal Register**, EPA is approving the above mentioned States' and County's title V revisions as a direct final rule without prior proposal because the EPA views this as a noncontroversial revision and anticipates no adverse comment. A detailed rationale for this approval is set forth in the direct final rule. If no adverse comments are received in response to this action, no further activity is contemplated. If EPA receives relevant adverse comment, EPA will withdraw the direct final rule and will address all public comments in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this action. Please note that if EPA receives adverse comment on an amendment, paragraph, or section of this rule and if that provision may be severed from the remainder of the rule, EPA may adopt as final those provisions of the rule that are not the subject of an adverse comment.

For further information, please see the direct final rule of the same title which is located in the "Rules and Regulations" section of this **Federal Register**.

**List of Subjects in 40 CFR Part 70**

Environmental protection, Administrative practice and procedure, Air pollution control, Intergovernmental relations, Operating permits, Reporting and recordkeeping requirements.