

Interpretive Response: Yes. The staff believes that the identity of the seller of the treasury stock is not the deciding factor in determining whether the issuer has reacquired stock issued to effect the combination. For example, the staff believes that a reacquisition of treasury stock in an open market transaction results in an indirect reacquisition of shares issued to effect the combination.⁶ [FR Doc. 96-7071 Filed 3-22-96; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

23 CFR Part 645

RIN 2125-AD31

Utilities; Technical Correction

AGENCY: Federal Highway Administration (FHWA), DOT.

SUMMARY: This document amends the FHWA's regulation on accommodation of utilities to remove the reference to a paragraph citation that no longer exists. On July 5, 1995, at 60 FR 34846, 34850, in FR Doc. 95-16403, the FHWA removed the paragraph designations from the definitions in the utilities regulation. Inadvertently, one of the paragraph designations within the text of the definition of *private lines* was not removed. This document corrects the definition by removing such reference and revising the language accordingly.

EFFECTIVE DATE: March 25, 1996.

FOR FURTHER INFORMATION CONTACT: Mr. Paul Scott, Office of Engineering, (202) 366-4104; or Mr. Wilbert Baccus, Office of the Chief Counsel, (202) 366-0780, 400 Seventh Street SW., Washington, DC 20590. Office hours are from 7:45 a.m. to 4:15 p.m., e.t., Monday through Friday, except Federal holidays.

List of Subjects in 23 CFR Part 645

Grant programs—transportation, Highways and roads.

In consideration of the foregoing, the FHWA hereby amends title 23, Code of Federal Regulations, part 645, subpart B as set forth below:

⁶See, for example, paragraph 47(b) of APB Opinion 16, which notes that the choice of an issuer in a combination is a matter of convenience. This interpretive response also recognizes the fungible nature of common stock. The Commission has commented on the fungibility of shares of common stock when addressing cures of tainted treasury stock in ASR 146, noting that there is no substantive difference between treasury stock and newly-issued stock.

PART 645—UTILITIES

1. The authority citation for part 645 continues to read as follows:

Authority: 23 U.S.C. 101, 109, 111, 116, 123, and 315; 23 CFR 1.23 and 1.27; 49 CFR 1.48(b); and E.O. 11990, 42 FR 26961 (May 24, 1977).

2. In § 645.207, the definition of *private lines* is revised to read as follows:

§ 645.207 Definitions.

* * * * *

Private lines—privately owned facilities which convey or transmit the commodities outlined in the definition of *utility facility* of this section, but devoted exclusively to private use.

* * * * *

(23 U.S.C. 315; 49 CFR 1.48)

Issued on: March 15, 1996.

Edward V.A. Kussy,

Acting Chief Counsel.

[FR Doc. 96-7147 Filed 3-22-96; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 260

RIN 1010-AC14

Deepwater Royalty Relief for New Leases

AGENCY: Minerals Management Service, Interior.

ACTION: Interim rule.

SUMMARY: The Outer Continental Shelf Deep Water Royalty Relief Act (Act) authorizes the Secretary of the Interior (Secretary) to offer Outer Continental Shelf tracts for lease with suspension of royalties for a volume, value, or period of production. The Act requires the Secretary to use this bidding system on tracts offered for lease in water depths of 200 meters or more in parts of the Gulf of Mexico through November 28, 2000. The Minerals Management Service (MMS) intends to hold a lease sale in April 1996. This interim rule specifies the royalty suspension terms under which the Secretary will make tracts available for that sale.

DATES: *Effective Date:* This interim rule is effective April 24, 1996.

Comments: We will consider all comments we receive by April 24, 1996. We will begin review of comments at that time and may not fully consider comments we receive after April 24, 1996.

ADDRESSES: Mail or hand-carry comments to the Department of the

Interior, Minerals Management Service, Mail Stop 4700, 381 Elden Street, Herndon, Virginia 22070-4817, Attention: Chief, Engineering and Standards Branch.

FOR FURTHER INFORMATION CONTACT: Walter Cruickshank, Offshore Minerals Analysis Division, telephone (202) 208-3822.

SUPPLEMENTARY INFORMATION:

I. Background on the New Legislation

On November 28, 1995, President Clinton signed Public Law 104-58, which included the Act. The Act contains four major provisions concerning new and existing leases. New leases are tracts leased during a sale held after the Act's enactment on November 28, 1995. Existing leases are defined as all other leases.

First, section 302 of the Act clarifies the Secretary's pre-existing authority in 43 U.S.C. 1337(a)(3) to reduce royalty rates on existing leases in order to promote development, increase production, and encourage production of marginal resources on producing or non-producing leases. This provision applies only to leases in the Gulf of Mexico west of 87 degrees, 30 minutes west longitude.

Second, section 302 also provides that "new production" from existing leases in water depths of 200 meters or greater qualifies for royalty suspensions if the Secretary determines that the new production would not be economic in the absence of royalty relief. The Secretary must then determine the appropriate royalty suspension volume on a case-by-case basis, subject to specified minimums for leases not in production prior to the date of enactment. This provision also applies only to leases in the Gulf of Mexico west of 87 degrees, 30 minutes west longitude.

Third, section 303 establishes a new bidding system that allows the Secretary to offer tracts with royalty suspensions for a period, volume, or value the Secretary determines. On February 2, 1996, we published a final rule modifying the regulations governing the bidding systems we use to offer OCS tracts for lease (61 FR 3800). New § 260.110(a)(7) addresses the new bidding system mandated by section 303 of the Act.

Fourth, section 304 provides that all tracts offered within 5 years of the date of enactment in water depths of 200 meters or greater in the Gulf of Mexico west of 87 degrees, 30 minutes west longitude, must be offered under the new bidding system. The following