

Sonora, Mexico, by establishing new conditions for the importation of fresh and processed poultry and poultry products from Sinaloa and Sonora into the United States.

Implementing this proposed rule would necessitate the use of two paperwork collection activities: the completion of a foreign meat inspection certificate and the placing of seals on shipping containers.

We are asking OMB to approve our use of these information collections in connection with our program to import poultry meat and other poultry products from the Mexican States of Sinaloa and Sonora.

We are soliciting comments from the public (as well as affected agencies) concerning our proposed information collection and recordkeeping requirements. We need this outside input to help us:

(1) Evaluate whether the proposed information collection is necessary for the proper performance of our agency's functions, including whether the information will have practical utility;

(2) Evaluate the accuracy of our estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the proposed information collection on those who are to respond, (such as through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses).

*Estimate of burden:* Public reporting burden for this proposed collection of information is estimated to average 0.133 hours per response.

*Respondents:* Full-time, salaried veterinarians of the Government of Mexico.

*Estimated annual number of respondents:* 4.

*Estimated annual number of responses per respondent:* 15.

*Estimated annual number of responses:* 60.

*Estimated total annual burden on respondents:* 8 hours.

Copies of this information collection can be obtained from Clearance Officer, OClO, USDA, room 404-W, 14th Street and Independence Avenue SW., Washington, DC 20250.

#### List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry

and poultry products, Reporting and recordkeeping requirements.

Accordingly, we propose to amend 9 CFR part 94 as follows:

#### **PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), EXOTIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, HOG CHOLERA, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS**

1. The authority citation for part 94 would continue to read as follows:

**Authority:** 7 U.S.C. 147a, 150ee, 161, 162, and 450; 19 U.S.C. 1306; 21 U.S.C. 111, 114a, 134a, 134b, 134c, 134f, 136, and 136a; 31 U.S.C. 9701; 42 U.S.C. 4331 and 4332; 7 CFR 2.22, 2.80, and 371.2(d).

2. A new § 94.22 would be added to read as follows:

#### **§ 94.22 Importation of poultry meat and other poultry products from Sinaloa and Sonora, Mexico.**

Notwithstanding any other provisions of this part, poultry meat and other poultry products from the States of Sinaloa and Sonora, Mexico, may be imported into the United States under the following conditions:

(a) The poultry meat or other poultry products are derived from poultry born and raised in Sinaloa or Sonora and slaughtered in Sinaloa or Sonora at a federally inspected slaughter plant under the direct supervision of a full-time salaried veterinarian of the Government of Mexico, and the slaughter plant must be approved to export poultry meat and other poultry products to the United States in accordance with 9 CFR 381.196.

(b) If processed, the poultry meat or other poultry products were processed in either Sinaloa or Sonora, Mexico, in a Federally inspected processing plant that is under the direct supervision of a full-time salaried veterinarian of the Government of Mexico.

(c) The poultry meat or other poultry products have not been in contact with poultry from any State in Mexico other than Sinaloa or Sonora or with poultry from any other region not listed in § 94.6 as a region where exotic Newcastle disease is not known to exist.

(d) The foreign meat inspection certificate accompanying the poultry meat or other poultry products (required by § 381.197 of this title) includes statements certifying that the requirements in paragraphs (a), (b), and (c) of this section have been met and, if applicable, listing the numbers of the seals required by paragraph (e)(1) of this section.

(e) The shipment of poultry meat or other poultry products has not been in any State in Mexico other than Sinaloa or Sonora or in any other region not listed in § 94.6 as a region where exotic Newcastle disease is not known to exist, unless:

(1) The poultry meat or other poultry products arrive at the U.S. port of entry in shipping containers bearing intact, serially numbered seals that were applied at the Federally inspected slaughter plant by a full-time salaried veterinarian of the Government of Mexico, and the seal numbers correspond with the seal numbers listed on the foreign meat inspection certificate; or

(2) The poultry meat or other poultry products arrive at the U.S. port of entry in shipping containers bearing seals that have different numbers than the seal numbers on the foreign meat inspection certificate, but, upon inspection of the hold, compartment, or container and all accompanying documentation, an APHIS representative is satisfied that the poultry containers were opened and resealed en route by an appropriate official of the Government of Mexico and the poultry meat or other poultry products were not contaminated or exposed to contamination during movement from Sinaloa or Sonora to the United States.

Done in Washington, DC, this 17th of May 1999.

**Craig A. Reed,**

*Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 99-12885 Filed 5-20-99; 8:45 am]

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## **DEPARTMENT OF ENERGY**

### **Federal Energy Regulatory Commission**

#### **18 CFR Parts 2, 153, 157, 380**

[Docket No. RM98-17-000]

#### **Landowner Notification, Expanded Categorical Exclusions, and Other Environmental Filing Requirements; Notice of Proposed Rulemaking**

April 28, 1999.

**AGENCY:** Federal Energy Regulatory Commission.

**ACTION:** Notice of Proposed Rulemaking.

**SUMMARY:** The Federal Energy Regulatory Commission (Commission) is proposing to amend its regulations under the Natural Gas Act (NGA) by adding certain early landowner notification requirements that will

ensure that landowners who may be affected by a pipeline's proposal to construct natural gas pipeline facilities have sufficient opportunity to participate in the Commission's certificate process. The Commission also proposes to amend certain areas of its regulations to provide pipelines with greater flexibility and to further expedite the certificate process, including expanding the list of activities categorically excluded from the need for an environmental assessment in section 380.4 of the Commission's regulations; (2) expanding the types of events that allow pipelines to rearrange facilities under their blanket construction certificate; and (3) allowing pipelines to drill observation wells under their blanket construction certificate.

Finally, the Commission also proposes to require that pipelines consult with the National Marine Fisheries Service concerning essential fish habitat as required by regulations implementing the Magnuson-Stevens Fishery Conservation and Management Act; and apply the Upland Erosion Control, Revegetation and Maintenance Plan and the Wetland and Waterbody Construction and Mitigation Procedures to activities conducted under the pipeline's blanket construction certificate.

**DATES:** Comments are due June 21, 1999.

**ADDRESSES:** Send comments to: Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

**FOR FURTHER INFORMATION CONTACT:**

John S. Leiss, Office of Pipeline Regulation, Federal Energy Regulatory Commission 888, First Street, N.E., Washington, D.C. 20426, (202) 208-1106

Carolyn Van Der Jagt, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, (202) 208-2246

**SUPPLEMENTARY INFORMATION:** In addition to publishing the full text of this document in the **Federal Register**, the Commission also provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in the Public Reference Room at 888 First Street, N.E., Room 2A, Washington, D.C. 20426.

The Commission Issuance Posting System (CIPS) provides access to the texts of formal documents issued by the Commission from November 14, 1994, to the present. CIPS can be accessed via Internet through FERC's Home page (<http://www.ferc.fed.us>) using the CIPS Link or the Energy Information Online

icon. Documents will be available on CIPS in ASCII and WordPerfect 6.1. User assistance is available at 202-208-2474 or by E-mail to [cipsmaster@ferc.fed.us](mailto:cipsmaster@ferc.fed.us).

This document is also available through the Commission's Records and Information Management System (RIMS), an electronic storage and retrieval system of documents submitted to and issued by the Commission after November 16, 1981. Documents from November 1995 to the present can be viewed and printed. RIMS is available in the Public Reference Room or remotely via Internet through FERC's Home page using the RIMS link or the Energy Information Online icon. User assistance is available at 202-208-2222, or by E-mail to [rismaster@ferc.fed.us](mailto:rismaster@ferc.fed.us).

Finally, the complete text on diskette in WordPerfect format may be purchased from the Commission's copy contractor, RVJ International, Inc. RVJ International, Inc. is located in the Public Reference Room at 888 First Street, N.E., Washington, D.C. 20426.

## I. Introduction

The Federal Energy Regulatory Commission (Commission) is proposing to amend its regulations under the Natural Gas Act (NGA) by adding certain early landowner notification requirements that will ensure that landowners who may be affected by a pipeline's proposal to construct natural gas pipeline facilities have sufficient opportunity to participate in the Commission's certificate process. The Commission also proposes to amend certain areas of its regulations to provide pipelines with greater flexibility and to further expedite the certificate process, including: (1) Expanding the list of activities categorically excluded from the need for an environmental assessment in section 380.4 of the Commission's regulations; (2) expanding the types of events that allow pipelines to rearrange facilities under their blanket construction certificate; and (3) allowing pipelines to drill observation wells under their blanket construction certificate.

Finally, the Commission also proposes to: (1) require that pipelines consult with the National Marine Fisheries Service concerning essential fish habitat as required by regulations implementing the Magnuson-Stevens Fishery Conservation and Management Act; and (2) apply the Upland Erosion Control, Revegetation and Maintenance Plan and the Wetland and Waterbody Construction and Mitigation Procedures to activities conducted under the pipeline's blanket construction certificate.

## II. Background

As part of an ongoing review of its regulations, the Commission continues to try to find ways to make its certificate process more efficient and effective. Recently, it has become evident that landowners that may be affected by a pipeline's proposal to construct facilities want earlier and better notice of that pipeline's intent to construct pipeline facilities on or near their property.

Under the Commission's current practice, landowners with property on a proposed pipeline route, adjacent to compressor station or LNG plant sites, or adjacent to existing fee-owned rights-of-way which would be used for a proposed pipeline are generally notified by the Commission as part of its environmental review of the proposed project. Specifically, a pipeline seeking authorization to construct these facilities provides the Commission with a list of names of the landowners that would be affected by the project when, or shortly after, it files the construction application. The Commission then notifies the people on the pipeline's landowner list when it issues a Notice of Intent to Prepare an Environmental Impact Statement (EIS) or Environmental Assessment (EA) as required by the National Environmental Policy Act of 1969 (NEPA).<sup>1</sup>

The Notice of Intent is mailed to the affected landowners after the Commission has begun to process the pipeline's application and after the Commission notices the application for the new facilities and, usually, after the intervention period has run.<sup>2</sup> The Notice of Intent: (1) Summarizes the proposed project; (2) describes the environmental review process; (3) identifies the environmental issues raised by the project; and (4) explains how the public can participate in the environmental review process. It also includes the text from the Commission's pamphlet "An interstate natural gas pipeline on my land? What do I need to know?" The Notice of Intent invites landowners to participate in the Commission's environmental review process either by becoming an intervenor for environmental purposes or by submitting environmentally-related

<sup>1</sup> Specifically, NEPA requires that federal agencies carefully weigh the potential environmental impact of all their decisions and consult with federal and state agencies and the public on serious environmental questions.

<sup>2</sup> Once the application is filed, the Commission issues a notice of the filing, which is published in the **Federal Register**. The notice appears approximately 10 days after the filing. The notice specifies an intervention period, usually 21 days from the notice date.

comments on the pipeline's proposal. The purpose of the Notice of Intent is to notify the affected landowners of the environmental review of the project and only seeks comments on environmental issues. Generally, the Notice of Intent does not provide the landowners with a forum to raise non-environmental issues.

Recently, landowners and other citizens have expressed increasing interest in participating in the major pipeline projects, especially the greenfield pipelines and pipeline expansions in heavily populated areas.<sup>3</sup> Generally, landowner groups contend that they are uninformed and uneducated about their right to participate in the certificate process and do not know where to go for information. Further, they assert that they are notified too late in the process to actively participate or have a say in the proceeding.

Senator Fred Thompson and Representative Zach Wamp introduced legislation (S. 1687 and H.R. 3319, respectively) that would require that pipelines make a good faith effort to notify property owners from whom they may seek to acquire a property interest through the exercise of eminent domain. The proposed legislation required that a notice be sent by certified mail, and on the same day the company files an application.

On September 16, 1998, the Interstate Natural Gas Association of America (INGAA) proposed that the Commission formalize notice procedures using the proposed legislation as a starting point. Generally, INGAA proposed that on the business day following the date the pipeline files the application, the company would make a good faith effort to notify, by certified mail, any person who is the owner of record of real property that would be subject to the exercise of eminent domain under the NGA.

On September 30, 1998, the Commission issued a notice on its intent to hold a staff technical conference to address, among other things, concerns regarding its present landowner notification policies. Additionally, the notice invited interested persons to submit written comments. The Commission received written comments from approximately 33 commenters. In their filed comments, the industry generally supported the INGAA proposal or stated that no changes to the current procedure were necessary. However, in their filed comments the

landowner groups contended that notice should be given before the application is filed so they have a meaningful opportunity to participate in the siting process.

The notice also raised other issues related to landowner notification. One was how the pipeline would notify landowners and get their consent if the Commission expanded its definition of eligible facilities to include injection, withdrawal, and observation wells. The Commission also was concerned about how the pipeline would acquire landowner consent to use additional work space for replacement facilities.

Another area raised in the September 30 notice was the Commission's plan to designate residential areas as sensitive environmental areas as defined in section 157.202(b)(11) of the Commission's regulations. The Commission also sought comments on applying erosion control and stream and wetland crossing mitigation measures to blanket construction projects. Finally, the Commission mentioned that it might employ a negotiated rulemaking procedure as an alternative to its traditional rulemaking process in this proceeding.

On December 9, 1998, the Commission held the technical conference. At the conference, the industry was represented by Duke Energy Pipelines (Duke Energy), Enron Interstate Pipelines (Enron), Transcontinental Gas Pipe Line Company (Transco), and INGAA. The landowners were represented by the GASP Coalition, the Citizens Advocates for Pipeline Safety, the Newton Citizens Committee, and the Ohio-PA Landowners Association.

Representatives for the Pipeline Contractor's Association and Central Maine Power Company (Central Maine) also participated. Several parties, including INGAA and GASP, filed follow-up comments after the conference. The filed comments and comments made at the technical conference are discussed below.

### III. Discussion

#### A. Landowner Notification

##### 1. Notification Process

a. *Comments.* Most parties agree that the Commission should modify its current landowner notification policy. The Process Gas Consumers Group, the American Iron and Steel Institute and the Georgia Industrial Group (jointly Process Gas) contends that the Commission's current notification policy and publication of the notice in the **Federal Register** is sufficient to notify landowners. It argues that any

new requirements would create new procedural traps. Williston Basin Interstate Pipeline Company (Williston Basin) also does not believe that additional notification requirements are necessary. It argues that the Commission should make additional notice requirements performance based and only impose those requirements on problem pipelines. For example, if the Commission receives no complaints, the pipeline should be deemed to have performed in a satisfactory manner.

Generally, the industry posits that the landowners should be notified after the application is filed, whereas, the landowner groups want to be notified before the application is filed. This latter position is also supported by the Public Service Commission of the State of New York (NYPSC). The Iowa Utilities Board (Iowa Board) suggests that the Commission consider requiring pre-filing informational meetings.

The Iowa Board and NYPSC state that the pipelines should not consider landowner notification as an onerous duty, but as an opportunity to establish an early rapport with landowners and to obtain information early in the process. They promote informal meetings with the public before the pipeline files the application. They believe that this process provides an opportunity for the pipeline to initiate favorable relationships with landowners and to obtain input to refine its petition and better determine the best location for the pipeline. While many of the pipelines claim that they contact many of the landowners early on during the surveying process, they do not want the Commission to specifically make this a requirement.<sup>4</sup>

As stated, the landowner groups want to be notified before the application is filed. They contend, as does the NYPSC, that there is significant benefit in obtaining early and ongoing public information and participation. They state that the initial notification should be early enough in the planning of a proposed line so that the potentially affected landowners have the opportunity to participate fully in the

<sup>4</sup>Duke stated that it contacts individual landowners on proposed rights-of-way early in the project and continues the process of education by "notification to public officials, open house meetings, media notifications, agency meetings, newsletters, landowner brochures and face-to-face survey permission contracts and easement negotiations with landowners." See Duke's comments, at 3. El Paso Energy Corporation (El Paso) notes that it generally contacts landowners along the route in order to conduct required surveys before a certificate application is filed. Williston Basin states that it has its initial contact with landowners during the survey process. Enron agrees pre-filing conferences are useful, but contends that they do little to foster landowner relationships.

<sup>3</sup>Greenfield pipelines are pipeline proposals that will be located in a new pipeline right-of-way for most of their length.

siting process. They contend that public involvement, including identification of alternative locations, can help create a process where issues are identified and addressed in cooperative fashion during the project development. They envision that such cooperation can facilitate analyses and the development of environmental reports.

The landowner groups and NYPSC argue that lack of notice to landowners can generate significant delays. They claim that notification at time of application is too late. They assert that by the time the application is filed many decisions may have already progressed beyond the point of no return. Further, property owners do not have access to expertise to file timely motions to intervene to protect their interest. Moreover, even timely intervention is too late if lines have already been drawn on a filed map and costly resources committed by the applicant to a particular route.

In response, the pipelines contend that it is confusing and impractical to formally notify all potentially affected landowners prior to filing. They also argue that formal notification in advance of filing creates a threatening environment and would prematurely narrow the window of negotiation. Finally, they assert that inviting landowners to collaborate with the pipeline to determine a proposed route in advance of filing a certificate application would only pit landowner against landowner. They argue that it is the pipeline's responsibility to choose the route.

As stated, INGAA generally proposes to send notification by certified mail on the next business day after the application is filed. It states that requiring the notification to be sent on the next business day will allow the pipeline to include the project's docket number in the notification. El Paso, on the other hand, contends that one day after filing is not reasonable. It argues that it would be impossible to get the docket number, incorporate it in a letter, assemble a landowner package, and effectuate mailing all in one day. It states that such a procedure would be labor intensive and a significant administrative burden. It also asserts that certified mailing imposes additional costs on the pipeline. It recommends that the Commission require notice within five business days if the docket number is provided on the day of filing. Williston Basin states that although it has its initial contact during the survey process, the Commission should allow the pipelines the option to either deliver the notice by hand or by the mail either before the application is

filed or up to three business days after filing.<sup>5</sup> It contends that notification by mail is not conducive to the continuation of good relationships. It believes personal contact is better.

As stated, INGAA proposes to notify the landowners by certified mail. Great Lakes objects to sending the notice by certified mail because it could delay receipt and could be unduly burdensome. It contends that many landowners may not be able to accept delivery and that certified mail creates needless anxiety. It recommends the Commission only require that the company provide an affidavit signed by an authorized representative of the company stating that it made a good faith effort to provide notice to all owners of record by regular mail.

b. *Commission Response.* We agree with NYPSC and the Iowa Board that an early dialog and personal contact between the pipeline and the community and landowners, perhaps in pre-filing informational meetings, would promote more favorable relationships between the pipelines and the potentially affected landowners. As stated, many of the pipelines stated that they do contact landowners prior to filing a construction application. It is in the pipeline's best interest to attempt to involve the public early on in the process by seeking their input before determining the exact route of the proposed pipeline. As the Iowa Board points out, pre-filing meetings with the potentially affected landowners provides the pipelines with valuable information "from persons with knowledge of the route area which may impact routing or design."<sup>6</sup>

Further, as stated, in Docket No. RM98-9-000, the more thorough and the more complete an application is when it is filed, the more expeditiously the Commission can process that application. Earlier landowner participation could result in a more definitively defined route. Specifically, the Commission experiences significant delays in processing a certificate application because of the time needed to address and resolve numerous landowner concerns about the placement of the pipeline on their property. If the pipeline could resolve these issues prior to filing the application, the Commission could

<sup>5</sup> In a letter to the Chairman of the Commission concerning the INGAA proposal, Senator Thompson supports the provision of the INGAA proposal that the landowners be notified after the application is filed. He states, " \* \* \* it is absolutely critical not only that the landowners receive this information, but that they receive it in a timely manner \* \* \* "

<sup>6</sup> Iowa Board's comments, at 4.

process the application more expeditiously.

A recent study conducted by Florida Gas Transmission Company (Florida Gas)<sup>7</sup> stated that over half the people interviewed suggested that Florida Gas:

Hold regular public meetings before and during construction to allow citizens to participate in dialogue about the project, to ask questions and to provide input to the route selection. \* \* \* Many cautioned that communications must be honest and open. They said the company must not be too "aggressive" or "pushy" but, instead, to take the time to build public support up-front.

Further, at the December 9 conference, representatives from Duke and Enron stated that their companies frequently contact landowners during the initial planning stage with beneficial results.<sup>8</sup>

While the Commission encourages pipelines to hold pre-filing meetings, it does not believe it is necessary to mandate pre-filing meetings at this time. This is especially true given the indications that some pipelines are attempting more dialogue early on with communities and landowners. However, we invite public comment on whether the Commission should have a more formal (structured) pre-filing public notification requirement.

Therefore, in accord with INGAA's proposal and the aforementioned proposed legislation, the Commission proposes new sections 153.3, 157.6(d), and 157.103 to require that for all section 7 projects pipeline companies notify all affected landowners of record from the most recent tax rolls by certified or first class mail within three (3) business days following the date they file their application with the Commission. The pipeline should file an affidavit with the Environmental Resource Report 1 as required in proposed section 380.12(c)(10) certifying that the pipeline will notify all affected landowners as required in proposed section 157.6(d).

As stated, the Commission currently mails the Notice of Intent to the people on the pipeline's list of potential landowners. Many of the notices are returned as undeliverable. Therefore, as part of the Commission's landowner notification procedure we propose in section 157.6(d)(4) to require that the pipelines make a good-faith effort to determine the correct address for any returned notices and to send notices to the corrected addresses. The pipeline

<sup>7</sup> The executive summary of the study is located on Florida Gas' home page at <http://www.fgt.enron.com/mmexecutivesummary.doc>.

<sup>8</sup> Both the Duke and Enron representatives stated that they contact potential landowners when they are conducting initial environmental surveys before the application is filed with the Commission.

also would be required to file an updated landowner list with the corrected addresses within 30 days of filing the application as proposed in section 157.6(d)(5). We believe that it will benefit the pipeline to attempt to obtain the correct addresses earlier on in the process. The pipeline will need to have accurate addresses for the necessary landowners to obtain the easements for the project. Therefore, determining the proper address sooner as opposed to later will alleviate any potential delay in obtaining the necessary easements.

As stated, the landowner groups contend that notification after the application is too late because the route has already been determined. We disagree. Although we do require that the pipeline file for the route it proposes to use, the pipeline route frequently is modified during the certificate process. As discussed at the December 9 conference, pipelines do modify their proposal as a result of negotiations with landowners. Additionally, the Commission frequently makes route modifications to accommodate specific landowner or other environmental concerns.

Finally, in section 380.12(c)(5), the Commission is proposing to require that pipelines consult with landowners prior to abandoning facilities and the associated right-of-way or easement to determine if the landowners would prefer to have the facilities removed from their property. The pipeline, in consultation with the landowner, should determine if the pipeline should be abandoned in place or removed. If it determines that it is not practical to honor any requests to remove facilities, it needs to explain why in Resource Report 1.

We propose this requirement because we believe the landowner's opinion should be actively sought in cases where the pipeline is relinquishing all rights to the land it has obtained temporary use of from the landowner. As the pipeline may have no responsibility for the facilities left on such property, we should know whether the landowner would like the land back the way the pipeline found it. We are not requiring the pipeline to automatically agree to the landowner's wishes, because there may be valid reasons to leave the facility in the ground.

## 2. Affected Landowners

a. *Comments.* INGAA proposes that the pipeline make a good faith effort to notify any person who is the owner of record of real property that may be subject to eminent domain as a result of

the project. El Paso states that the Commission should not require that the pipelines do a full title search. INGAA argues that the Commission's "affected public" standard is vague and difficult to define. It contends that it might be interpreted to require that the pipeline provide notice to competing pipelines before the application is filed. It recommends that the "affected landowners" be defined as "the individual noted in the most recent county tax records as receiving the tax notice for property that may be subject to eminent domain as a result of approval of the certificate application." It states that only landowners directly impacted by either the permanent right-of-way or temporary work spaces should be notified.

Landowner groups recommend that various persons and groups be notified, including the entire community, public officials, landowners, abutters,<sup>9</sup> and local newspapers. Some recommend that all landowners directly affected and nearby owners of land with property lines within one half a mile radius of the pipeline and one mile for strictly agricultural areas be included. Others recommend that the landowners or residents located within 220 yards of proposed right-of-way or all landowners who share common land within 220 yards of proposed right-of-way be notified.

NYPSC requests that the pipelines provide notice to potential properties that may be affected directly or indirectly by the project. For example, it recommends that the pipeline notify owners of property adjacent to or within the range of influence of aboveground or noise producing equipment such as compressor stations, blow-down valves, pig launchers or similar facilities. It also recommends that notice be given to nearby or adjacent property owners where construction will introduce significant visual elements or remove visual buffers. Where the route is uncertain, the Commission should consider notice to all owners of record of potentially-affected property.

Senator Thompson's legislation provided for a: "good faith effort to provide notice by certified mail to any person who is the owner of record of any interest in property which may be subject to the exercise of eminent domain under [the NGA]."

b. *Commission Response.* In section 157.6(d)(2), the Commission proposes to define affected landowners to include owners of: (1) Property directly affected

by the proposed activity, including all property subject to the right-of-way and temporary work space; (2) property abutting an existing right-of-way (owned in fee by a utility) in which the facilities would be constructed; (3) property abutting a compressor or LNG facility; or (4) property over new storage fields or expansion of storage fields and any applicable buffer zone.

We believe that these properties potentially could be significantly impacted by the proposed pipeline projects. Property owners whose property abuts existing rights-of-way should be notified because they may be affected and the Commission would like their input. Property owners abutting a compressor or LNG facility should be notified for the same reason. Finally, property owners over new or expanded storage fields or in buffer zones for these areas should be notified because their property rights may be affected, natural gas may be stored under their property, and facilities might ultimately be constructed on their property.

We note that the Commission will continue to notify state and local government agencies and representative, and additional landowners on a case-by-case basis as necessary as part of its environmental review when the Notice of Intent is issued. Further, the proposed regulations are only a minimum requirement and the pipelines and the Commission can notify any additional landowners as necessary.

## 3. Notification Contents

a. *Comments.* Senator Thompson's letter to the Commission in response to INGAA's proposal stated that the rulemaking should:

Include a specific and conspicuous description of the rights of property owners to participate in any proceeding relating to the granting of eminent domain authority and a specific and conspicuous statement of who the property owners may contact at the appropriate federal agency relating to the proceeding.

Other recommendations made by others for information that should be in the notice, included: (1) Information about the pipeline company; (2) a general description of the project, its purpose, and its proposed timetable; (3) when the pipeline intends to file the application; (4) up to date information on the proposed route,<sup>10</sup> construction process and timing, and the type of easement sought; (5) an explanation of

<sup>9</sup> Abutters are owners of properties which share a common boundary with the facility site or the right-of-way.

<sup>10</sup> Including a map of the route. For large projects there should be a map showing the entire route, and another map showing the landowner's local area (such as the county).

the pipeline construction process, including methods and restoration plans; (6) an explanation of the Commission's certificate process, including the rights of landowners to file comments or intervene; (7) details on how to file as an intervening party, an appropriate list of agency contacts and principal parties involved (including pipeline company officials), including phone numbers, addresses, and web addresses, and applicable regulations; (8) a statement that points out that the route is in a preliminary stage and is subject to revisions and adjustments; (9) an explanation of the easement rights the pipeline company will seek to acquire for the project; (10) an explanation about how the company will pay for damages; (11) the Commission's pamphlet "An interstate natural gas pipeline on my land? What do I need to know?"; (12) a full copy of the application; and (13) an explanation of who the project would benefit and a justification of the end use.

b. *Commission Response.* The Commission proposes that the notice should include: (1) The docket number of the filing; (2) a detailed description of the proposed facilities including specific details of their location, the purpose of the project, and the timing of the project; (3) a description of the applicant; (4) the name of specific contacts at the pipeline where the landowner can obtain additional information about the project; and (5) a location where the applicant has made copies of the application available.<sup>11</sup> Additionally, the notice should either include map(s) of the project or information where detailed map(s) of the project can be viewed or obtained. The pipeline contact should be knowledgeable about the project and should be able to answer specific questions concerning the project.

The notice should also include a copy of the Commission's pamphlet "An interstate natural gas pipeline on my land? What do I need to know?". The pamphlet generally explains the Commission's certificate process and addresses the basic concerns of landowners. It includes information on how to get a copy of the pipeline's application and how to participate in the proceeding. It also includes general information on pipeline rights-of-way including, among other things: (1) how the pipeline obtains a right-of-way; (2) the size of the right-of-way and how it is maintained; and (3) building on the

right-of-way. The pamphlet explains the responsibilities of the pipeline company. It also discusses safety and environmental issues. Finally, the pamphlet lists the phone number of the Commission's Office of External Affairs which the landowner can contact if there are further questions concerning the certificate process.

*B. Landowner Notification Under Sections 157.202 and 2.55 of the Commission's Regulations*

In the September 30 notice, the Commission stated that it is considering changes to sections 157.202 and 2.55 of its regulations. Specifically, under section 157.202(b)(2) the Commission is considering expanding the definition of eligible facilities to include injection, withdrawal, and observation wells. Under section 2.55, it is considering allowing the use of additional work space for replacement facilities. However, under both sections the Commission stated that it was concerned about how the pipeline would obtain the landowner's consent before beginning construction.

In general, the landowner groups state that the pipeline should notify the landowners, via certified mail, to obtain their consent any time they plan to enter on the property even if the pipeline has a valid easement. The pipelines generally believe that any additional Commission regulations in this area are unnecessary. They contend that the pipelines must have the necessary property rights before engaging in any construction activities on the landowner's property.

Prior to using any land for any work, the pipelines state that they must have an easement or property rights to use the land. They assert that the agreements with the landowner would: (1) Govern the pipeline's use of the property; (2) determine what type of notice is required; and (3) would detail any compensation that may be due the property owner. If the right to use the property is not controlled by an easement agreement, the pipelines contend that they would have to acquire the appropriate property rights or consent from the landowner prior to commencing any project under automatic authority in order to avoid claims of criminal and trespass charges and to maintain good working relationships with the landowners. Therefore, the pipelines believe that the Commission should provide flexibility to allow each pipeline to implement notification of landowners in a manner best suited to its own landowner situations. They argue the Commission should respect the bargains the

pipelines have already negotiated and obtained from the landowners and not impose any additional requirements. Finally, they argue that there is no forum under the blanket certificate where the landowner could raise issues.<sup>12</sup>

b. *Commission Response.* As stated in the September 30 notice, the Commission stated that it was considering expanding the definition of eligible facilities under section 157.202(b) of the regulations to include injection, withdrawal, and observation wells. Upon reconsideration of this issue, the Commission has determined that it is not appropriate for the pipeline to construct new injection and withdrawal wells under its blanket certificate. Such activity would expand upon the authorization granted in the original certificate by increasing the capacity and deliverability of the storage field. We believe such activity is beyond the original intent of the blanket certificate which was to "enable pipelines to construct relatively minor facilities and undertake relatively routine services without the burden of a case-specific determination."<sup>13</sup>

However, we do propose to allow the pipelines to drill observation wells under their blanket certificate. Observation wells generally are needed for the pipelines to adequately monitor their storage fields. Further, they do not change the characteristics of the storage fields and do not result in any significant changes to the underlying certificate authorization. Accordingly, we propose to add a sentence to section 157.202(b)(2)(i) specifically including observation wells as eligible facilities.

We also believe, upon further consideration, that it is premature for the Commission to address expanding the allowed area for additional workspace under section 2.55. Section 2.55 exempts certain activities from NGA section 7 jurisdiction. Acquiring additional land for construction activities is a section 7 activity and, therefore, does not qualify for the section 2.55 exemption.

While we do not intend to expand the definition of eligible facilities to include injection or withdrawal wells or to allow additional work space under section 2.55, we agree with the landowners' request that they be notified of construction to be performed

<sup>12</sup> However, we note that the suggested changes were to require landowner notification under these sections, not to notify the Commission.

<sup>13</sup> Interstate Pipeline Certificates for Routine Transactions, Order No. 234-A, 47 FR 38,871 (September 3, 1982) FERC Stats. and Regs. Regulation Preambles 1982-1985 ¶ 30,389, at 30,258 (1982).

<sup>11</sup> In new section 157.10, promulgated in RM98-9-000, the pipelines are required to make complete copies of the application available in each county in the project area.

under these sections. Accordingly, the Commission intends to add a landowner notification requirement for construction activities conducted under section 2.55 and Subpart F of Part 157 of the Commission's regulations. Under proposed sections 2.55(b) (1)(iv) and 157.203(d)(1), the pipeline will have to notify the affected landowner 30 days prior to commencing construction. The notification should include: (1) a brief description of the facilities to be constructed/replaced and the effect the construction activity will have on the landowner's property; (2) the name and phone number of a company representative that is knowledgeable about the project; and (3) a description of the Commission's Enforcement Hotline procedures explained in section 1b.21 of the Commission's regulations and the Enforcement Hotline phone number.

In the event the landowners have further questions concerning the project, they can contact the company representative for more details. If the landowners need further information concerning the Commission's role in these types of projects, they can contact the Commission's enforcement staff.

The Commission proposes the similar requirements in section 157.203(d)(2) for prior notice filings. Except under 157.203(d)(2), we propose to require that the pipeline notify the affected landowner within three (3) business days after filing the prior notice application with the Commission and to include the docket number in the notice. We also propose that the include the following paragraph in the notice:

This project is being proposed under the Commission's prior notice requirements of its blanket certificate program. Under the Commission's regulations, you have the right to protest this project within 45 days of the date the Commission issues a notice of the pipeline's filing. If you file a protest, you should include the docket number listed in this letter and provide the specific reasons for your protest. The protest should be mailed to the Secretary of the Federal Energy Regulatory Commission, 888 First St., N.E., Room 1A, Washington, DC 20426. A copy of the protest should be mailed to the pipeline at [pipeline address]. If you have any questions concerning these procedures you can call the Commission's Office of External Affairs at (202) 208-1088.

We note that requiring that the pipeline inform the landowners of their right to protest a prior notice filing when the pipeline constructs facilities under its blanket certificate resolves the Commission's concerns over adding residential areas to its definition of sensitive environmental areas. Accordingly, we do not believe it is necessary to include residential areas in

the list of sensitive environmental areas at this time.

### *C. Mitigation Measures for Blanket Certificates*

#### 1. Comments

The Commission also requested comments on the need to apply the same erosion control and stream and wetland crossing mitigation measures to blanket projects as are routinely used in the regular certificate process. Currently, there are no such mitigation measures imposed on blanket construction projects, although the impacts are similar to those encountered in the traditional 7(c) projects. The Commission needs to ensure that the pipelines are following such mitigation measures.

Generally, the pipelines do not object to the Commission's proposal. However, they recommend that the Commission view the mitigation measures as guidelines and not mandate them in all instances. They contend that the Commission should allow the pipelines the flexibility to deviate from the guidelines as appropriate.

National Fuel states that there are problems with the Commission's measures and that the pipelines frequently find it necessary to seek deviations from certain measures to meet the recommendations of state or local agencies or implement appropriate site specific construction procedures.

#### 2. Commission Response

In fulfilling its mandate under NEPA, the Commission routinely requires that pipeline facilities constructed under case-specific NGA section 7 certificates follow some type of erosion control and stream and wetland crossing mitigation measures. We believe that to apply NEPA consistently the Commission should require the same measures be applied to pipeline facilities constructed under the pipeline's blanket certificate. Therefore, we propose to add section 157.206(b)(3)(iv) to the regulations to require that, unless it gets a variance, the pipelines constructing facilities under their blanket certificates adhere to the Commission staff's current "Upland Erosion Control, Revegetation and Maintenance Plan" (Plan) and "Wetland and Waterbody Construction and Mitigation Procedures" (Procedures). The documents are available on the Commission's Internet home page or from the Commission's staff.

If the pipelines cannot follow the mitigation measures for a particular project or if an agency with responsibility for protecting the relevant resource (soil, wetland, or waterbodies)

specifies a measure that conflicts with a measure in the Plan or Procedures, a variance can be obtained. In either case, an alternative measure specified in writing by the appropriate agency may be used. Alternatively, the pipeline can apply to the Director of the Office of Pipeline Regulation to request a waiver of the mitigation measures or permission to apply alternative measures.

### *D. Magnuson Act*

The Magnuson Act requires all Federal agencies to consult with the National Marine Fisheries Service on the effects that their activities may have on "essential fish habitat." The National Marine Fisheries Service's regulations at Chapter 50 Part 600 of the Code of Federal Regulations describe the process that should be followed. We are currently discussing the details of how the Commission can best comply with this act in the long-term, but in the interim, we will simply state that the requirements of this act are important for the companies to consider at the same time they address Endangered Species Act considerations. Companies should be contacting the National Marine Fisheries Service to address what level of consultation is required for their project for appropriate consideration of "essential fish habitat." Accordingly, we propose to add references to the Magnuson Act in both the blanket certificate regulations, at section 157.206(b)(2)(xii), and for case-specific NGA section 7 filings, at section 380.12(e)(5), requiring that pipelines consult with the National Marine Fisheries Service with respect to "essential fish habitat".

### *E. Categorical Exclusions*

Section 380.4 of the Commission's regulations lists projects or actions that the Commission has determined normally do not have a significant environmental impact and are, therefore, categorically excluded from the need for an Environmental Assessment. The Commission proposes to add several new categories to the list, including: (1) Abandonment of facilities by sale that only involve minor or no ground disturbance to disconnect the facilities from the system (proposed section 380.4(a)(31)); (2) conversion of facilities from use under the Natural Gas Policy Act to use under the NGA (proposed section 380.4(a)(32)); (3) construction or abandonment of facilities conducted entirely in Federal offshore waters which has been approved by the Minerals Management Service and the Corps of Engineers, as necessary (proposed section



380.4(a)(33)); (4) abandonment or construction of facilities on an existing offshore platform (proposed section 380.4(a)(34)); (5) abandonment, construction, or replacement of a facility (other than compression) solely within an existing building within a natural gas facility (other than LNG facilities), so long as it does not increase the noise or air emissions from the facility, as a whole (proposed section 380.4(a)(35)); and (6) conversion of compression to standby use as long as the compressor is not moved, or abandonment of compression as long as the compressor station remains in operation (proposed section 380.4(a)(36)).

Proposed sections 380.4(a)(31) and (32) involve abandonments or conversions that, at most, involve disturbance in small areas within existing rights-of-way to connect or disconnect existing pipelines. Proposed section 380.4(a)(34) has no effect on the natural environment with the exception of air and noise emissions if compression is involved. Given the fact that these emissions would occur offshore on existing platforms which are isolated and already contain similar activities, we believe there is no significant impact associated with this type of activity.

In section 380.4(a)(33) we are proposing to require that the company receive pre-approval from the Minerals Management Service and the Corps of Engineers that have primary jurisdiction over the construction, operation, and removal of offshore facilities. These Federal agencies have their own procedures for complying with NEPA for the impact potentially involved with these projects. Therefore, we believe there is no reason for the Commission to conduct its own environmental analysis, or to verify that the other agencies did such an analysis.

Proposed section 380.4(a)(35) deals with activities taking place solely within existing structures. The only potential impacts to the environment under this type of activity would be air and noise emissions. Since we propose to require that there be no increase in either type of emission, the only potential is for a reduction and, therefore, an improvement in the natural environment. We do not believe any purpose would be served in conducting an environmental analysis for this kind of activity.

Proposed section 380.4(a)(36) is similar to proposed section 380.4(a)(35). The conversion of compression to standby can only reduce the amount of air and noise emissions from the station. The change to air and noise emissions is a positive effect—the same as it is for

the previous category. Abandonment of some of the compression at a station which remains in operation may result in ground disturbance within the compressor station site, but this area was disturbed similarly when the facility was first installed. Therefore, it requires no further Commission analysis.

#### *F. Miscellaneous Rearrangement of Facilities*

In the comments filed in Docket No. RM98-9-000, several parties requested that the Commission clarify that miscellaneous rearrangement of facilities under section 157.202(b)(6) of the Commission's regulations includes replacement facilities needed as a result of encroachment on the pipeline because of residential, commercial, or industrial development. Because of the landowner notification issue, the Commission deferred addressing that issue to this proceeding.

Since this rulemaking proposes to require the company to notify landowners of their intent to conduct the rearrangement activity, the landowners would be given the opportunity to express any concerns. This satisfies our landowner participation concern. Accordingly, we propose to add encroachment to section 157.202(b)(6) as an appropriate reason to use the blanket certificate for miscellaneous rearrangement of facilities.

#### *G. Other Issues Raised*

##### 1. Special Intervention Status

Many landowner groups claim that the Commission's current intervention process is cost prohibitive and that it deters landowner participation. They request that the Commission streamline its process to accommodate landowners. Specifically, they request that the Commission allow landowners to file one copy of their comment/protest with the Commission and one copy with the company. Also, one landowner recommended that town governments should be viewed as intervenors for citizens and/or that town governments should be viewed automatically as parties.

Under section 385.2010 of the Commission's regulations an intervenor in a proceeding before the Commission must serve a copy of its filing on all parties on the official service list. However, under section 385.101(e) of the Commission's regulations, the Commission may waive a rule for good cause. Parties that have difficulty participating in the proceeding for

whatever reason may request a waiver of the Commission's service rule.

##### 2. Depositories of Filing Information

One landowner also requests that the Commission set up depositories where materials are readily available to the general public. In Docket No. RM98-9-000, the Commission intends to allow a limited waiver of the service rules for the filing of voluminous material or difficult to reproduce material. Specifically, the Commission determined that these filings do not need to be served on all parties unless they specifically request a copy. Instead, the Commission is requiring that the pipeline put complete copies of those filings in depositories along the route of the pipeline for public inspection. In addition, new section 157.10, promulgated in RM98-9-000, requires that pipelines make complete copies of the application available in each county in the project area. Finally, all documents filed with the Commission are available on the Commission's Internet home page. Increasingly, people have access to the Internet either in their homes or at the local libraries. Therefore, we believe that the information filed in a certificate proceeding under the Commission's current regulations (as amended in Docket No. RM98-9-000) is sufficiently available to the participating parties.

##### 3. Inspectors of Construction Sites/ Pipeline Safety

*a. Comments.* Central Maine Power Company (Central Maine) states that the Commission presently has no oversight of the actual construction process. It contends that the pipeline construction crews repeatedly violate OSHA clearances and minimum work space requirements when working near power lines. It urges the Commission to modify its regulations so that the safety and electric system reliability concerns are fully addressed throughout the certificate process, and that certificate orders explicitly require compliance with safety requirements with the same degree of specificity as already required for environmental conditions. It believes that the Commission has an obligation to devote necessary resources to insure that the pipeline construction it authorizes does not endanger the public and is not adverse to the public interest in reliable electric service. It requests that the Commission allocate resources to expand substantially the scope of its post-certificate monitoring of the pipeline construction process. Several of the landowner groups also maintain that the Commission should have



inspectors assigned locally to monitor construction sites.

b. *Commission Response.* The Commission does, in fact, conduct oversight inspections of the construction process. As part of the environmental conditions imposed in a certificate proceeding, the Commission requires that the pipeline company hire environmental inspectors to make sure that the environmental conditions of the certificate, including any proposed mitigation, are appropriately applied. In the event landowners have questions or problems during the construction phase or after the facilities are built, they can call the Commission's enforcement staff. We believe these measures allow the Commission to ensure compliance with our environmental conditions.

Central Maine is concerned about our pipeline siting regulations and the construction process. These concerns are outside the scope of this rulemaking, and the safety concerns raised by Central Maine are generally under the purview of the Occupational Safety and Health Administration and the Department of Transportation. While we do favor the use of existing corridors when appropriate, we recognize that cooperation between the companies involved and careful construction practices are key to success.

During our environmental review process we attempt to determine the feasibility of the joint use of rights-of-way and the availability of adequate spacing for a proposed project. We obtain input from both companies before requiring joint use. As stated, we conduct inspections during construction. In the event that trouble arises during the construction phase, we will take steps to avoid inappropriate risks to other utilities or to the public.

#### 4. Eminent Domain

Some of the landowner groups state that in a deregulated industry in which market forces are allowed to determine whether pipelines are constructed, the use of eminent domain to enable construction and operation of natural gas facilities on the private property is inappropriate. They state that landowners become largely uncompensated business partners who receive only a token payment for an easement. They argue that market demand is not the same as public need. They believe that companies in profit making businesses that use other people's properties should be required to acquire that property in the marketplace. They urge the Commission to require a pipeline to acquire a large majority of easements through negotiations before they can seize the

remaining property. They claim that the property owners' compensation is offset by the court costs.

The landowner groups assert that the pipeline should be required to negotiate a business deal with landowners instead of relying on the right of eminent domain. They contend that landowners should have the option of being paid royalties for use of their land.

Under the NGA, if the Commission finds that a proposed project is in the public convenience and necessity, the pipeline has the right to acquire the property for that project by eminent domain. The pipeline's right to eminent domain is not optional. Further, case law suggests that the pipeline cannot waive its right to eminent domain.<sup>14</sup> It is a statutory requirement imposed by Congress. The Commission cannot change or modify statutory requirements.

#### 5. Review of Easement Documents

The landowner groups request that the Commission assign a person from the Commission's staff to each area of pipeline construction from the beginning of easement negotiations to assist landowners in land acquisition. They contend that the Commission should assure that pipelines do not try to acquire more than what they are entitled to by the certificate. Additionally, they request that the Commission review all easement agreements to determine if they are consistent with the certificate authorization. They state that the landowner does not want to relinquish more rights than the Commission intended and that the company should not be able to acquire more than the Commission intended. They state that in several recent projects there are discrepancies between the certificate authorization and easement documents/court papers and that they do not have the knowledge or resources to fight the pipeline.

The Commission does not believe it is necessary to review every easement document negotiated by the pipeline or submitted to the court for the condemnation proceeding. However, we expect that the pipelines will negotiate with the landowners fairly and in good faith. We believe the landowners have a right to know the specific area the

Commission has authorized the pipeline to take and the specific activities the Commission has authorized for that property before they begin any negotiations for the easement. We note that the pipeline should clearly explain and delineate at the beginning of the negotiations what is specifically covered by the Commission's certificate.

Further, in the future, where landowner issues are a concern, as a condition to a certificate to construct facilities, the Commission may require that the pipeline specifically state in the easement document the specific area that is covered by easement and the phone number and a name of a representative of the pipeline the landowners can call if they have a question concerning the easement agreement.

#### G. Negotiated Rulemaking

Finally, the Commission stated that it was considering using the negotiated rulemaking process under the Negotiated Rulemaking Act of 1990 as an alternative to traditional rulemaking to promulgate new regulations for its landowner notification policy. Generally, the comments were not in favor of the negotiated rulemaking process. The Iowa Board stated that it found such a process for these types of issues combative and partisan. Others stated that the negotiated rulemaking process was too rigid a structure. However, many supported the use of working groups to address some of the more controversial issues.

The Negotiated Rulemaking Act recommends that an agency consider the feasibility of regulatory negotiations to resolve a specific issue when: (1) There is a need for a rule; (2) there are a limited number of identifiable interests; (3) these interests can be adequately represented by persons willing to negotiate in good faith to reach a consensus; (4) there is a likelihood that the committee will reach consensus within a fixed period of time; (5) the negotiated rulemaking procedure will not unreasonably delay the notice of proposed rulemaking; (6) the agency has adequate resources and is willing to commit such resources to the process; and (7) the agency is committed to use the result of the negotiation in formulating a proposed rule if at all possible.

Generally, in light of the comments received in this proceeding, it is evident that the Commission can rule on many of the issues based on the written record in this proceeding. For example, all parties are in agreement that earlier notification is necessary. However, the pipelines want notification to be after

<sup>14</sup> See *Georgia v. City of Chattanooga*, 264 U.S. 472 (1924); *Terminal Shares v. Chicago, B & Q.R. Co.*, 65 F.Supp. 678, 683 (1946) (finding that the power of eminent domain is conferred upon a railroad "as one in trust, to be exercised in promoting the public interest." "[I]t is not a power owned by a railroad corporation as one of its assets, that it may barter about and pass as a consideration in contracts and agreements.")

the application is filed. The landowner groups want to be notified earlier to participate in the siting process. It is doubtful that any further negotiations would produce a consensus on this issue and it will probably create an unnecessary delay. Additionally, there is very little controversy over how the notice should be delivered and what should be included in the notice. While other issues, for example, who should be included in the group notified and whether the Commission should designate residential areas as sensitive environmental areas, may merit further public discussion, forming a negotiated rulemaking committee on the basis of those issues alone would likely delay implementation of new notification regulations that are clearly needed now. In the event, after the Commission issues this NOPR, it is determined that certain issues may benefit from further public discussion, the Commission may hold additional technical conferences to discuss those issues.

**IV. Information Collection Statement**

The proposed rule, if adopted, would establish new reporting requirements

and modify existing reporting requirements under 18 CFR Parts 2.55, 153, 157, and 380 of the Commission's Regulations. The information requirements proposed in the subject rulemaking would affect, and become part of, the data requirements under the Commission's FERC-537<sup>15</sup> and FERC-577<sup>16</sup> data collections. Specifically, the subject rule would require notification of all landowners whose land may be affected by proposed natural gas pipeline projects.

In accordance with Section 3507(d) of the Paperwork Reduction Act of 1995,<sup>17</sup> the proposed data requirements in the subject rulemaking are being submitted to the Office of Management and Budget (OMB) for review.

The estimated reporting burden related to the notification requirements proposed herein is shown in the tables below. The estimates include an initial one-time start-up burden of 8,800 hours for the first year plus an on-going annual burden of 7,284 hours under FERC-577 and a decrease of 12,600 hours under FERC-537. The net change in total reporting burden under the data collections would be an estimated net

increase of 3,484 hours for the first year. In subsequent years, there would be a net decrease of 5,316 hours.

To consider the impact on the persons affected by this rulemaking, comments are solicited on the need for this notice requirement, whether the information/notice will have practical utility, the accuracy of the provided burden estimates, ways to enhance the quality, utility, and clarity of the information requirements, and any suggested methods for minimizing respondent's burden, including the use of automated information techniques. The Commission would like specific comments on the impact of this rule on individual natural gas companies. Both estimates of current burden and impact should be in work hours and dollar costs in sufficient detail to demonstrate methodology and assumptions.

The burden estimates for complying with this proposed rule are as follows:

*Public Reporting Burden:* Estimated Annual Burden: The burden estimates for complying with this proposed rule are as follows:

Data collection	Number of respondents	Number of responses	Hours per response	Total annual hours
FERC-537 .....	50	-50	252	-12,600
FERC-577 .....	70	-20	<sup>18</sup> +13.9	<sup>19</sup> +16,084
<b>Total .....</b>	<b>70</b>	<b>-70</b>	<sup>20</sup> +2.1	<b>+3,484</b>

<sup>18</sup> The increase per response based on an estimated 1,160 responses per year. Note: Detail may not add to total because of rounding.

<sup>19</sup> Includes one-time initial start-up burden of 8,800 hours.

<sup>20</sup> Represents the increase per response (rounded) based on the net increase in total reporting burden (3,484 hours) divided by the total number of responses expected annually under both FERC-537 and FERC-577 (1,690 responses).

*Total Annual Hours for Collections*

Annual reporting burden (including one-time start-up burden during the first year of implementation) plus record keeping (if appropriate)=3,484 hours.

Based on the Commission's experience with processing applications for construction and acquisition of pipeline facilities over the last three

fiscal years (FY96-FY98), it is estimated that 1,690 filings/responses per year (under both data collections) will be made over the next three years. The average burden per filing would increase 2.1 hours; the average burden per respondent would increase 49.8 hours. Following the first year of implementation, the reporting burden

under FERC-577 would be reduced by 8,800 hours.

*Information Collection costs:* The Commission seeks comments on the costs to comply with these requirements. It has projected the average annualized cost for all respondents during the first year of implementation to be:

Data collection	Annualized capital/start-up costs	Annualized on-going costs (operations and maintenance)	Total annualized costs
FERC-537 .....	0	-\$665,674	-\$665,674
FERC-577 .....	\$464,915	384,823	849,738
<b>Total .....</b>	<b>464,915</b>	<b>-280,851</b>	<b>184,064</b>

<sup>15</sup> Gas Pipeline Certificates: Construction, Acquisition, and Abandonment.

<sup>16</sup> Gas Pipeline Certificates: Environmental Impact Statement.

<sup>17</sup> 44 U.S.C. 3507(d).

OMB regulations require its approval of certain information collection requirements imposed by agency rule.<sup>21</sup> Accordingly, pursuant to OMB regulations, the Commission is providing notice of its proposed information collections to OMB.

*Title:* FERC-537 "Gas Pipeline Certificate: Construction, Acquisition, and Abandonment." and FERC-577 "Environmental Impact Statement."

*Action:* Proposed Data Collections.

*OMB Control No.:* 1902-0060 (FERC-537); 1902-0128 (FERC-577).

Applicants shall not be penalized for failure to respond to these collections of information unless the collections of information display a valid OMB control number. The notice requirements proposed in the subject rule would be mandatory if adopted by the Commission in a Final Rule.

*Respondents:* Businesses or other for profit. (Interstate natural gas pipelines (Not applicable to small business))

*Frequency of Responses:* On occasion.

*Necessity of Information:* The proposed rule revises the Commission's regulations governing the filing of applications for the construction and operation of pipeline facilities to provide service or to abandon facilities or service under section 7 of the NGA. Section 7 of the NGA requires the Commission to issue certificates of public convenience and necessity for all interstate sales and transportation of natural gas, the construction and operation of natural gas facilities used for those interstate sales and transportation and prior Commission approval of abandonment of jurisdictional facilities or services. The Commission has determined that portions of its regulations need to be revised to reflect a recent increase in sensitivity of the public to pipeline construction, and a desire on the part of the public to receive more timely notification of pipeline construction proposals. Certain other changes are being made because of the Commission's experience in the processing of some applications for which an environmental assessment is unnecessary.

*Internal Review:* The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements. These requirements conform to the Commission's plan for efficient information collection, communication, and management within the natural gas industry.

For information on the requirements, submitting comments concerning the collection of information and the associated burden estimates, including suggestions for reducing this burden, please send your comments to the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426 [Attention: Michael Miller, Office of the Chief Information Officer, Phone: (202) 208-1415, fax: (202) 273-0873, e-mail: mike.miller@ferc.fed.us]. In addition, comments on reducing the burden and/or improving the collections of information should also be submitted to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Desk Officer for the Federal Energy Regulatory Commission, 725 17th Street, NW, Washington, D.C. 20503, phone (202) 395-3087, fax: (202) 395-7285.

#### V. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act (RFA) requires agencies to prepare certain statements, descriptions and analyses of proposed rules that will have a significant economic impact on a substantial number of small entities.<sup>22</sup> The Commission is not required to make such analyses if a rule would not have such an effect.<sup>23</sup>

The Commission does not believe that this rule would have such an impact on small entities. The regulations adopted here impose requirements only on interstate pipelines, which are not small businesses. Accordingly, pursuant to section 605(b) of the RFA, the Commission hereby certifies that the regulations proposed herein will not have a significant adverse impact on a substantial number of small entities.

#### VI. Environmental Statement

The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.<sup>24</sup> The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.<sup>25</sup> Generally, the actions proposed to be taken here fall within categorical exclusions in the Commission's regulations for rules that are clarifying, corrective, or procedural,

for information gathering, analysis, and dissemination, and for sales, exchange, and transportation of natural gas that requires no construction of facilities.<sup>26</sup> While the additions of the categorical exclusion in proposed sections 380.4(a)(31) through (36) include construction-type activities, the above section that discusses those sections explains why they do not have a significant effect on the environment. Accordingly, we do not believe that any further analysis is needed. Therefore, an environmental assessment is unnecessary and has not been prepared in this rulemaking.

#### VII. Public Comment Procedures

The Commission invites interested persons to submit written comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss.

The original and 14 copies of such comments must be received by the Commission before 5:00 p.m., June 21, 1999. Comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington DC 20426 and should refer to Docket No. RM98-17-000.

In addition to filing paper copies, the Commission encourages the filing of comments either on computer diskette or via Internet E-Mail. Comments may be filed in the following formats: WordPerfect 6.1 or lower version, MS Word Office 97 or lower version, or ASCII format.

For diskette filing, include the following information on the diskette label: Docket No. RM98-17-000; the name of the filing entity; the software and version used to create the file; and the name and telephone number of a contact person.

For Internet E-Mail submittal, comments should be submitted to "comment.rm@ferc.fed.us" in the following format. On the subject line, specify Docket No. RM98-17-000. In the body of the E-Mail message, include the name of the filing entity; the software and version used to create the file, and the name and telephone number of the contact person. Attach the comment to the E-Mail in one of the formats specified above. The Commission will send an automatic acknowledgment to the sender's E-Mail address upon receipt. Questions on electronic filing should be directed to Brooks Carter at 202-501-8145. E-Mail address brooks.carter@ferc.fed.us.

<sup>22</sup> 5 U.S.C. 601-612 (1988).

<sup>23</sup> 5 U.S.C. 605(b)(1988).

<sup>24</sup> Regulations Implementing the National Environmental Policy Act, Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. Preambles 1986-1990 ¶ 30,783 (1987).

<sup>25</sup> 18 CFR 380.4.

<sup>26</sup> See 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), 380.4(a)(27).

<sup>21</sup> 5 CFR 1320.11 (1997).

Commenters should take note that, until the Commission amends its rules and regulations, the paper copy of the filing remains the official copy of the document submitted. Therefore, any discrepancies between the paper filing and the electronic filing or the diskette will be resolved by reference to the paper filing.

All written comments will be placed in the Commission's public files and will be available for inspection in the Commission's Public Reference room at 888 First Street, NE, Washington DC 20426, during regular business hours. Additionally, comments may be viewed and printed remotely via the Internet through FERC's Homepage using the RIMS link or the Energy Information Online icon. User assistance is available at 202-208-2222, or by E-Mail to rimsmaster@ferc.fed.us.

**List of Subjects**

*18 CFR Part 2*

Administrative practice and procedure, Electric power, Natural gas, Pipelines, Reporting and recordkeeping requirements.

*18 CFR Part 153*

Exports, Imports, Natural gas, Reporting and recordkeeping requirements.

*18 CFR Part 157*

Administrative practice and procedure, Natural gas, Reporting and recordkeeping requirements.

*18 CFR Part 380*

Environmental impact statements, Reporting and recordkeeping requirements.

By direction of the Commission.

**David P. Boergers,**  
*Secretary.*

In consideration of the foregoing, the Commission proposes to amend Parts 2, 153, 157, and 380 Chapter I, Title 18, Code of Federal Regulations, as set forth below.

**PART 2—GENERAL POLICY AND INTERPRETATIONS**

1. The authority citation for Part 2 continues to read as follows:

**Authority:** 5 U.S.C. 601; 15 U.S.C. 717-717w, 3301-3432; 16 U.S.C. 792-825y, 2601-2645; 42 U.S.C. 4321-4361, 7101-7352.

**§ 2.55 [Amended]**

2. In § 2.55, paragraph (b)(1)(ii) is revised and new paragraphs (b)(1)(iii) and (iv) are added to read as follows:

- \* \* \* \*
- (b) \* \* \*

(1) \* \* \*

(ii) The replacement facilities will have a substantially equivalent designed delivery capacity, will be located in the same right-of-way or on the same site as the facilities being replaced, and will be constructed using the temporary work space used to construct the original facility as determined by the guidelines in Appendix A of this Part;

(iii) Except as described in paragraph (b)(2) of this section, the company will file notification of such activity with the Commission at least 30 days prior to commencing construction; and

(iv) The company will notify the affected landowner 30 days prior to commencing construction. The notification shall include:

(A) A brief description of the facilities to be replaced and the effect the construction activity will have on the landowner's property;

(B) The name and phone number of a company representative that is knowledgeable about the project; and

(C) An explanation of the Commission's Enforcement Hotline procedures, as codified in section 1b.21 of this chapter, and the Enforcement Hotline phone number.

\* \* \* \*

**PART 153—APPLICATIONS FOR AUTHORIZATION TO CONSTRUCT, OPERATE, OR MODIFY FACILITIES USED FOR THE EXPORT OR OF IMPORT NATURAL GAS**

3. The authority citation for Part 153 continues to read as follows:

**Authority:** 15 U.S.C. 717b, 717o; E.O. 10485, 3 CFR, 1949-1953 Comp., p. 970, as amended by E.O. 12038, 3 CFR, 1978 Comp., p.136.

4. New section 153.3 is added to read as follows:

**§ 153.3 Notice requirements.**

All applications filed under this part are subject to the landowner notification requirements in § 157.6 of this chapter.

**PART 157—APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND FOR ORDERS PERMITTING AND APPROVING ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT**

5. The authority citation for Part 157 continues to read as follows:

**Authority:** 15 U.S.C. 717-717w, 3301-3432; 42 U.S.C. 7101-7352.

**Subpart A—Applications for Certificates of Public Convenience and Necessity and for Orders Permitting and Approving Abandonment Under Section 7 of the Natural Gas Act, as Amended, Concerning Any Operation, Sales, Service, Construction, Extension, Acquisition or Abandonment**

6. In § 157.6, a new paragraph (d) is added to read as follows:

**§ 157.6 Applications; general requirements.**

\* \* \* \*

(d) *Landowner notification.* (1) For all applications filed under this subpart, the applicant shall notify all affected landowners by certified or first class mail, within 3 business days following the date that it files an application of its intent to construct or abandon facilities.

(2) *All affected landowners* includes owners of real property, as noted in the most recent county/city tax records as receiving the tax notice, whose property:

(i) Is directly affected by the proposed activity, including all facility sites, rights-of-way, and temporary workspace;

(ii) Abuts an existing right-of-way or facility site owned in fee by any utility company, in which the facilities would be constructed;

(iii) Abuts the facility site for compressor or LNG facilities; or

(iv) Is within the area of new storage fields or expansions of storage fields and any applicable buffer zone.

(3) The notice shall include:

(i) The docket number of the filing;

(ii) The most recent edition of the Commission's pamphlet that explains the Commission's certificate process and addresses the basic concerns of landowners.

(iii) A description of the applicant and the proposed project, its location, its purpose, and the timing of the project;

(iv) A description of how the landowner may contact the applicant, including a local or toll-free phone number and a name of a specific person to contact who is knowledgeable about the project; and

(v) Information on how the landowner can get a copy of the application from the company or the location(s) where a copy of the application may be found as specified in § 157.10.

(4) If the notice is returned as undeliverable, the applicant will make a reasonable attempt to find the correct address and notify the landowner.

(5) Within 30 days of the date the application was filed, applicant shall

file an updated list of affected landowners, including information concerning notices that were returned undeliverable.

7. In § 157.103, a new paragraph (k) is added to read as follows:

**§ 157.103 Terms and conditions; other requirements.**

\* \* \* \* \*

(k) Applications filed under this section are subject to the landowner notification requirements described in § 157.6(d).

8. In § 157.202, a sentence is added to the end of paragraph (b)(2)(i), paragraph (b)(6)(ii) is revised, and paragraph (b)(11)(i) is revised to read as follows:

**§ 157.202 Definitions.**

\* \* \* \* \*

(b) \* \* \*  
(2)(i) \* \* \* Eligible facility includes observation wells.

\* \* \* \* \*

(6) \* \* \*  
(ii) When required by highway construction, dam construction, encroachment of residential, commercial, or industrial areas, erosion, or the expansion or change of course of rivers, streams or creeks, or

\* \* \* \* \*

(11) Sensitive environmental area means:

(i) The habitats of species which have been identified as endangered or threatened under the Endangered Species Act (Pub. L. 93-205, as amended) and essential fish habitat as identified under the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801, *et seq.*);

\* \* \* \* \*

9. In § 157.203, new paragraph (d) is added to read as follows:

**§ 157.203 Blanket certification.**

\* \* \* \* \*

(d) *Landowner notification.* (1) No activity described in § 157.203(b) is authorized unless the company notifies all affected landowners, as defined in § 157.6(d)(2), at least 30 days prior to commencing construction. The notification shall include:

(i) A brief description of the facilities to be constructed or replaced and the effect the construction activity will have on the landowner's property;

(ii) The name and phone number of a company representative who is knowledgeable about the project; and

(iii) An explanation of the Commission's Enforcement Hotline procedures, as codified in section 1b.21 of this chapter, and the Enforcement Hotline telephone number.

(2) For activities described in § 157.203(c) the company shall notify all

affected landowners, as defined in § 157.6(d)(2), within three business days of filing its application. The notice should include:

(i) A brief description of the facilities to be constructed or replaced and the effect the construction activity will have on the landowner's property;

(ii) The name and phone number of a company representative that is knowledgeable about the project;

(iii) The docket number assigned to the company's application; and

(iv) The following paragraph: This project is being proposed under the prior notice requirements of the blanket certificate program administered by the Federal Energy Regulatory Commission. Under the Commission's regulations, you have the right to protest this project within 45 days of the date the Commission issues a notice of the pipeline's filing. If you file a protest, you should include the docket number listed in this letter and provide the specific reasons for your protest. The protest should be mailed to the Secretary of the Federal Energy Regulatory Commission, 888 First St., NE, Room 1A, Washington, DC 20426. A copy of the protest should be mailed to the pipeline at [pipeline address]. If you have any questions concerning these procedures you can call the Commission's Office of External Affairs at (202) 208-1088.

10. In § 157.206, new paragraphs (b)(2)(xii), (b)(3)(iv) and (b)(8) are added to read as follows:

**§ 157.206 Standard conditions.**

\* \* \* \* \*

(b) Environmental compliance. \* \* \*  
(2) \* \* \*

(xii) Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801, *et seq.*)

(3) \* \* \*

(iv) Paragraphs (b)(2)(i) and (viii) of this section only if it adheres to Commission staff's current "Upland Erosion Control, Revegetation and Maintenance Plan" and "Wetland and Waterbody Construction and Mitigation Procedures" which are available on the Commission Internet home page or from the Commission staff, or gets written approval from the staff or the appropriate Federal or state agency for the use of project-specific alternatives to clearly identified portions of those documents.

\* \* \* \* \*

(8) The certificate holder shall notify the affected landowners of the project at least 30 days prior to the beginning of construction for automatically authorized activities, or within 3

business days of filing the prior notice, as specified in §§ 157.203(d).

\* \* \* \* \*

**PART 380—REGULATIONS IMPLEMENTING THE NATIONAL ENVIRONMENTAL POLICY ACT**

11. The authority citation for Part 380 continues to read as follows:

**Authority:** National Environmental Policy Act of 1969, 42 U.S.C. 4321-4370a; Department of Energy Organization Act, 42 U.S.C. 7101-7352; E.O. 12009, 3 CFR 1978 Comp., p. 142.

12. In § 380.4(a), new paragraphs (31) through (36) are added to read as follows:

**§ 380.4 Projects or actions categorically excluded**

(a) \* \* \*

\* \* \* \* \*

(31) Abandonment of facilities by sale that involves only minor or no ground disturbance to disconnect the facilities from the system;

(32) Conversion of facilities from use under the NAPA to use under the NGA;

(33) Construction or abandonment of facilities constructed entirely in Federal offshore waters that has been approved by the Minerals Management Service and the Corps of Engineers, as necessary;

(34) Abandonment or construction of facilities on an existing offshore platform;

(35) Abandonment, construction or replacement of a facility (other than compression) solely within an existing building within a natural gas facility (other than LNG facilities), if it does not increase the noise or air emissions from the facility, as a whole; and

(36) Conversion of compression to standby use if the compressor is not moved, or abandonment of compression if the compressor station remains in operation.

13. In § 380.12, paragraph (c)(5) is revised; paragraph (c)(10) is revised; and the first two sentences of (e)(5) are revised to read as follows:

**§ 380.12 Environmental reports for Natural Gas Act applications.**

\* \* \* \* \*

(c) \* \* \*

(5)(i) Identify facilities to be abandoned, and state how they would be restored, who would own the site or right-of-way after abandonment, and who would be responsible for any facilities abandoned in place.

(ii) When the right-of-way or the easement would be abandoned, identify whether landowners were given the

opportunity to request that the facilities on their property, including foundations and below ground components, be removed. Identify any landowners whose preferences the company does not intend to honor, and the reasons therefore.

\* \* \* \* \*

(10) Provide the names and mailing addresses of all affected landowners specified in § 157.6(d) and certify that all affected landowners will be notified as required in § 157.6(d).

\* \* \* \* \*

(e) \* \* \*

(5) Identify all federally listed or proposed threatened or endangered species and critical habitat and federally listed essential fish habitat that potentially occur in the vicinity of the project. Discuss the results of the consultation requirements listed in § 380.13(b) at least through § 380.13(b)(5)(i) for endangered or threatened species and with the National Marine Fisheries Service for essential fish habitat, and include any written correspondence that resulted from the consultation. \* \* \*

\* \* \* \* \*

14. In Appendix A to Part 380, the descriptions of Resource Reports 1 and 3 are revised to read as follows:

**Appendix A to Part 380—Minimum Filing Requirements for Environmental Reports Under the Natural Gas Act**

*Resource Report 1—General Project Description*

1. Provide a detailed description and location map of the project facilities. (§ 380.12(c)(1))
2. Describe any nonjurisdictional facilities that would be built in association with the project. (§ 380.12(c)(2))
3. Provide current original U.S. Geological Survey (USGS) 7.5-minute-series topographic maps with mileposts showing the project facilities; (§ 380.12(c)(3))
4. Provide aerial images or photographs or alignment sheets based on these sources with mileposts showing the project facilities; (§ 380.12(c)(3))
5. Provide plot/site plans of compressor stations showing the location of the nearest noise-sensitive areas (NSAs) within 1 mile. (§ 380.12(c)(3,4))
6. Describe construction and restoration methods. (§ 380.12(c)(6))
7. Identify the permits required for construction across surface waters. (§ 380.12(c)(9))
8. Provide the names and address of all affected landowners and certify that all affected landowners will be notified as required in § 157.6(d). (§ 380.12(a)(4) and (c)(10))

\* \* \* \* \*

*Resource Report 3—Vegetation and Wildlife*

1. Classify the fishery type of each surface waterbody that would be crossed, including fisheries of special concern. (§ 380.12(e)(1))
2. Describe terrestrial and wetland wildlife and habitats that would be affected by the project. (§ 380.12(e)(2))
3. Describe the major vegetative cover types that would be crossed and provide the acreage of each vegetative cover type that would be affected by construction. (§ 380.12(e)(3))
4. Describe the effects of construction and operation procedures on the fishery resources and proposed mitigation measures. (§ 380.12(e)(4))
5. Evaluate the potential for short-term, long-term, and permanent impact on the wildlife resources and state-listed endangered or threatened species caused by construction and operation of the project and proposed mitigation measures. (§ 380.12(e)(4))
6. Identify all federally listed or proposed endangered or threatened species and federally listed essential fish habitat that potentially occur in the vicinity of the project and discussion results of consultations with other agencies. (§ 380.12(e)(5))
7. Describe any significant biological resources that would be affected. Describe impact and any mitigation proposed to avoid or minimize that impact. (§ 380.12(e)(4 & 6))

[FR Doc. 99-11215 Filed 5-20-99; 8:45 am]  
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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[REG-105312-98]

RIN 1545-AW72

**Reporting of Gross Proceeds Payments to Attorneys**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains proposed regulations relating to the reporting of payments of gross proceeds to attorneys. The regulations reflect changes to the law made by the Taxpayer Relief Act of 1997. The regulations will affect attorneys who receive payments of gross proceeds on behalf of their clients, and certain payors (defendants in lawsuits and their insurance companies and agents) that in the course of their trades or businesses make payments to these attorneys. This document also provides notice of a public hearing on these proposed regulations.

**DATES:** Written and electronic comments must be received by August 19, 1999. Outlines of topics to be discussed at the public hearing scheduled for September 22, 1999, at 10 a.m., must be received by September 1, 1999.

**ADDRESSES:** Send submissions to: CC:DOM:CORP:R (REG-105312-98), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-105312-98), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet site at [http://www.irs.ustreas.gov/tax\\_regs/regslst.html](http://www.irs.ustreas.gov/tax_regs/regslst.html). The public hearing will be held in the IRS Auditorium, 7th Floor, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, A. Katharine Jacob Kiss at (202) 622-4920; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Michael Slaughter at (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Paperwork Reduction Act**

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, OP:FS:FP, Washington, DC 20224. Comments on the collection of information should be received by July 20, 1999. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);