appropriateness, and scientific value of the MMS' OCS Environmental Studies Program (ESP).

Below is a schedule of meetings that will occur.

The SC will meet in plenary session on Wednesday, June 7, from 8:30 a.m. to 5:30 p.m.

The Committee will also meet in plenary session on Thursday, June 8, from 8:30 a.m. to 5 p.m. Discussion will focus on continued review of Fiscal Years 1996 and 1997 proposed ESP and OCS activities off Alaska, and MMS future study plans for OCS areas with ongoing operations and planned activities.

The meetings are open to the public. Approximately 30 visitors can be accommodated on a first-come-first-served basis at the plenary session.

A copy of the agenda may be requested from the MMS by writing Ms. Phyllis Clark at the address below.

Other inquiries concerning the OCS SC meeting should be addressed to Dr. Ken Turgeon, Executive Secretary to the OCS Scientific Committee, Minerals Management Service, 381 Elden Street, Mail Stop 4310, Herndon, Virginia 22070. He may be reached by telephone at (703) 787–1717.

Dated: April 13, 1995.

**Thomas M. Gernhofer,**

*Associate Director for Offshore Minerals Management.*

[FR Doc. 95–9784 Filed 4–19–95; 8:45 am]

**BILLING CODE 4310–MR–M**

## Call for Comment on Proposed Policy Options and Announcement of Related Workshop for Outer Continental Shelf (OCS) Natural Gas and Oil Resource Management

**AGENCY:** Minerals Management Service (MMS), Department of the Interior.

**ACTION:** Call for Comment on proposed policy options and announcement of workshop.

**SUMMARY:** On December 7, 1993, the MMS published a Call for Public Comment on General Leasing Policies in the Central and Western Gulf of Mexico Planning Areas. The MMS has reviewed the comments it received and conducted additional analyses. In this Call for Comment, the MMS describes specific policy options being considered.

The primary objectives to be met are to slow expected declines in infrastructure and production in producing areas, to promote development of infrastructure in certain non-producing areas, and to assure continued receipt of fair market value for OCS leases. Implementation of one new policy, expanding the tract-specific data made available to all prospective bidders prior to a sale, has just begun. Other options under consideration are to publish specific guidelines for the treatment of applications for royalty relief, to offer more flexible royalty terms on some new leases, to increase flexibility to respond to requests for extensions in lease terms, to modify rental and minimum bid policies, to revise bid adequacy procedures, and to propose coastal impact assistance.

A 2-day workshop to discuss current policy options will be held in the Gulf of Mexico region in mid-June 1995. The first day will be devoted to an overall discussion of the various options. The second day will be spent on the guidelines being developed by the MMS for royalty relief on active leases. Details will be published in a second **Federal Register** Notice later this month.

**DATES:** Written responses should be received by July 19, 1995. Comments also may be presented in person at the workshop announced in this notice.

**ADDRESSES:** Written responses should be mailed to the Acting Deputy Associate Director, Resources and Environmental Management, Minerals Management Service (MS–4430), 381 Elden Street, Herndon, VA 22070. Hand deliveries may be made at 381 Elden Street, Room 3408, Herndon, Virginia (dial 1178 from lobby telephone). Envelopes or packages should be marked ''Comments on Proposed Policy Options for the Gulf of Mexico.'' If any privileged or proprietary information is submitted that the respondent wishes to be treated as confidential, both the envelope and the contents should be marked ''Confidential Information.''

**FOR FURTHER INFORMATION CONTACT:** For information pertaining to this Call for Comment on Proposed Policy Options and Announcement of Workshop, telephone Marshall Rose or Mary Vavrina, Economic Evaluation Branch, at (703) 787–1536.

**SUPPLEMENTARY INFORMATION:** In the December 7, 1993, Call for Public Comment on General Leasing Policies in the Central and Western Gulf of Mexico Planning Areas, suggestions and comments were requested from States, local governments, Federal agencies, the oil and gas industry, environmental groups, and other interested individuals and groups to assist the MMS and the Department of the Interior in planning for the Central and Western GOM sales remaining under the Comprehensive OCS Natural Gas and Oil Resource Management Program for 1992–1997. After considering the comments received and conducting additional internal analyses, the MMS and the Department decided that, overall, the regulations and policies already in place were appropriate. However, the MMS did identify several areas where improvement was possible and has developed a number of options for further consideration.

The MMS has decided that the current approach of offering annual, area-wide sales in the Central and Western GOM is the most appropriate leasing system for those planning areas at this time. In other planning areas, the MMS may hold narrowly targeted sales, more typical tract selection sales, or tract nomination sales (where all tracts specifically nominated are offered, absent environmental or other concerns).

The MMS also has decided that an extension of the period used to evaluate bids from a lease sale is no longer needed. Its Resource Evaluation staff now has sufficient training in the use of new computer systems and interpretation of technical data to complete the evaluation of bids within the existing 90-day requirement.

Several commenters supported impact assistance. The Administration recognizes that coastal states and localities can incur impacts disproportionate to their share of the national benefits. The Administration supports impact assistance as a means to more equitably share the benefits and burdens of OCS production, protect coastal and marine resources, and strengthen the Federal-State partnership. The critical issue in designing an impact assistance program, however, is the budget offsets required so that there is no net impact on the Federal Treasury. The Administration is currently reviewing impact assistance but does not have a proposal at this time.

### Primary Objectives

In considering the main purpose of the OCS oil and gas program (to contribute to the Nation's energy supply) and the range of opportunities currently available to make beneficial changes within its existing authority, the MMS decided to focus on three objectives:

—Slow expected declines in infrastructure and production in the producing portions of the Central and Western GOM

—Promote development of infrastructure in promising deep-water portions of the Central and Western GOM (and possibly in frontier planning areas) to encourage the domestic market to replenish reserves and to increase its ability to

respond to sudden decreases in the availability of moderately priced supplies of oil and gas from foreign sources
—Assure receipt of fair market value for OCS leases.

## Policy Options for Comment

### *I. New Policy: Information on Tracts with Indicated Hydrocarbons*

The MMS believes that early identification of available tracts with low geologic risk (those with indicated hydrocarbons) would be a service to potential bidders and would result in greater competition for some tracts. Scarce resources may make it difficult for some potential bidders to identify the tracts on their own. Fifty percent of the tracts with high bids rejected between 1990–92 had well bores with confirmed resources. In subsequent sales, both the number of bids per tract and high bids, on average, increased significantly. These findings suggest that wider dissemination of relevant geologic data on discovered resources would increase the bidding competition and high bid amounts in future sales.

An initial Indicated Hydrocarbon List has been prepared and distributed that identifies relevant unleased tracts by class in the Central GOM. The three classes are those that were fields or portions of fields that produced; those with well bores that qualified under 30 CFR 250.11 but did not produce; and those with well bores that the MMS believes would qualify under 30 CFR 250.11 but were never classified and never produced. Basic information relating to production, well bores, and pay range for every tract in each class also is included in the list. The data are available in hard copy and digital format. An updated list will be available to the public approximately 3 months before each GOM sale.

#### Specific Information Requested

The MMS would like two kinds of information on this new policy: evaluations of the usefulness of the information provided for the May 1995 Central GOM sale and suggestions for improvement or expansion. If the information has not been useful, why not? Are there ways to make it more useful? Are there other kinds of useful, non-proprietary data that could be provided by the MMS that are not readily available on the private market?

### *II. Royalty Policies for Active Leases*

The MMS is authorized by the OCS Lands Act to reduce or eliminate royalties on oil-, gas-, and sulphur-producing leases in order to increase production from those leases. The MMS is considering guidelines for such royalty relief that would distinguish between two categories of requests. One is relief for expense type projects, which is designed to promote continued production from a lease by lowering lease royalty rates for a relatively short duration. The other is relief for capital investment projects, which focuses on encouraging incremental production from specific projects on the lease by lowering reservoir or lease royalty rates for extended periods. Royalty relief would be granted only for leases already in production.

For expense type projects, MMS would try to set royalty rates so that operators would more than cover their cost of continuing operations. For capital investment projects, to the extent possible through adjusting royalties, MMS will seek to ensure a targeted rate of return on the new capital invested before all but a nominal royalty becomes due.

Qualification for relief under expense type projects typically would require that the lease has a negative operating cash flow that is expected to persist for subsequent periods. Depending upon the anticipated stability of future prices and costs, MMS may use either a fixed or variable adjustment in the royalty rate for qualifying projects.

Under either approach for expense type projects, the MMS would calculate the minimal amount of relief needed to stimulate continuing operations, e.g., a royalty rate at which the lessee retains 25 percent of the difference between revenues and operating costs (excluding royalties). At about the point where the lease revenues would cover operating costs with the full royalty (the break-even operating level), the original lease royalty rate would apply.

When prices and/or costs are expected to be highly variable, or the interval between review periods is extended, then a variable royalty rate system would be considered. In this approach, the royalty rate that applies in any period could vary as product prices and production levels change. As with the case of the fixed royalty modification, the functional form of the royalty rate would reflect only that amount of relief needed to induce continued production, e.g., the lessee retains 25 percent of the difference between revenues and operating costs (excluding royalties), up to about the break-even operating level.

Qualification for relief under capital investment projects would require the lessee to demonstrate that the eligible project is not expected to generate an adequate rate of return to justify the needed expenditures which would promote increased production. In those cases where MMS is convinced that the additional production directly attributable to the proposed project is not economical under existing royalty terms, it would first determine whether royalty relief would make the proposed project worth pursuing.

If this appears to be the case, then the project may qualify for relief. Following documented payments for the development activities, incremental production would be charged a royalty at a predetermined lower rate, e.g., one-twenty fourth of the wellhead value of production. This rate would remain in effect until the project earned a specified rate of return, e.g., equal to the BBB bond rate, allowing for realized receipts, actual investment and transportation costs, and predetermined allowances for operating and overhead costs.

Production value in excess of the break-even operating level at the reduced royalty rate subsequently would be charged at the original royalty rate. Further, the lessee incurs a repayment obligation if the project proves, in retrospect, not to have needed the full amount of relief. Over the production interval between the investment break-even point at the reduced royalty rate and the break-even point at the original royalty rate, the lessee will incur an obligation to repay an increasing proportion of the difference in royalties owing to approval of the original application for relief. The required repayment will be the amount needed to provide the lessee with the specified return on investment up to that point. No additional obligation beyond the original royalty rate is incurred thereafter.

The repayment obligation would need to be paid either at the time the project ceases producing commercial amounts of production in excess of the investment break-even operating level at the modified royalty rate, or at the time the project generates sufficient revenues to break even on the original investment at the original royalty rate, whichever occurs first. The lessee could further manage the size and timing of the repayment obligation by requesting that the terms of the royalty modification cease earlier than planned and possibly forwarding payment at that time for any incurred or anticipated repayment obligations.

In addition, studies are underway to estimate the extent to which a particular category of reserves known as ‘‘behind-the-pipe,’’ tend to be left in the ground when the producing reserves are abandoned. ‘‘Behind-the-pipe’’ reserves are those through which an operator has drilled—but is not producing—to get to another reservoir that is producing. If it is not economic to produce these reservoirs through an existing wellbore, it is highly unlikely that in the future they would justify the cost of drilling a new well, plus the attendant costs of completion and production. The following additional options may be considered for behind-the-pipe reserves:

A. Develop general (across-the-board or interpretive) guidelines for royalty relief for this category of reserves.

B. Develop procedures for case-by-case review of royalty rate requests for ''behind-the-pipe'' and related reserves that involve reductions in royalties and periodic reviews.

C. Initiate administrative reviews of development and conservation issues that could substitute for or supplement royalty relief in inducing lessees to produce socially beneficial reserves. Specifically, a lessee's plan to abandon a well or move to a new horizon would be reviewed in more depth to ensure that economically recoverable reserves are not left behind.

Specific Information Requested

The MMS is seeking comments on several questions pertaining to the proposed more specific interpretive guidelines for granting royalty relief on active leases.

1. Is the demarcation by the two types of projects the best approach? Are there other types of projects not adequately addressed by the proposed guidelines?

2. Are there particular categories of tracts that should be considered?

3. Would the establishment of more specific, interpretive guidelines encourage more lessees to apply for such relief? If so, how much additional production of oil, gas, and sulphur might result from expense-type projects? From capital investment projects? Would this appreciably affect the kind and level of infrastructure in the GOM?

4. Are there aspects of the proposal that would be burdensome or that would otherwise discourage lessees from applying? For example, would the documentation or payback requirements be problems?

5. A fee might be charged to cover the costs of processing applications. How high could this fee be without discouraging applicants?

*III. Royalty Policies for New Leases*

During the past 10 years, about 240 tracts have been relinquished despite the discovery of potentially economical reserves. An estimated 2 billion barrels of oil equivalent have been discovered but not produced on 30 deep-water leases. The Government holds in its inventory over 700 tracts in water depths of at least 200 meters each of which has, at least once, received a bonus bid of more than one million dollars. Thus, more flexible royalty policies might encourage production of discovered reserves when the price of the oil and gas exceeds the cost, excluding royalties, of bringing those resources to market.

The following options are being considered:

A. Offer reduced or deferred royalties on tracts that have a history of prior discoveries without production.

B. In deep-water areas, offer tracts with suspensions of royalties on substantial volumes or market values of production.

C. Offer suspension of royalties on tracts that have never received a bid or have not received a bid for over 10 years.

The MMS intends to seek the flexibility to offer royalty suspensions or lower fixed royalty rates for new leases. The OCS Lands Act requires for specified bidding systems that leases stipulate an initial royalty rate of at least 12½ percent. However, alternative bidding systems can be implemented under Section 8 of the OCS Lands Act [43 U.S.C. 1337(a)(1)(H)], as long as they are consistent with the duty to assure receipt of fair market value and help accomplish the purposes and policies of the Act. The new bidding systems could provide for leases containing royalty suspensions or lower fixed royalty rates for all tracts in deep water or for selected tracts, such as previously relinquished tracts with qualifying wells or marginal tracts in shallow waters.

By offering the same favorable royalty terms to all bidders, the MMS should be able to obtain correspondingly higher bonus bids for such leases. (Bid adequacy procedures would remain in effect.) At the same time, those who are successful in both bidding and exploration would face lower royalty costs, allowing them to develop and produce discoveries that would otherwise be uneconomic.

The MMS may want to provide additional or stronger incentives for exploration and production in some frontier areas, where the value to the Nation as a whole—but not the potential revenues for the lessee—would exceed the private costs of developing and producing certain discoveries. Additional exploration provides important information about the geology and prospective nature of the area. Each discovery that goes into production provides transportation and other infrastructure that generates an increase in the value of blocks in the vicinity of the development. Getting one or more leases in frontier areas into production could reduce the perceived risk of subsequent exploratory drilling and significantly improve the economics for future production on other leases. Because the incentives are meant to help compensate for the risks and costs that must be borne by those undertaking early investment in exploration and infrastructure development, they might be eliminated or offered in reduced amounts for leases offered after the initial discoveries and development in a targeted area.

For high-cost areas (such as the deep-water GOM) or frontier areas, the MMS also is considering the possibility of offering tracts that are larger than the standard size, in addition to favorable royalty terms or other incentives.

Possible Rulemaking

The MMS is likely to publish a Notice of Proposed Rulemaking before the end of the fiscal year that would propose changing the bidding systems for newly offered tracts under the OCS Lands Act to permit the MMS to (1) lower the prescribed minimum initial royalty rate below 12½ percent; (2) allow operating allowances in determining receipts subject to royalty; (3) suspend or defer royalty for periods, volumes, or values of production; and (4) extend the forms for calculating royalty rates under variable rate systems to include product prices, as well as value and amount of production. Ideally, the MMS would like to have any regulatory changes in place in time to accommodate proposed sale design options for the 1996 Central and Western GOM sales. However, given the obstacles inherent in the current regulatory process, an implementation target of 1997 sales may be more realistic.

Specific Information Requested

The MMS would like respondents to provide comments and suggestions both on the additional authority it seeks and on the new policy options it is considering.

First, which of the policy options above are most likely to help achieve the stated objectives or other relevant objectives? To what extent are they likely to make a difference? Are there ways to make them more effective or more efficient? Are there other policy options the MMS should be considering?

Second, if the MMS should be considering other alternative bidding systems or related policy options for which it has general rulemaking authority, what regulatory changes would be most appropriate?

*IV. Increased Flexibility in Length of Lease Terms, With Possible Changes in Rental Rates and Minimum Bids*

Several industry respondents to the December 1993 **Federal Register** Call for Public Comment requested increased flexibility involving Suspensions of Operations (SOOs), Suspensions of Production (SOPs), and similar provisions, particularly for leases on deep-water tracts. Some lessees also have asked for more flexibility where sub-salt prospects exist. Lessees have complained that technical data and information developed for a prospect cannot always be evaluated in time to identify optimal drill sites and commence drilling to better develop exploratory targets within the primary lease term. There may be some benefit to providing industry more time for analysis or other tasks leading to exploration or development where adverse or unusual conditions exist.

However, there is an inventory of 3,000 undrilled tracts in industry hands. Most leases in the GOM are either explored early in their primary lease term or held undrilled until the end of their term. Less than 1 percent of the deep-water leases that were issued for $50 per acre or less since 1982 have been drilled. The MMS would like to grant additional flexibility where it is needed but also, where possible, to encourage earlier drilling or relinquishment so that tracts are not kept off the market by lessees who are unlikely to undertake exploration activity. Changes in minimum bid and rental policies, in combination with other new policies, may be an effective way to achieve this.

Currently, leases are issued with 5-year, 8-year, and 10-year terms for water depths of 400 meters or less, 400–900 meters, and greater than 900 meters, respectively. The 8-year leases require that an exploratory well be drilled within the first 5 years. With a few exceptions, the lessee must demonstrate a qualifying discovery to hold a lease beyond the primary term. Undrilled leases will be continued in effect if the lease is part of a unit agreement with other leases with a discovery, where there is continuous drilling, or as long as the leases in the unit are under a SOO or an SOP. No regulation specifically allows suspensions for the purpose of conducting analysis.

At present, the MMS is considering several options to increase flexibility and/or to encourage diligence:

A. Offer 7- or 8-year leases on some tracts in less than 400 meters of water based on pre-sale identification or post-sale evidence of ‘‘adverse conditions,’’ such as sub-salt prospects. Higher rental rates (e.g., $25–$50 per acre, per year) could be charged in years 6–8.

B. Amend 30 CFR 250.13(b), by deleting the words ‘‘where environmental conditions warrant,’’ to authorize MMS Regional Directors to approve a period of time greater than 180 days between termination of production, drilling, or well-reworking operations and the commencement of production, new drilling, or well-reworking operations in cases that are in the national interest. Escalating rental rates could be imposed for the additional years.

C. Develop general guidelines for escalating rentals that would apply to broad categories of tracts (e.g., 5-year lease term, 8-year lease term, etc.) in combination with a reduced minimum bid level (e.g., $10 per acre) so that the net present value of the reduced minimum bid and escalating rentals would be about equal to the present value of a $25 per acre minimum bid and $5 per-acre, per-year rental during the first 2–3 years of the lease. In addition, the escalating rental provision could substitute for the rigid requirement to initiate exploration drilling by the fifth year of leases with an 8-year term.

If escalating rental rates are imposed, another option would be to allow the additional rental payments to be applied to future royalty obligations from the same lease.

Possible Rulemaking

The MMS may issue a Notice of Proposed Rulemaking to delete the words ‘‘where environmental conditions warrant’’ from 30 CFR 250.13(b) and insert language specifically granting the Regional Director authority to require higher rental (or minimum royalty) rates during the additional time requested by, and granted to, the lessee under this regulation. Other appropriate changes to 30 CFR 250.13 and to 30 CFR 250.10 may be considered as well.

Specific Information Requested

Respondents may wish to consider the following questions.

1. What flexibility not now available to lessees would help increase production and develop or maintain infrastructure? In what cases should the flexibility be available? In what cases should it not be available (e.g., where it merely allows delays that deprive other companies the opportunity to lease and expeditiously develop the resources)?

2. Are there cases where this need might be temporary? For example, will new technology and additional experience make it possible to evaluate sub-salt prospects in less time?

3. What can the MMS do to provide flexibility where needed without ignoring its responsibility to enforce statutory diligence requirements? Should the MMS be considering other changes in its regulations?

4. When combined with additional flexibility, would rentals of $25–$50 per acre for additional years be appropriate? Would they provide incentives for diligence or would they be too low to influence timing decisions? Would they defeat the purpose of providing the flexibility?

5. Would a lower minimum bid, combined with an increasing rental rate help increase production without imposing undesirable timing constraints? If so, what levels of minimum bid and rentals would be effective and appropriate?

*V. Bid Adequacy Procedures*

The Bid Adequacy decision procedures have essentially remained the same since the advent of the area-wide leasing program in 1983. In recent years, it has been shown that rejected tracts, on average, receive much higher bids in subsequent sales. (This finding takes into account the foregone original bids for those few rejected tracts not receiving bids in subsequent sales.) Use of the 3-Bid Rule and the Bid Averaging Rule occasionally has resulted in the acceptance of some tracts that were highly valued by the MMS but received relatively low bids. The Office of the Inspector General has expressed concern that the Bid Averaging Rule places too much emphasis on losing bids in determining whether to accept the high bid on tracts about which the MMS has relatively good information.

In Phase 1 of the two-phased bid adequacy procedures, a high bid on a wildcat or confirmed tract can be accepted without further MMS evaluation if the tract receives three or more bids. The 3-Bid Rule was originally adopted to place reliance on the market to ensure receipt of fair market value when there was a sufficient number of competitive bids. Also, the rule was adopted to devote scarce tract evaluation resources on those cases where competition was weakest (i.e., tracts receiving one or two bids) or where MMS data were considered most reliable and some bidders might have an informational advantage over the rest of the market (i.e., drainage and development tracts).

Possible changes in Phase 1 procedures that are being considered include eliminating the 3-Bid Rule and applying the 3-Bid Rule to wildcat tracts only.

In Phase 2 of the two-phased bid adequacy procedures, the MMS estimate of tract value is averaged (geometrically) with the bids submitted. If the high bid exceeds the ''average'' bid, it is accepted. This averaging rule is applied to wildcat and confirmed tracts receiving two bids and to drainage and development tracts receiving three or more bids.

The three options currently being considered for Phase 2 procedures include replacing the geometric average with the median of the MMS tract value estimate and a lower percentile parameter as the number of bids on the tract increases, replacing the geometric average with an arithmetic average in the GOM Region and with the median elsewhere, and eliminating the geometric average with no replacement.

Whether or not changes are made in its bid adequacy procedures, the MMS is likely to adopt or retain at least one criterion incorporating market information provided by bids. In the past, changes in bid adequacy procedures have applied uniformly to all OCS lease sales, regardless of the planning area.

Should a decision be made to change the status quo, a notice to prospective bidders would be published in the **Federal Register**, and a discussion of the changes would be included in the appropriate Notice of Sale.

Specific Information Requested

The MMS would like any information that would help it, in the face of changing conditions, to continue to fulfill its obligation under the OCS Lands Act to assure the receipt of fair market value for oil and gas leases. Given the high return on rejected bids, what changes if any might be appropriate in current bid adequacy procedures? Are there options not identified above that MMS should consider?

## Request for Comments

Specific kinds of comments are requested at the end of each of the five groups of policy options identified immediately above. In general, it would be helpful to the MMS for respondents to focus on the extent to which the options would help to achieve the objectives stated in this Call for Comment.

The MMS also requests any information indicating that certain options may have the potential for important negative consequences or would be less effective or less efficient than other actions under MMS control.

In addition to comments on the workability and possible effectiveness of individual options, the MMS would appreciate any suggestions for combinations of policies that might be superior to any individual options in achieving the stated objectives.

Respondents should not limit themselves to addressing the questions in this Call for Comment and should feel free to respond through the workshop, through written comments, or both. None of the policies discussed in this Call for Comment, with the exception of publishing the Indicated Hydrocarbon List, will receive final approval until after the comment period has closed and all comments—whether made at the workshop or submitted in writing—have been considered fully.

## Workshop on Proposed Policy Options

A 2-day workshop to discuss the options presented in this Call for Comment will be held in the Gulf of Mexico region in mid-June 1995. The most likely site is Houston, with Metairie, Louisiana, as an alternate, and the tentative dates are June 14–15. The dates, exact location, and agenda will be announced in a **Federal Register** Notice later this month.

The first day of the workshop will be devoted to an overall discussion of the full set of options in this Call for Comment. This will include a limited discussion of the proposed guidelines for royalty relief on active leases and the purposes they are designed to achieve. The second day will be reserved for a more detailed discussion of how the proposed guidelines for royalty relief on active leases would work. All interested parties are invited to both sessions, but it would be especially valuable for those who might write the applications for royalty relief under the new guidelines to attend on the second day.

While the workshop is open, free of charge, to anyone who wishes to attend, the MMS requests that those wishing to attend any part of the two-day session register in advance. Registration information will be provided in the upcoming Notice announcing details of the workshop.

Assuming that a decision is made to issue specific royalty relief guidelines after comments have been analyzed, a training session will be held to explain the plan for implementation of the final guidelines.

## Timing and Means of Implementation

As mentioned above, the MMS may issue two Notices of Proposed Rulemaking to gain more flexibility in the implementation of existing statutory authority for royalty rates and the effective length of lease terms. The decision to seek additional regulatory flexibility should not be interpreted as a decision to implement any particular policy option.

Most of the other options being considered could be implemented under existing authority. If, after considering the responses to this Call for Comment and any information gained from the workshop, a decision is made to change existing policies, the MMS hopes to announce in the **Federal Register** a package of proposals in time for implementation in the mid-1996 Western GOM sale (Sale 161) and subsequent GOM sales. Ideally, any decisions to change policies toward active leases would be made at the same time.

However, the MMS is not committed to adopting any specific options or to meeting a specific schedule for implementation. Regardless of any preferred timing, the MMS will assure that it has had adequate opportunity to hear and consider comments from industry, States, and other affected parties prior to any final decisions. In addition, the MMS will provide affected parties sufficient time to adjust to the decisions that eventually come out of this process.

**Cynthia Quarterman,**

*Director, Minerals Management Service.*

[FR Doc. 95–9704 Filed 4–19–95; 8:45 am]

BILLING CODE 4310–MR–P

# INTERSTATE COMMERCE COMMISSION

**[Finance Docket No. 32682]**

## RailTex, Inc.—Corporate Family Transaction Exemption—Georgia and Alabama Lines, South Carolina Central Railroad Co., Inc. and Georgia Southwestern Railroad, Inc.

RailTex, Inc. (RailTex), South Carolina Central Railroad Co., Inc. (SCC), and Georgia Southwestern Railroad, Inc. (GSWR), have filed a notice of exemption under 49 CFR 1180.2(d)(3) for a corporate family transaction.

RailTex, a noncarrier corporation, controls through stock ownership: (1) SCC, a class III shortline rail carrier; and (2) GSWR, a noncarrier company.

SCC currently operates about 56 miles of railroad in South Carolina. SCC also owns three railroad lines in Georgia and Alabama: (1) Georgia Southwestern Division, extending from Rochelle, GA to Mahrt, AL, and from Columbus to Bainbridge, GA; (2) Georgia & Alabama Division, extending from Smithville, GA