

**VI. Statutory Basis**

The amendment to Rule 3a12-8 is being proposed pursuant to 15 U.S.C. §§ 78a et seq., particularly Sections 3(a)(12) and 23(a), 15 U.S.C. §§ 78c(a)(12) and 78w(a).

**List of Subjects in 17 CFR Part 240**

Reporting and recordkeeping requirements, Securities.

**VII. Text of the Proposed Amendment**

For the reasons set forth in the preamble, the Commission is proposing to amend Part 240 of Chapter II, Title 17 of the Code of Federal Regulations as follows:

**PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934**

1. The authority citation for part 240 continues to read in part as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78i, 78j, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78w, 78x, 78ll(d), 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

\* \* \* \* \*

2. Section 240.3a12-8 is amended by removing the word "or" at the end of paragraph (a)(1)(xv), removing the "period" at the end of paragraph (a)(1)(xvi) and adding "; or" in its place, and adding paragraph (a)(1)(xvii), paragraph (a)(1)(xviii), and paragraph (a)(1)(xix) to read as follows:

**§ 240.3a12-8 Exemption for designated foreign government securities for purposes of futures trading.**

- (a) \* \* \*
- (1) \* \* \*
- (xvii) the Federative Republic of Brazil;
- (xviii) the Republic of Argentina; or
- (xix) the Republic of Venezuela.

\* \* \* \* \*

By the Commission.  
Dated: December 13, 1995.

Jonathan G. Katz,  
*Secretary.*

Note: Appendix A to the Preamble will not appear in the Code of Federal Regulations.

**Appendix A—Regulatory Flexibility Act Certification**

I, Arthur Levitt, Jr., Chairman of the Securities and Exchange Commission, hereby certify, pursuant to 5 U.S.C. 605(b), that the proposed amendment to Rule 3a12-8 ("Rule") under the Securities Exchange Act of 1934 ("Exchange Act") set forth in Securities Exchange Act Release No. 36580, which would define government debt securities of Brazil, Argentina and Venezuela (collectively the "Proposed Countries") as exempted securities under the Exchange Act

for the purpose of trading futures on such securities, will not have a significant economic impact on a substantial number of small entities for the following reasons. First, the proposed amendment imposes no record-keeping or compliance burden in itself and merely allows, in effect, the marketing and trading in the United States of futures contracts overlying the government debt securities of the Proposed Countries. Second, because futures contracts on the sixteen countries whose debt obligations are designated as "exempted securities" under the Rule, which already can be traded and marketed in the U.S., still will be eligible for trading under the proposed amendment, the proposal will not affect any entity currently engaged in trading such futures contracts. Third, because the level of interest presently evident in this country in the futures trading covered by the proposed rule amendment is modest and those primarily interested are large, institutional investors, neither the availability nor the unavailability of these futures products will have a significant economic impact on a substantial number of small entities, as that term is defined for broker-dealers in 27 CFR 240.0-10 and to the extent that it is defined for futures market participants in the Commodity Futures Trading Commission's "Policy Statement and Establishment of Definitions of 'Small Entities' for Purposes of the Regulatory Flexibility Act."<sup>1</sup>

Dated: December 13, 1995.  
Arthur Levitt, Jr.,  
*Chairman.*  
[FR Doc. 95-30862 Filed 12-19-95; 8:45 am]  
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**DEPARTMENT OF STATE**

**22 CFR Part 89**

**Bureau of Economic and Business Affairs; Foreign Prohibitions on Longshore Work by U.S. Nationals**

[Public Notice No. 2314]

AGENCY: Department of State.  
ACTION: Proposed rule; extension of Comment Period.

**SUMMARY:** On November 24, 1995, the Department of State issued a proposed rulemaking regarding longshore work by foreign nationals in U.S. ports and waters. In response to requests from several interested parties, the Department is extending the deadline for comments by 30 days, from December 26, 1995 to January 26, 1996.

**DATES:** Interested parties are invited to submit comments in triplicate no later than January 26, 1996.

**ADDRESSES:** Comments may be mailed to the Office of Maritime and Land Transport (EB/TRA/MA), Room 5828,

<sup>1</sup> 45 FR 18618 (April 30, 1982).

Department of State, Washington, D.C. 20520-5816.

**FOR FURTHER INFORMATION CONTACT:** Richard T. Miller, Office of Maritime and Land Transport, Department of State, (202) 647-6961.

**SUPPLEMENTARY INFORMATION:** On November 24, 1995, the Department of State issued a proposed rulemaking (60 FR 58026) updating the list of longshore work by particular activity, of countries where performance of such a particular activity by crewmembers aboard United States vessels is prohibited by law, regulation, or in practice in the country. The crews of ships registered in or owned by nationals of the countries on the list may not perform the activities enumerated on the list. Citing the need for more time to assess the full effects of the proposed rule, a number of parties have requested an extension of the comment period. Consequently, the Department will extend the deadline by 30 days, from December 26, 1995 to January 26, 1996.

(8 U.S.C. 1288, Pub. L. 010-649, 104 Stat. 4878)

Dated: December 14, 1995.  
Daniel K. Tarullo,  
*Assistant Secretary, Economic and Business Affairs, Department of State.*  
[FR Doc. 95-30879 Filed 12-19-95; 8:45 am]  
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**DEPARTMENT OF LABOR**

**Mine Safety and Health Administration**

**30 CFR Parts 18 and 75**

RIN 1219-AA65

**Requirements for Approval of Flame-Resistant Conveyor Belts**

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Proposed Rule; extension of comment period.

**SUMMARY:** In response to requests from the mining community for additional time in which to prepare comments, the Mine Safety and Health Administration (MSHA) is extending the period for public comment on its proposed rule addressing the requirements for approval of flame-resistant conveyor belts to be used in underground mines.

**DATES:** Written comments must be received on or before February 5, 1996.

**ADDRESSES:** Send comments to the Office of Standards, Regulations, and Variances, MSHA, Room 631, 4015 Wilson Boulevard, Arlington, Virginia 22203.

Commenters are encouraged to submit comments on a computer disk along with a hard copy.

**FOR FURTHER INFORMATION CONTACT:** Patricia W. Silvey, Director, Office of Standards, Regulations, and Variances, 703-235-1910.

**SUPPLEMENTARY INFORMATION:** On October 31, 1995, MSHA published a document in the Federal Register (60 FR 55353) announcing the reopening of the rulemaking record on its proposed standard for flame-resistant conveyor belts used in underground mines. Comment period was scheduled to close on December 15, 1995. By this document, the Agency is extending the comment period to February 5, 1996. All interested parties are encouraged to submit comments prior to that date.

Dated: December 15, 1995.

J. Davitt McAteer,

*Assistant Secretary for Mine Safety and Health.*

[FR Doc. 95-30990 Filed 12-15-95; 4:08 pm]

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## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

#### 30 CFR Part 206

RIN 1010-AC09

#### Valuation of Oil From Federal and Indian Leases

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

**ACTION:** Advance notice of proposed rulemaking.

**SUMMARY:** In response to changes in the oil and gas industry and the marketplace, the Minerals Management Service (MMS) is considering amending its regulations regarding the valuation of crude oil produced from or allocated to Federal and Indian leases.

Most Federal and Indian leases provide that the value of production for royalty purposes be determined by the Secretary. This notice is intended to solicit comments on new methodologies to establish the royalty value of oil produced from Federal and Indian leases. MMS specifically seeks comments on the use of crude oil posted prices as a means to value oil not sold under arm's-length conditions, and the meaning and application of the term "significant quantities".

**DATES:** Comments must be received on or before March 19, 1996.

**ADDRESSES:** Written comments, suggestions, or objections regarding valuation issues should be mailed to the

Minerals Management Service, Royalty Management Program, Rules and Procedures Staff, Denver Federal Center, Building 85, P.O. Box 25165, Mail Stop 3101, Denver, Colorado 80225-0165, Attention: David S. Guzy, telephone (303) 231-3432, fax (303) 231-3194.

**FOR FURTHER INFORMATION CONTACT:** David S. Guzy, Chief, Rules and Procedures Staff, MMS Royalty Management Program, at telephone (303) 231-3432, fax (303) 231-3491, e-mail David\_Guzy@smtp.mms.gov.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

All Federal and Indian oil and gas leases contain provisions for the determination of royalty obligations.

Most of these Federal and Indian leases reserve to the Secretary considerable discretion in determining value for royalty purposes. This Advance Notice of Proposed Rulemaking is intended to solicit comments on new methodologies to establish value for crude oil production from Federal and Indian leases. Comments received in response to this Advance Notice will be considered in the development of a proposed rulemaking that MMS will publish in the Federal Register.

In conjunction with the lease terms, the valuation of oil production from Federal and Indian leases is subject to the regulations at 30 CFR Part 206, Subpart C—Federal and Indian Oil. The present regulations govern the valuation of production from both Federal and Indian (Tribal and allotted) leases (except leases on the Osage Indian Reservation, Oklahoma). MMS believes it could provide an improved regulatory framework in which lease terms could be strictly enforced while requiring little or no extra information from lessees.

MMS may issue separate regulations to value oil from Indian leases because of the Secretary's trust obligation in the administration of Indian oil and gas leases. In view of this obligation, the Secretary must ensure that Indians receive the maximum benefits from mineral resources on their lands. Thus, the value of production for royalty purposes from an Indian lease should be determined considering the higher reasonable values provided by the terms of the standard lease. MMS believes this goal is consistent with: the terms of these Indian oil and gas leases, the statutes governing Indian oil and gas leases, and court decisions providing judicial guidance in the interpretation and administration of Indian oil and gas leases. Specific comments are requested

on issuing separate regulations for valuing oil from Indian leases.

##### II. Discussion of Alternatives

The Secretary's responsibility to determine the royalty value of oil produced from Federal and Indian lands has not changed, although the industry and marketplace have changed dramatically over the years. Specifically, oil posted prices may no longer represent the price a purchaser is willing to pay for a particular crude oil. MMS plans to develop a set of regulations to permit the Secretary to discharge the Department's royalty valuation responsibility in an environment of continuing and accelerating change in the industry and the marketplace. Given the ever-changing marketplace, the Secretary's responsibilities regarding oil production from Federal and Indian leases require development of flexible valuation methodologies that lessees can comply with accurately and timely. MMS specifically seeks to improve oil valuation regarding the use of oil posted prices, including methods of determining "significant quantities." A discussion of these areas follows:

##### *(a) Oil Posted Prices, Including Effects on Existing Valuation Benchmarks for Oil Not Sold Under Arm's-Length Contract*

MMS is considering modifying or replacing the current benchmark system at 30 CFR 206.102(c) used to value oil not sold under arm's-length contracts. MMS believes that the current regulations may place too much emphasis on posted prices—the lessee's and others'. The first two of the five benchmarks rely on postings if a significant quantity of like-quality crude is purchased or sold at such postings in a field or area. Likewise, the third benchmark relies at least partly on postings because it applies the average of arm's-length contract prices, which often are tied to postings, for purchases or sales of significant quantities of oil in the area. (The fourth benchmark relies on spot sales and other relevant matters, and the fifth relies on a net-back or any other reasonable method to determine value.)

MMS recently has received information indicating that oil posted prices don't always reflect market value and in fact may often be no more than a beginning point for negotiation.

MMS has found numerous examples where crude oil purchasers pay premiums over the posted price. Further, consultation with private consultants, various State government personnel, and other non-Federal