13216) with a 60-day comment period. This document announces that the comment period for the proposal to amend the licensing regulations for launching commercial launch vehicles is reopened. That comment period closed on May 19, 1997. In response to industry requests that more time be provided for comment development, the comment period is reopened.

DATES: The comment period is reopened from July 3, 1997 through August 4, 1997.

ADDRESSES: An original plus four copies of comments on this NPRM should be mailed to the Federal Aviation Administration, Office of the Chief Counsel, Attention: Rules Docket (AGC–200), 800 Independence Avenue, SW, Washington, DC 20591. Comments may also be sent electronically to the Rules Docket by using the following Internet address: 9-nprm-cmts@faa.dot.gov. All comments must be market Docket 28851. Comments may be examined Monday through Friday, except Federal holidays, between the hours of 8:30 a.m. and 5:00 p.m. in Room 915F.

FOR FURTHER INFORMATION CONTACT: J. Randall Repcheck, Commercial Space Transportation, AST–200, (202) 366–2258 or Laura Montgomery, Office of the Chief Counsel, AGC–200, (202) 267–8018.

SUPPLEMENTARY INFORMATION: Notice No. 97–2 was published on March 19, 1997 [53 FR 13216]. This Notice, as published, provided a 60-day comment period which closed May 19, 1997.

Background

The Office of the Associate Administrator for Commercial Space Transportation carries out the Secretary's responsibility (Commercial Space Launch Act of 1984, as amended, codified at 49 U.S.C. Subtitle IX, ch. 701, Commercial Space Launch Activities) for licensing launches, and encouraging, facilitating and promoting commercial space launches by the private sector, 49 U.S.C. § 70103.

After six years of experience in regulating the commercial space industry, the Office initiated a process for standardizing its licensing regulations. Over the course of time, and with the input of licensees and Federal launch ranges, the Office has evolved a standardized approach to licensing launches from Federal launch ranges. Accordingly, the Office now proposes to implement that approach through revisions to its regulations. Notice 97–2 proposes to amend licensing regulations for launching commercial launch vehicles. The proposed regulations are intended to provide applicants and licensees greater specificity and clarity regarding the scope of a license, and regarding licensing requirements and criteria.

Reopen Comment Period

On May 19, 1997, McDonnell Douglas Aerospace, Lockheed Martin, and other major U.S. commercial space launch industry participants requested that the comment period be extended beyond May 19, 1997 to allow interested parties to submit additional comments and/or clarifications to complex issues in the Notice. Industry states that in light of the detail needed to respond accurately, an extension is needed.

The comment period closed on May 19, 1997, which prevented an extension. To allow industry additional time for a more thorough review of applicable issues and drafting of responsive comments, the FAA finds that it is in the public interest to reopen the comment period for an additional 30 days. Accordingly, the FAA is reopening the comment period July 3, 1997 through August 4, 1997.

Issued in Washington, DC, on June 27, 1997.

Patti Grace Smith,

Acting Associate Administrator for Commercial Space Transportation.

[FR Doc. 97–17451 Filed 7–2–97; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF TRANSPORTATION

14 CFR Part 440

[Docket No. 28635; Notice 96–8B]

RIN 2120–AF98

Financial Responsibility Requirements for Licensed Launch Activities

AGENCY: Federal Aviation Administration (FAA), Associate Administrator for Commercial Space Transportation, DOT.

ACTION: Notice of reopened comment period.

SUMMARY: The FAA is soliciting additional comments on notice no. 96–8 (61 FR 38992; July 25, 1996), which proposed financial responsibility and allocation of risk requirements for launch activities carried out under an FAA license. An additional 30-day comment period on the notice of proposed rulemaking is provided for this purpose.

DATES: Comments must be received by August 4, 1997.

ADDRESSES: Comments should be mailed in triplicate to the Federal Aviation Administration, Office of Chief Counsel, Attention: Rules Docket (AGC–200), Docket No. 28635, Room 915G, 800 Independence Avenue, SW., Washington, DC 20591. Comments must reference Docket No. 28635. Comments may also be submitted electronically to the Rules Docket by using the following Internet address: 9-nprm-cmts@faa.dot.gov.

Commenters wishing to receive acknowledgement of receipt of their comments must include a pre-addressed, stamped postcard on which the following statement is made: ''Comments to Docket No. 28635.'' The postcard will be date-stamped and mailed to the commenter. Copies of materials relevant to this rulemaking, including copies of all public comments, are kept by the Rules Docket Technician, Room 915G, at the above address. The docket may be examined Monday through Friday, except Federal holidays, between the hours of 8:30 a.m. and 5:00 p.m.

An electronic copy of the notice of proposed rulemaking (NPRM) may be downloaded from the FAA regulations section of the Fedworld electronic bulletin board service (703) 321–3339, the Federal Register's electronic bulletin board service (202) 512–1661 or the FAA's Aviation Rulemaking Advisory Committee Bulletin Board service (202) 267–5948. A modem and suitable communications software is required.

Internet users may reach the FAA's web page at http://www/faa/gov or the Federal Register's web page at http://www.access.gpo.gov/su__docs for access to recently published rulemaking documents.

Any person may obtain a paper copy of the NPRM by submitting a request to the FAA, Office of Rulemaking, ARM–1, 800 Independence Avenue, SW., Washington, DC 20591 or by calling (202) 267–9680. Communications must identify the notice and docket number.

Persons interested in being placed on the mailing list for future Notices of Proposed Rulemaking should request from the FAA Office of Rulemaking a copy of Advisory Circular No. 11–2A, notice of proposed rulemaking distribution system, that describes the application procedure.

FOR FURTHER INFORMATION CONTACT: Ms. Esta M. Rosenberg, Attorney-Advisor, Regulations Division, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, Washington, DC (202) 366–9305.

SUPPLEMENTARY INFORMATION:

Background

On July 25, 1996, the FAA's Associate Administrator for Commercial Space Transportation (AST) published an NPRM entitled, ''Financial Responsibility Requirements for Licensed Launch Activities''. A 60-day comment period was provided for the public to submit comments and information. The comment period closed on September 23, 1996. In addition, during the open comment period, a technical corrections notice was published August 26, 1996 (61 FR 43814). The NPRM solicited comments on AST's approach to implementing and assuring compliance with financial responsibility requirements for licensed launch activities. Comments were also requested on the proper allocation of certain risks associated with those activities. Requirements for financial responsibility and allocation of risk are part of a comprehensive scheme mandated by 49 U.S.C. Subtitle IX, ch. 701 (formerly, the Commercial Space Launch Act of 1984, as amended (CSLA)), to protect launch participants from potentially unlimited liability or catastrophic losses.

In response to industry requests that more time be provided for comment development, the comment period was reopened October 2, 1996, for an additional 60-day comment period (61 FR 51395). The second comment period closed on December 2, 1996.

Following review and consideration of comments received, AST intended to codify financial responsibility requirements in a final rule. However, shortly after the close of the comment period, a launch vehicle failure at Cape Canaveral Air Station resulted in some property damage to the facility. Although the launch was not FAA-licensed and therefore not subject to CSLA requirements for financial responsibility and allocation of risk, the resultant damage has led to greater scrutiny—by both the Government and the U.S. commercial launch industry—on the scope of required insurance coverage and related issues.

Following this event, the FAA provided additional clarification to launch licensees of the agency's existing requirements for liability insurance coverage. Licensees were notified, in writing, of the agency's longstanding requirements that claims of Federal Government employees and employees of Federal Government contractors and subcontractors (referred to collectively in this Notice as Government personnel) for injury, damage or loss must be covered by third-party liability insurance. Based upon their reactions, it has become apparent to the agency that the commercial launch industry was not aware of AST's interpretation. In this respect, licensees incorrectly believed that the NPRM proposed a change to existing practice that would not be implemented until issuance of a final rule. To avoid self-insuring this risk, licensees have procured additional liability coverage that would respond to claims of Government personnel.

At the May 14, 1997, meeting of the Commercial Space Transportation Advisory Committee (COMSTAC), the Risk Management Working Group reported industry concerns that fundamental changes in policy were being implemented by AST in advance of a final rule. The Working Group Chairman reported that ''the potential effects of these changes on risk management issues are serious. Industry members do not believe that they had a sufficient understanding of the FAA's position to be able adequately to express their concerns in the first round of comments and wish to ensure that the FAA fully understands industry's position before a final rule is issued.'' The COMSTAC adopted a resolution recommending that the agency issue a supplemental notice of proposed rulemaking and allow an additional opportunity for public comment.

The agency has determined that it is not necessary to issue a supplemental notice of proposed rulemaking to allow another opportunity for industry comment. However, it does find appropriate the reopening of the comment period on Notice No. 96–8 for 30 days to allow for submission of additional public comments.

Request for Comments

The agency requests further comments on all aspects of the NPRM proposed in notice 96–8, ''Financial Responsibility Requirements for Licensed Launch Activities.'' Persons who filed comments previously may supplement their earlier views or submit replacement comments that will be added to the docket.

Commenters are requested to be specific and precise in stating their objections and concerns with respect to particular provisions in the NPRM.

The agency would like commenters to address the appropriate means of implementing statutory requirements for allocation of risks among launch participants. The NPRM reflects the statutory requirement for reciprocal waivers of claims among launch participants. As part of the waiver agreement, private party launch participants agree to assume responsibility for their employee's losses as required by 49 U.S.C. 70112(b). This requirement is explain at 61 FR 39012. The agency requests comments on the intended meaning and proper implementation of this requirement, and its relationship to third-party liability insurance requirements.

The agency requests comments on the appropriate scope of required third party liability insurance. In the NPRM, AST proposes to define a ''third party'' as ''(a)ny person other than: (A) (t)he United States, its agencies, and its contractors and subcontractors involved in launch services for licensed launch activities; (B) (t)he licensee and its contractors and subcontractors involved in launch services for licensed launch activities; and (C) (t)he customer and its contractors and subcontractors involved in launch services for licensed launch activities.'' In addition, ''Government personnel, as defined in this section (§ 440.3(a)(6)) are third parties. For purposes of these regulations, employees of other launch participants identified in paragraphs (a)(15)(i)(B) and (C) of this section (§ 440.3) are not third parties.''

AST's proposed definition is explained at 61 FR 39003 and reflects current agency practice. This definition has broad implications for liability insurance requirements, implementation of statutory-based reciprocal waivers of claims and the agreement to be responsible for employee losses, as well as provisions for Government payment of excess claims.

The agency would like commenters to address the following questions. Are employees of the Federal Government and its contractors and subcontractors (Government personnel) properly classified as third parties? If not, how should their claims against other launch participants for damage, injury, or loss be addressed, particularly in light of the limits on the Government's ability under appropriations laws to accede to unfunded contingent liability? From an insurance perspective, what issues or problems does the proposed definition present in providing liability insurance coverage for third-party claims? Should employees of all private party launch participants also be deemed third parties? If so, how would this affect CSLA-required liability coverage? If these employees are not third parties, how should their claims be managed? That is, how should the various launch participants protect themselves financially from claims by other launch participants' employees?

Specific Comments on Costs and Benefits

The results of the FAA's analysis of the economic effects of this rulemaking were summarized in the NPRM at 61 FR 39015. The NPRM states that over a four-year period there is a reallocation of expected costs of claims of $20,000 from the U.S. commercial space launch industry (benefits) to the United States (costs). This reallocation is a consequence of the Federal Government's payment under the statute of third-party claims in excess of required insurance, up to $1.5 billion exposure for liability.

Because this proposed rule would have long-lasting consequences on commercial launch activities, the agency is reiterating its need for specific comments on costs and benefits, with sufficient detail to determine the economic burdens associated with this proposed rulemaking. Commenters are encouraged to provide information on additional costs that would be imposed on the commercial launch industry, including launch services providers, their customers, and the contractors and subcontractors of both, as a result of the NPRM. This additional economic information would help the agency to quantify costs and benefits associated with this rulemaking and to weight alternatives. For example, the additional cost of obtaining liability insurance coverage for claims of Government personnel should be readily ascertainable and may be offered in support of a commenter's view on the appropriate allocation of that risk.

Views are also requested on alternative means of achieving the same level of compliance (i.e., benefits), but at a lower cost. To be useful to the agency, any usable cost or benefits information must identify (1) all relevant assumptions, and (2) sources of information whenever possible.

Additional Comment Period

Because the comment period on notice 96–8 has closed, it cannot be extended, but must be reopened. To allow industry additional time for a more thorough review of applicable issues and drafting of responsive comments, the FAA finds that it is in the public interest to reopen the comment period. Accordingly, the comment period is reopened through August 4, 1997. Late-filed comments will be considered to the extent practicable; however, no further extensions of the comment period are contemplated.

Issued in Washington, DC, on June 20, 1997.

Patricia G. Smith,

Acting Associate Administrator for Commercial Space Transportation, Federal Aviation Administration.

[FR Doc. 97–17452 Filed 7–2–97; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206

RIN 1010–AC09

Establishing Oil Value for Royalty Due on Federal Leases, and on Sale of Federal Royalty Oil

AGENCY: Minerals Management Service, Interior.

ACTION: Supplementary proposed rule.

SUMMARY: The Minerals Management Service (MMS), Royalty Management Program (RMP) is proposing changes to its recently-issued proposed rule regarding valuation of crude oil produced from Federal leases. MMS also is reopening the comment period to receive comments on the originally proposed rule and these additional changes. These revisions would modify the eligibility requirements for oil valuation for arm's-length transactions and the procedures for collecting oil exchange information. MMS also is amending the list of aggregation points to include additional locations inadvertently left out of the earlier proposal.

DATES: Comments must be submitted on or before August 4, 1997.

ADDRESSES: Mail written comments, suggestions, or objections regarding the proposed rule to: Minerals Management Service, Royalty Management Program, Rules and Publications Staff, P.O. Box 25165, MS 3021, Denver, Colorado 80225–0165; courier address is Building 85, Denver Federal Center, Denver, Colorado 80225; or e:Mail David__Guzy@mms.gov. MMS will publish a separate notice in the **Federal Register** indicating dates and locations of public meetings regarding this proposed rulemaking.

FOR FURTHER INFORMATION CONTACT: David S. Guzy, Chief, Rules and Publications Staff, telephone (303) 231–3432, FAX (303) 231–3385, e:Mail David__Guzy@mms.gov, Minerals Management Service, Royalty Management Program, Rules and Publications Staff, P.O. Box 25165, MS 3021, Denver, Colorado 80225–0165.

SUPPLEMENTARY INFORMATION: The principal authors of this supplementary proposed rule are Deborah Gibbs Tschudy of RMP and Peter Schaumberg of the Office of the Solicitor.

I. Background

MMS published a notice of proposed rulemaking on January 24, 1997 (62 FR 3741), to amend its current Federal crude oil valuation regulations in 30 CFR Part 206. The initial comment period expired March 25, 1997, and was twice extended to April 28, 1997 (62 FR 7189), and to May 28, 1997 (62 FR 19966). Comments received to date are available for public inspection at the RMP offices in Lakewood, Colorado or on the Internet at http://www.rmp.mms.gov. MMS also will place any additional comments received on this rule on the Internet. Call David Guzy at (303) 231–3432 for further information.

By this notice, MMS is reopening the comment period until August 4, 1997.

II. Public Comments

As part of the public comment process, MMS held public meetings in Lakewood, Colorado on April 15, 1997, and Houston, Texas on April 17, 1997, to hear comments on the proposal.

MMS has received many comments on the proposed rule. There have been issues raised to date that MMS recognizes require changes to the proposed rule because they result in unintentional exceptions to use of gross proceeds for calculating royalty value by small producers.

MMS heard a number of comments from attendees at the public meetings about provisions in the proposal that would require small producers to pay based on index pricing instead of gross proceeds if they: (1) Made small-volume purchases of oil for lease operations or other purposes (see § 206.102(a)(6) of the proposed rule), or (2) had crude oil call provisions that were never exercised (see § 206.102(a)(5) of the proposed rule).

MMS also received comments about proposed new Form MMS–4415, the Oil Location Differential Report. These comments included complaints about the amount of information required, some of which the commenters believed that MMS does not need.

MMS met with representatives of the Independent Petroleum Association of America (IPAA), the Independent Petroleum Association of Mountain States (IPAMS), and the State of Louisiana on May 13–14, 1997. At that meeting, IPAA and IPAMS presented their comments on the January 24, 1997,