

including, but not limited to, issuing a demand or order to a Federal lessee, or its designee, or any other person when:

- (i) Your failure to issue the demand or order would result in an underpayment of an obligation due MMS; and
- (ii) The underpayment would go uncollected without MMS intervention.

§ 227.802 How will MMS terminate a State's delegation agreement?

This section explains the procedures MMS will use to terminate all or a part of your delegation agreement:

- (a) MMS will notify you in writing that it is initiating procedures to terminate your delegation agreement;
- (b) MMS will provide you notice and opportunity for a hearing under § 227.803 of this part;
- (c) The MMS Director, with concurrence from the Secretary, will decide whether to terminate your delegation agreement.
- (d) After the hearing, MMS may:
 - (1) Terminate your delegation agreement; or
 - (2) Allow you 30 days to correct any remaining deficiencies. If you do not correct the deficiency within 30 days, MMS will terminate all or a part of your delegation agreement.
- (e) MMS will determine the date your agreement is terminated and will notify you of that date in writing. MMS will determine the termination date based on the number of delegated functions and the impact of the termination on all affected parties.

§ 227.803 What are the hearing procedures for terminating a State's delegation agreement?

- (a) The MMS Director will appoint a hearing official to conduct one or more public hearings for fact finding and to determine any actions you must take to correct the noncompliance. The hearing official will not decide whether to terminate your delegation agreement;
- (b) The hearing official will contact you about scheduling a hearing date and location;
- (c) The hearing official will publish notice of the hearing in the **Federal Register** and other appropriate media within your State;
- (d) At the hearing, you will have an opportunity to present testimony and written information on your ability to perform your delegated functions as required under this part, your delegation agreement, and the *Standards*;
- (e) Other persons may attend the hearing and may present testimony and written information for the record;
- (f) MMS will record the hearing;

(g) After the hearing, MMS may require you to submit additional information; and

(h) Information presented at each public hearing will help MMS to determine whether:

- (1) You have complied with the terms and conditions of your delegation agreement; or
- (2) You have the capability to comply with the requirements under § 227.106 of this part.

§ 227.804 How else may a State's delegation agreement terminate?

You may request MMS to terminate your delegation at any time by submitting your written notice of intent 6 months prior to the date on which you want to terminate. MMS will determine the date your agreement is terminated and will notify you of that date in writing. MMS will determine the termination date based on the number of delegated functions and the impact of the termination on all affected parties.

§ 227.805 How may a State obtain a new delegation agreement after termination?

After your delegation agreement is terminated, you may apply again for delegation by beginning with the proposal process under this part.

PART 228—COOPERATIVE ACTIVITIES WITH STATES AND INDIAN TRIBES

2. The authority citation for part 228 is revised to read as follows:

Authority: Sec. 202, Pub. L. 97-451, 96 Stat. 2457 (30 U.S.C. 1732).

3. A new § 228.3 is added to read as follows:

§ 228.3 Limitation on applicability.

As of the effective date of this rule, September 11, 1997, this part does not apply to Federal lands.

PART 229—DELEGATION TO STATES

4. The authority citation for part 229 is revised to read as follows:

Authority: 30 U.S.C. 1735.

5. A new § 229.3 is added to read as follows:

§ 229.3 Limitation on applicability.

As of the effective date of this rule, September 11, 1997, this part does not apply to Federal lands.

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BILLING CODE 4310-MR-P

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 356

Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (Department of the Treasury Circular, Public Debt Series No. 1-93)

AGENCY: Bureau of the Public Debt, Fiscal Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury ("Treasury" or "Department") is publishing in final form an amendment to 31 CFR part 356 (Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds). This amendment makes the necessary changes to accommodate three decimal competitive bidding, in .005 percent increments, for regular Treasury bills—13-, 26-, and 52-week bills—and a reduction in the net long position reporting threshold amount for all Treasury bill auctions (including cash management bills). The final rule also makes certain technical clarifications and conforming changes.

DATES: The effective date is September 11, 1997, except for the change to § 356.13 (Net long position) which is effective November 10, 1997.

ADDRESSES: This final rule has also been made available for downloading from the Bureau of the Public Debt's Internet site at the following address: www.publicdebt.treas.gov.

FOR FURTHER INFORMATION CONTACT: Ken Papaj (Director), Lee Grandy or Kurt Eidemiller (Government Securities Specialists), Department of the Treasury, Bureau of the Public Debt, Government Securities Regulations Staff, (202) 219-3632.

SUPPLEMENTARY INFORMATION: 31 CFR part 356, also referred to as the uniform offering circular, sets out the terms and conditions for the sale and issuance by the Department of the Treasury to the public of marketable Treasury bills, notes, and bonds. The uniform offering circular, in conjunction with offering announcements, represents a comprehensive statement of those terms and conditions.¹ The Department

¹ The uniform offering circular was published as a final rule on January 5, 1993 (58 FR 412). Amendments to the circular were published on June 3, 1994 (59 FR 28773), March 15, 1995 (60 FR 13906), July 16, 1996 (61 FR 37007), August 23, 1996 (61 FR 43626), October 22, 1996 (61 FR 54908), January 6, 1997 (62 FR 846), and May 8, 1997 (62 FR 25113).

published for public comment a proposed amendment to the uniform offering circular on May 5, 1997,² which specifically requested comments on extending three decimal bidding, in .005 percent increments, to all Treasury bill auctions (including cash management bills ("CMBs")) and reducing the net long position reporting threshold amount for all Treasury bill auctions (including CMBs) from \$2 billion to \$1 billion. The closing date for comments was June 4, 1997. The Department received one comment letter which was submitted by PSA, the Bond Market Trade Association ("PSA").³ In general, PSA expressed support for the changes as proposed, with a few exceptions which are noted in each respective section below. Treasury considered the comments expressed in the PSA letter in developing this final rule.

The final rule amends §§ 356.12 and 356.13 of the uniform offering circular and provides two minor technical clarifications in Appendix B to part 356 (Formulas and Tables) as well as updated sample announcements of Treasury auctions in Exhibit A to part 356 (Sample Announcements of Treasury Offerings to the Public).

A. Three Decimal Competitive Bidding in .005 Percent Increments

In February 1995, Treasury began requiring competitive bids in note and bond auctions to be expressed as yields using three decimal places, in .001 percent increments, e.g., 7.123, rather than two decimal places.⁴ At that time, Treasury did not extend three decimal bidding to bill auctions because three decimal bidding, in .001 percent increments, would not provide a price unique to each discount rate for bills with maturities less than 360 days. Price uniqueness occurs when each separate discount rate produces a different (unique) price rounded to three decimal places, i.e., no two discount rates result in the same price. Price uniqueness is a function of the minimum bid increment allowed in auctions, price rounding

conventions, and the number of days to maturity.

Under two decimal bidding, price uniqueness is maintained for CMBs with maturities of 36 days or more. If three decimal bidding in increments of one-half basis point is extended to CMBs, price uniqueness would be maintained with maturities of 72 days or more. As stated in the proposed rule, Treasury does not consider this to be problematic given auction participants' experience with the non-price uniqueness of short-term CMBs under the two decimal bidding process. For regular Treasury bill auctions—13-, 26-, and 52-week bills—three decimal bidding, in .005 percent increments, would maintain price uniqueness since these bills have maturities of 90 days or more.

As stated in its comment letter, PSA supports three decimal bidding for bill auctions with the view that consistent bidding practices for all Treasury securities would benefit the market and result in an easier understanding of the requirements for auction participation. The letter also stated that the conversion to three decimal bidding should not require significant systems changes since many market participants already trade Treasury bills in minimum increments of one-half to one-quarter basis points. However, PSA recommended that two decimal bidding for CMBs be maintained given market participants' concern with non-price uniqueness being extended further into the maturity spectrum, from 36 to 72 days. This concern and ultimate recommendation were based on PSA's view that, historically, Treasury has generally issued CMBs with shorter maturities, noting that during the past twelve months most of the CMBs have been issued with short maturities, with a majority of less than 36 days. The Department understands PSA's view and appreciates this concern given that there has been only one CMB issued since November 1995 with a maturity of more than 72 days. Accordingly, as PSA recommends, Treasury will not extend three decimal bidding to CMBs, but will maintain the current two decimal bidding requirement, in .01 percent increments, for all CMB auctions.

Section 356.12(c)(1)(i) of the final rule reflects the change from the proposed rule by requiring three decimal bidding, in .005 percent increments, for regular Treasury bills only. The third decimal must be expressed in increments of one-half basis point (e.g., 5.320 or 5.325) in which the final decimal must be either zero or five. The rule provides that three decimal bidding, in .005 percent

increments, will be a requirement for regular Treasury bill auctions—13-, 26-, and 52-week bills. The final rule also specifically states that competitive bids for CMBs must show the discount rate bid expressed with two decimals, in .01 percent increments. Accordingly, the requirement for competitive bids for CMBs to be expressed in two decimals, in .01 percent increments, remains unchanged.

As PSA suggested in its comment letter, the effective date for the change to § 356.12 will be 30 days after publication of the final rule to provide market participants with sufficient time to update internal auction policies and procedures. Accordingly, the effective date of this rule change is September 11, 1997. Although this final rule amends the uniform offering circular to accommodate three decimal bidding for regular bill auctions, Treasury will implement this bidding change through the offering announcements for specific auctions. Therefore, auction participants should refer to the specific offering announcements as to when this change in bidding will be implemented, which in any event will be no sooner than the date referenced above. All offering announcements will continue to list specific bidding requirements for each offering, including how competitive bids submitted for the particular auction must be expressed, and will govern in the event of an inconsistency with the rules. (See § 356.10)

As stated in the proposed rule, the change from two decimal, in .01 percent increments, to three decimal bidding, in .005 percent increments, for regular Treasury bills is being adopted to promote more efficient and aggressive bidding in these auctions and is expected to lead to marginally higher auction revenues for Treasury.

The change to three decimal competitive bidding, in .005 percent increments, for regular bill auctions will not affect how awards are made to noncompetitive bidders, i.e., the price of securities awarded to noncompetitive bidders in these auctions will continue to be the price equivalent to the weighted average discount rate of accepted competitive bids. Finally, the Department wishes to remind auction participants that the requirement for competitive bids for Treasury note and bond auctions to be expressed in three decimals, in .001 percent increments, remains unchanged. Further, the restriction against using fractions still applies to all marketable security auctions.

² 62 FR 24375 (May 5, 1997).

³ See letter dated June 4, 1997 from Stephanie S. Wolf, Vice President and Associate General Counsel of PSA, the Bond Market Trade Association to Kenneth R. Papaj, Director, Government Securities Regulations Staff. The comment letter is available for public inspection and downloading on the Internet, at the address provided earlier in this rule, and for inspection and copying at the Treasury Department Library, Room 5030, Main Treasury Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

⁴ Treasury Press Release was dated February 15, 1995. An amendment to the uniform offering circular was published on March 15, 1995 (60 FR 13906).

B. Decrease in Net Long Position Reporting Threshold Amount

Section 356.13(a) reflects the reduction in the net long position reporting threshold amount for all Treasury bill auctions (i.e., 13-, 26-, 52-week bills and CMBs) from \$2 billion to \$1 billion, while maintaining the \$2 billion threshold amount for Treasury note and bond auctions. This change in the reporting threshold amount is being adopted in the final rule as it was proposed. PSA supports this change as reasonable and appropriate and believes that consistently applying the \$1 billion threshold uniformly to all bill auctions, rather than changing the threshold from time to time, depending on the public offering amount, will likely result in a better overall understanding of, and compliance with, the auction rules. PSA requested that more preparation time be provided for those market participants, who in the past, may not have come close to approaching the \$2 billion threshold. In its letter, PSA stated that these participants may require significant changes to their internal auction policies, procedures, and systems in order to capture and report positions at the lower threshold. In order to provide market participants with a reasonable amount of time to make the necessary procedural changes and to notify their affiliates and customers to ensure the broadest level of compliance, Treasury accepts PSA's recommendation for a delayed effective date of 90 days after the final rule is published. The effective date of the change to this section is November 10, 1997.

The net long position reporting threshold amount for bills, notes, and bonds will continue to be provided in the offering announcement for the particular security. As currently stated in § 356.10 of the uniform offering circular, the offering announcement takes precedence whenever any provision of the announcement is inconsistent with any provision of the circular. Section 356.10 affords Treasury the flexibility to change the net long position reporting threshold amount by providing the amount in the offering announcement. As stated in the preamble to the proposed rule, this reduction in the threshold amount for Treasury bills is being adopted to more effectively achieve a Treasury financing objective of ensuring a broad distribution of a security issue, whereby no single bidder is awarded more than 35% of the public offering less the bidder's net long position as reportable under § 356.13.

C. Additional Technical Clarifications

Two minor technical changes are also being made with this final rule. A clarifying note on Treasury's price rounding convention for conversion of inflation-indexed security yields to equivalent prices is being added to Appendix B, Section III, Paragraphs A and B after each resolution. This change was not part of the proposed rule. Also, the final rule adopts, with a minor conforming revision, the note at the end of Appendix B, Section IV, Paragraph C. This minor revision identifies the changes that have been made over the years in the bidding conventions for Treasury bill auctions. Treasury is not revising any of the examples of formulas in Appendix B, Section IV since the change to three decimal competitive bidding will not require any changes in the applicable formulas for bills.

The sample offering announcements of Treasury auctions in Exhibit A are also being updated in this final rule to reflect the changes that have occurred since they were incorporated in the uniform offering circular. Updated samples for Treasury's quarterly financing, weekly bills, and CMB auction announcements are included in this final rule but were not part of the proposed rule.

Procedural Requirements

This final rule does not meet the criteria for a "significant regulatory action" pursuant to Executive Order 12866.

Although this rule was issued in proposed form to secure the benefit of public comment, the notice and public procedures requirements of the Administrative Procedure Act are inapplicable, pursuant to 5 U.S.C. 553(a)(2). As no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) do not apply.

There is no new collection of information contained in this final rule, and, therefore, the Paperwork Reduction Act does not apply. The collections of information of 31 CFR part 356 have been previously approved by the Office of Management and Budget under § 3507(d) of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) under control number 1535-0112. Under this Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

List of Subjects in 31 CFR Part 356

Bonds, Federal Reserve System, Government securities, Securities.

Dated: August 6, 1997.

Gerald Murphy,

Fiscal Assistant Secretary.

For the reasons set forth in the preamble, 31 CFR Chapter II, subchapter B, part 356, is amended as follows:

PART 356—SALE AND ISSUE OF MARKETABLE BOOK-ENTRY TREASURY BILLS, NOTES, AND BONDS (DEPARTMENT OF THE TREASURY CIRCULAR, PUBLIC DEBT SERIES NO. 1-93)

1. The authority citation for part 356 continues to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 3102, *et seq.*; 12 U.S.C. 391.

2. Section 356.12 is amended by revising paragraph (c)(1)(i) to read as follows:

§ 356.12 Noncompetitive and competitive bidding.

* * * * *

(c) * * *

(1) * * *

(i) *Treasury bills.* For all bills except cash management bills, a competitive bid must show the discount rate bid, expressed with three decimals in .005 percent increments. The third decimal must be either a zero or a five, e.g., 5.320 or 5.325. Fractions may not be used. For cash management bills, a competitive bid must show the discount rate bid, expressed with two decimals in .01 percent increments, e.g., 5.14. Fractions may not be used.

* * * * *

3. Section 356.13 is amended by revising paragraph (a) to read as follows:

§ 356.13 Net long position.

(a) *Reporting net long positions.* When bidding competitively, a bidder must report the amount of its net long position when the total of all of its bids in an auction plus the bidder's net long position in the security being auctioned equals or exceeds the net long position reporting threshold amount. The net long position reporting threshold amount for any particular security will be as stated in the offering announcement for that security. (See § 356.10.) That amount will be \$1 billion for bills, and \$2 billion for notes and bonds, unless otherwise stated in the offering announcement. If the bidder either has no position or has a net short position and the total of all of its bids equals or exceeds the net long position reporting threshold amount, e.g., \$1 billion for bills and \$2 billion for notes and bonds, a net long position of zero must be reported. In cases where a bidder that is required to report the

amount of its net long position has more than one bid, the bidder's total net long position should be reported in connection with only one bid. A bidder that is a customer must report its reportable net long position through only one depository institution or dealer. (See § 356.14(c).)

* * * * *

4. Appendix B to Part 356, Section III, Paragraphs A and B are amended by adding a note at the end of each paragraph, respectively, to read as follows:

Appendix B to Part 356—Formulas and Tables

* * * * *

III. Formulas for Conversion of Inflation-Indexed Security Yields to Equivalent Prices

* * * * *

A. For inflation-indexed securities with a regular first interest payment period:

* * * * *

Note: For the real price (P), Treasury has rounded to three places. These amounts are based on 100 par value.

B. For inflation-indexed securities reopened during a regular interest period where the purchase price includes predetermined accrued interest:

* * * * *

Note: For the real price (P), and the inflation-adjusted price (P_{adj}), Treasury has rounded to three places. For accrued interest (A) and adjusted accrued interest (A_{adj}),

Treasury has rounded to six places. These amounts are based on 100 par value.

* * * * *

5. Appendix B to part 356, Section IV, Paragraph C is amended by revising the note at the end of the paragraph to read as follows:

* * * * *

IV. Computation of Purchase Price, Discount Rate, and Investment Rate (Coupon-Equivalent Yield) for Treasury Bills

* * * * *

C. Conversion of prices to discount rates for Treasury bills of all maturities:

* * * * *

Note: Prior to April 18, 1983, all bills were sold in price-basis auctions, in which discount rates calculated from prices were rounded to three places, using normal rounding procedures. Since that time, all bills have been sold only on a discount rate basis. For regular Treasury bills—13-, 26-, and 52-week bills—discount rates bid were submitted with two decimals in increments of .01 percent, e.g., 5.32, until 1997, when Treasury instituted a change to three decimal bidding in increments of .005 percent, e.g., 5.320 or 5.325.

* * * * *

6. Exhibit A to Part 356 is amended by revising the text of Sections I through III to read as follows:

Exhibit A to Part 356—Sample Announcements of Treasury Offerings to the Public

* * * * *

I. Treasury Quarterly Financing Announcement

For Release When authorized at Press Conference
February 5, 20XX
Contact: Office of Financing 202/XXX-XXXX
Treasury February Quarterly Financing

The Treasury will auction \$17,750 million of 3-year notes, \$12,000 million of 10-year notes, and \$10,000 million of 30-year bonds to refund \$18,037 million of publicly-held securities maturing February 15, 20XX, and to raise about \$21,725 million new cash.

In addition to the public holdings, Federal Reserve Banks hold \$1,795 million of the maturing securities for their own accounts, which may be refunded by issuing additional amounts of the new securities.

The maturing securities held by the public include \$1,654 million held by Federal Reserve Banks as agents for foreign and international monetary authorities. Amounts bid for these accounts by Federal Reserve Banks will be added to the offering.

The 10-year note and the 30-year bond being offered today are eligible for the STRIPS program.

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356, as amended) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about the notes and bonds are given in the attached offering highlights.

Attachment

Highlights of Treasury Offerings to the Public—February 20XX Quarterly Financing

February 5, 20XX

OFFERING AMOUNT:	\$17,750 million	\$12,000 million	\$10,000 million
DESCRIPTION OF OFFERING:			
Term and type of security	3-year note	10-year notes	30-year bonds
Series	U-20XX	B-20XX	Bonds of February 20XX
CUSIP number	912827 XX X	912827 XX X	912810 XX X
Auction date	February 11, 20XX	February 12, 20XX	February 13, 20XX
Issue date	February 18, 20XX	February 18, 20XX	February 18, 20XX
Dated date	February 18, 20XX	February 15, 20XX	February 15, 20XX
Maturity date	February 15, 20XX	February 15, 20XX	February 15, 20XX
Interest rate	Determined based on the average of accepted competitive bids.	Determined based on the average of accepted competitive bids.	Determined based on the average of accepted competitive bids
Yield	Determined at auction	Determined at auction	Determined at auction
Interest payment dates	August 15 and February 15	August 15 and February 15	August 15 and February 15
Minimum bid amount	\$5,000	\$1,000	\$1,000
Multiples	\$1,000	\$1,000	\$1,000
Accrued interest payable by investor.	None	Determined at auction	Determined at auction
Premium or discount	Determined at auction	Determined at auction	Determined at auction
STRIPS INFORMATION:			
Minimum amount required ..	Not applicable	Determined at auction	Determined at auction
Corpus CUSIP number	Not applicable	912820 XX X	912803 XX X
Due dates and CUSIP numbers for additional TINTS.	Not applicable	Not applicable	February 15, 20XX—912833 XX X
THE FOLLOWING RULES APPLY TO ALL SECURITIES MENTIONED ABOVE:			
SUBMISSION OF BIDS:			
Noncompetitive bids	Accepted in full up to \$5,000,000 at the average yield of accepted competitive bids.		
Competitive bids	(1) Must be expressed as a yield with three decimals in increments of .001%, e.g., 7.123%.		
	(2) Net long position for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position is \$2 billion or greater.		
	(3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.		

Highlights of Treasury Offerings to the Public—February 20XX Quarterly Financing—Continued

February 5, 20XX

MAXIMUM RECOGNIZED BID AT A SINGLE YIELD: 35% of public offering.
MAXIMUM AWARD: 35% of public offering.
RECEIPT OF TENDERS:
 Noncompetitive tenders Prior to 12:00 noon Eastern Standard time on auction day.
 Competitive tenders Prior to 1:00 p.m. Eastern Standard time on auction day.
PAYMENT TERMS Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date.

II. Treasury Weekly Bill Announcement
 Embargoed until 2:30 P.M., April 15, 20XX
 Contact: Office of Financing, 202/XXX-XXXX

Treasury's Weekly Bill Offering

The Treasury will auction two series of Treasury bills totaling approximately \$12,000 million, to be issued April 24, 20XX. This offering will result in a paydown for the Treasury of about \$6,225 million, as the maturing publicly-held weekly bills are outstanding in the amount of \$18,220 million.

In addition to the public holdings, Federal Reserve Banks for their own accounts hold \$6,558 million of the maturing bills, which may be refunded at the weighted average discount rate of accepted competitive tenders. Amounts issued to these accounts will be in addition to the offering amount. Federal Reserve Banks hold \$3,007 million as agents for foreign and international monetary authorities, which may be refunded within the offering amount at the weighted average discount rate of accepted competitive tenders. Additional amounts may be issued for such accounts if the aggregate amount of

new bids exceeds the aggregate amount of maturing bills.

Tenders for the bills will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR part 356, as amended) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about each of the new securities are given in the attached offering highlights. Attachment

Highlights of Treasury Offerings of Weekly Bills To Be Issued April 24, 20XX

April 15, 20XX

OFFERING AMOUNT:	\$6,000 million	\$6,000 million
DESCRIPTION OF OFFERING:		
Term and type of security	91-day bill	182-day bill
CUSIP number	912794 XX X	912794 XX X
Auction date	April 21, 20XX	April 21, 20XX
Issue date	April 24, 20XX	April 24, 20XX
Maturity date	July 24, 20XX	October 23, 20XX
Original issue date	July 25, 20XX	April 24, 20XX
Currently outstanding	\$31,725 million	
Minimum bid amount	\$10,000	\$10,000
Multiples	\$ 1,000	\$ 1,000

THE FOLLOWING RULES APPLY TO ALL SECURITIES MENTIONED ABOVE:

SUBMISSION OF BIDS:
 Noncompetitive bids Accepted in full up to \$1,000,000 at the average discount rate of accepted competitive bids.
 Competitive bids (1) Must be expressed as a discount rate with three decimals in increments of .005%, e.g., 7.100%, 7.105%.
 (2) Net long position for each bidder must be reported when the sum of the total bid amount, at all discount rates, and the net long position is \$1 billion or greater.
 (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

MAXIMUM RECOGNIZED BID AT A SINGLE YIELD: 35% of public offering.
MAXIMUM AWARD: 35% of public offering.
RECEIPT OF TENDERS:
 Noncompetitive tenders Prior to 12:00 noon Eastern Daylight Saving time on auction day.
 Competitive tenders Prior to 1:00 p.m. Eastern Daylight Saving time on auction day.
PAYMENT TERMS: Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date.

III. Treasury Cash Management Bill Announcement
 Embargoed until 2:30 p.m., February 25, 20XX
 Contact: Office of Financing 202/XXX-XXXX
 Treasury to Auction Cash Management Bills

The Treasury will auction approximately \$23,000 million of 45-day Treasury cash management bills to be issued March 3, 20XX.

Competitive and noncompetitive tenders will be received at all Federal Reserve Banks and Branches. Tenders will *not* be accepted for bills to be maintained on the book-entry records of the Department of the Treasury (TREASURY DIRECT). Tenders will *not* be received at the Bureau of the Public Debt, Washington, D.C.

Additional amounts of the bills may be issued to Federal Reserve Banks as agents for foreign and international monetary

authorities at the average price of accepted competitive tenders.

This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR part 356, as amended) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about the new security are given in the attached offering highlights. Attachment

Highlights of Treasury Offering of 45-Day Cash Management Bill

February 25, 20XX

OFFERING AMOUNT	\$23,000 million.
DESCRIPTION OF OFFERING:	
Term and type of security	45-day Cash Management Bill.
CUSIP number	912794 XX X.
Auction date	February 27, 20XX.
Issue date	March 3, 20XX.
Maturity date	April 17, 20XX.
Original issue date	October 17, 20XX.
Currently outstanding	\$24,724 million.
Minimum bid amount	\$10,000.
Multiples	\$1,000.
Minimum to hold amount	\$10,000.
Multiples to hold	\$1,000.
SUBMISSION OF BIDS:	
Noncompetitive bids	Accepted in full up to \$1,000,000 at the average discount rate of accepted competitive bids.
Competitive bids	(1) Must be expressed as a discount rate with two decimals in increments of .01%, e.g., 7.12%. (2) Net long position for each bidder must be reported when the sum of the total bid amount, at all discount rates, and the net long position is \$1 billion or greater. (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.
MAXIMUM RECOGNIZED BID AT A SINGLE YIELD	35% of public offering.
MAXIMUM AWARD	35% of public offering.
RECEIPT OF TENDERS:	
Noncompetitive tenders	Prior to 11:00 a.m. Eastern Standard time on auction day.
Competitive tenders	Prior to 11:30 a.m. Eastern Standard time on auction day.
PAYMENT TERMS	Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date.

* * * * *

[FR Doc. 97-21277 Filed 8-11-97; 8:45 am]
BILLING CODE 4810-39-W

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 117

[CGD13-95-011]

RIN-2115-AE47

Drawbridge Operation Regulations; Hood Canal, WA

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: At the request of the Washington State Department of Transportation (WSDOT), the Coast Guard is amending the regulations governing the operation of the Hood Canal Bridge at Port Gamble, Washington. This change limits the width of the opening of the retractable span of the floating bridge to 300 feet of horizontal clearance unless a maximum horizontal clearance of 600 feet is specifically requested by the vessel operator.

EFFECTIVE DATE: September 11, 1997.

ADDRESSES: Unless otherwise noted, documents referred to in this preamble are available for inspection and copying

at Commander (oan), Thirteenth Coast Guard District, 915 Second Avenue, Seattle, Washington 98174-1067. Normal office hours are between 7:45 a.m. and 4:15 p.m., Monday through Friday, except federal holidays.

FOR FURTHER INFORMATION CONTACT: John E. Mikesell, Chief, Plans and Programs Section, Aids to Navigation and Waterways Management Branch, (Telephone: (206) 220-7270).

SUPPLEMENTARY INFORMATION:

Drafting Information

The drafters of this notice are Austin Pratt, Project Officer, and Lieutenant Commander John C. Odell, Project Attorney, Thirteenth Coast Guard District Legal Office.

Regulatory History

On November 1, 1995, the Coast Guard published a notice of proposed rulemaking entitled Drawbridge Operation Regulation; Hood Canal, Washington, in the **Federal Register** (60 FR 55515). A single comment was received which favored the proposed change.

Background and Purpose

This change allows the floating retractable span of the Hood Canal Bridge to open halfway (300 feet) for the passage of most vessels instead of the maximum (600 feet). Current regulations

at 33 CFR 117.5 state that, unless otherwise required, drawbridges shall be fully opened for the passage of vessels. The drawspan of the Hood Canal is extremely wide compared to the majority of drawbridges. Unlike many drawbridges, no part of the draw mechanism is suspended above the channel when opened. Opening only to 300 feet for the vast majority of openings will reduce energy consumption and maintenance costs as well as shorten delays to roadway traffic. A full opening and closure of the bridge, not including vessel transit time, takes at least fifteen minutes. This is two or three times longer than the opening and closing time of many other drawbridges. WSDOT has observed that only one or two openings out of an average of about 32 openings per month are for vessels that need the span fully opened to pass safely. The remaining vessels pass safely through a horizontal opening of only 300 feet. In practice, many vessels routinely pass through the bridge before the retractable span has been fully opened.

Discussion of Comments and Changes

The single comment received was from the United States Navy which is the entity most often in need of full openings for the safe passage of large vessels on Hood Canal. This change is not expected to affect naval operations