

(International) (formerly of the Office of Assistant Chief Counsel (Disclosure Litigation)). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 301 is amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 is amended by adding an entry in numerical order to read as follows:

Authority: 26 U.S.C. 7805 * * *

Section 301.6103(j)(1)-1T also issued under 26 U.S.C. 6103(j)(1); * * *

Par. 2. Section 301.6103(j)(1)-1 is amended by revising paragraphs (b)(3) and (b)(6)(i)(A) to read as follows:

§ 301.6103(j)(1)-1 Disclosures of return information to officers and employees of the Department of Commerce for certain statistical purposes and related activities.

* * * * *

(b)(3)[Reserved]. For further guidance, see § 301.6103(j)(1)-1T(b)(3).

* * * * *

(b)(6)(i)(A)[Reserved]. For further guidance, see § 301.6103(j)(1)-1T(b)(6)(i)(A).

* * * * *

Par. 3. Section 301.6103(j)(1)-1T is added to read as follows:

§ 301.6103(j)(1)-1T Disclosure of return information to officers and employees of the Department of Commerce for certain statistical purposes and related activities (temporary).

(a) through (b)(2)[Reserved]. For further guidance, see § 301.6103(j)(1)-1(a) through (b)(2).

(b)(3) Officers or employees of the Internal Revenue Service will disclose the following business related return information reflected on the return of a taxpayer to officers and employees of the Bureau of the Census for purposes of, but only to the extent necessary in, conducting and preparing, as authorized by chapter 5 of title 13, United States Code, demographic, economic, and agricultural statistics programs, censuses, and surveys. The "return of a taxpayer" includes, but is not limited to, Form 941; Form 990 series; Form 1040 series and Schedules C and SE; Form

1065 and all attending schedules and Form 8825; Form 1120 series and all attending schedules and Form 8825; Form 851; Form 1096; and other business returns, schedules and forms that the Internal Revenue Service may issue—

(i) Taxpayer identity information (as defined in section 6103(b)(6)) including parent corporation, shareholder, partner, and employer identity information;

(ii) Gross income, profits, or receipts;

(iii) Returns and allowances;

(iv) Cost of labor, salaries, and wages;

(v) Total expenses or deductions;

(vi) Total assets;

(vii) Beginning- and end-of-year inventory;

(viii) Royalty income;

(ix) Interest income, including portfolio interest;

(x) Rental income, including gross rents;

(xi) Tax-exempt interest income;

(xii) Net gain from sales of business property;

(xiii) Other income;

(xiv) Total income;

(xv) Percentage of stock owned by each shareholder;

(xvi) Percentage of capital ownership of each partner;

(xvii) End-of-year code;

(xviii) Months actively operated;

(xix) Principal industrial activity code, including the business description;

(xx) Total number of documents and the total amount reported on the Form 1096 transmitting Forms 1099-MISC;

(xxi) Form 941 indicator and business address on Schedule C; and

(xxii) Consolidated return indicator.

(b)(4) and (5)[Reserved]. For further guidance, see § 301.6103(j)(1)-1(b)(4) and (5).

(b)(6)(i) Officers or employees of the Internal Revenue Service will disclose the following return information (but not including return information described in section 6103(o)(2)) reflected on the return of a corporation with respect to the tax imposed by Chapter 1 to officers and employees of the Bureau of the Census for purposes of, but only to the extent necessary in, developing and preparing, as authorized by law, the Quarterly Financial Report—

(A) From the business master files of the Internal Revenue Service—

(1) Taxpayer identity information (as defined in section 6103(b)(6)), including parent corporation identity information;

(2) Document code;

(3) District office code;

(4) Consolidated return and final return indicators;

(5) Principal industrial activity code;

(6) Partial year indicator;

(7) Annual accounting period;

(8) Gross receipts less returns and allowances; and

(9) Total assets.

(b)(6)(i)(B) and (ii)[Reserved]. For further guidance, see § 301.6103(j)(1)-1(b)(6)(i)(B) and (ii).

(iii) Information from an employment tax return disclosed pursuant to § 301.6103(j)(1)-1(b)(2)(iii)(A), (B), (D), (I) and (J) may be used by officers and employees of the Bureau of the Census for the purpose described in and subject to the limitations of this paragraph (b)(6).

(c) and (d) [Reserved]. For further guidance, see § 301.6103(j)(1)-1(c) and (d).

(e) *Effective date.* This section is applicable to the Bureau of the Census on January 25, 1999 through January 22, 2002.

Approved: December 29, 1998.

Robert E. Wenzel,

Deputy Commissioner of Internal Revenue.

Donald C. Lubick,

Assistant Secretary of the Treasury.

[FR Doc. 99-1284 Filed 1-22-99; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 356

[Department of the Treasury Circular, Public Debt Series No. 1-93]

Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds

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 issuing 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 incorporates certain changes in the Department's marketable securities auction program that have been made over the last several months. The amendment defines the term "bid-to-cover ratio" and adds the term to the listing of information that the Department provides in its official auction results announcements. The amendment also updates an example of the proration of auction awards and the sample offering announcements to reflect the change in minimum bid amounts to \$1,000 for all marketable

Treasury securities auctions. The amendment replaces the example of a 3-year note with a 5-year note in the sample highlights of the quarterly financing offering announcement.

Further, the amendment makes various revisions to reflect the expansion of uniform or single-price auctions to all marketable Treasury securities. Finally, this amendment makes minor, unrelated technical corrections by restating terms in several equations in Appendix B.

EFFECTIVE DATE: January 25, 1999.

ADDRESSES: This final rule is available for downloading from the Bureau of the Public Debt's Internet site at the following address:

www.publicdebt.treas.gov. It is also available for public inspection and copying at the Treasury Department Library, FOIA Collection, Room 5030, Main Treasury Building, 1500 Pennsylvania Avenue, N.W., Washington, D.C., 20220. Persons wishing to visit the library should call (202) 622-0990 for an appointment.

FOR FURTHER INFORMATION CONTACT: Kerry Lanham (Acting Director), Chuck Andreatta or Kurt Eidemiller (Senior Financial Advisors), 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 This final amendment provides for several changes to the uniform offering circular. It adds a definition of the term "bid-to-cover ratio" in § 356.2 and revises § 356.23 by incorporating the term in the list of information included in auction results press releases; reflects in § 356.21 and Exhibit A the changes to \$1,000 minimum bid amounts for all marketable Treasury securities auctions; replaces in Exhibit A the example of a 3-year note with a 5-year note in the sample highlights of the quarterly financing offering announcement; modifies the definition of "noncompetitive bid" in § 356.2 and revises §§ 356.20 and 356.23 and Exhibit A to reflect the Department's expansion of single-price auctions to all marketable Treasury securities auctions;

and makes several minor, unrelated technical corrections in the equations provided in Appendix B.

After the conclusion of a marketable Treasury security auction, the Department makes an official announcement of the auction results through a press release. On June 1, 1998, the Department began providing the "bid-to-cover ratio" in all of its auction results press releases. This is the ratio of the total par amount of competitive and noncompetitive bids by the public divided by the total par amount of the securities awarded to the public. The press and some market participants use this figure as an indicator of the bidding interest and, therefore, the "success" of the auction.

The number is carried to two decimal places, using normal rounding. For example, if the total amount bid by the public² is \$24.985561 billion, and the amount awarded to the public is \$10.013049 billion, the bid-to-cover ratio is $24.985561/10.013049 = 2.495$, or 2.50.

By providing the bid-to-cover ratio on the press release, the Department hopes to speed up the dissemination of auction results information to the market. This procedural change, however, should not be viewed as an endorsement by the Department of the bid-to-cover ratio as an analytical method that is superior to other methods for analyzing the results of a marketable Treasury security auction.

Accordingly, § 356.2 of the uniform offering circular is amended by adding the definition of the term "bid-to-cover ratio." In addition, § 356.23 is reformatted and revised by adding the bid-to-cover ratio to the listing of information that the Department provides on the auction results press releases.

This final amendment also revises relevant sections of the uniform offering circular to reflect the Department's decision to reduce the minimum bid amounts (and minimum to hold amounts) to \$1,000 for all marketable Treasury securities auctions. All Treasury bills, notes, and bonds are now issued and transferred in increments of \$1,000. As announced at the August 1998 quarterly refunding press conference, this reduction in the minimum amounts "puts Treasury bills and short-term notes within the reach of small investors." Prior to this, Treasury bills had minimum bid amounts of

\$10,000, and Treasury notes with maturities of four years or less required minimum bid amounts of \$5,000. Notes with longer maturities and 30-year bonds have for a long time been available in \$1,000 minimum purchase amounts. Accordingly, an example describing the Department's proration of certain auction awards in § 356.21 and the highlights of the sample offering announcements listed in Exhibit A are revised to reflect this change.

In addition, the highlights of the sample quarterly financing offering announcement, in Exhibit A, are updated to reflect the Department's decision to issue 5-year notes quarterly, instead of monthly, while discontinuing the issuance of 3-year notes as announced at the quarterly refunding press conference in May 1998.

The Department announced at its November 1998 quarterly refunding press conference on October 28, 1998 that, effective November 2, 1998 all future auctions of marketable Treasury securities will use the uniform or single-price auction method. Previously, Treasury bills and certain Treasury notes and bonds had been auctioned using a multiple-price auction method. As announced at this quarterly refunding press conference, the Department believes "that using uniform-price auctions will promote improved efficiency in the markets, and will reduce the costs of financing the Federal debt." Accordingly, the existing definition of "noncompetitive bid" in § 356.2 is revised and respective 356.20 and 356.23 and the sample offering announcements, in Exhibit A, have been modified to reflect this change. The uniform offering circular, however, will continue to define and describe multiple-price auctions as it has historically done, although this method is not currently used. Finally, this amendment also makes several unrelated and minor technical corrections in the equations of Appendix B.

Procedural Requirements

This final rule does not meet the criteria for a "significant regulatory action" pursuant to Executive Order 12866. Because this rule relates to public contracts and procedures for United States securities, the notice, public comment, and delayed effective date provisions 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

¹ The uniform offering circular was published as a final rule on January 5, 1993 (58 FR 412). The circular, as amended, is codified at 31 CFR Part 356.

² For the calculation of the bid-to-cover ratio, the amount bid by and awarded to the public excludes any bids or awards for accounts of foreign and international monetary authorities at Federal Reserve Banks or for the account of the Federal Reserve Banks.

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: January 12, 1999.

Donald V. Hammond,
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 356.2 is amended by adding in alphabetical order the definition of "Bid-to-cover ratio" and by revising the definition of "Noncompetitive bid" to read as follows:

§ 356.2 Definitions.

* * * * *

Bid-to-cover ratio means the total par amount of securities bid for by the public divided by the total par amount of securities awarded to the public. The bid-to-cover ratio excludes any bids or awards for accounts of foreign and international monetary authorities at Federal Reserve Banks and for the account of the Federal Reserve Banks.

* * * * *

Noncompetitive bid means, for a single-price auction, a bid to purchase securities at the highest yield or discount rate of awards to competitive bidders. For a multiple-price auction, a noncompetitive bid means a bid to purchase securities at the weighted average yield or discount rate of awards to competitive bidders.

* * * * *

3. Section 356.20 is amended by revising paragraph (b) to read as follows:

§ 356.20 Determination of auction awards.

* * * * *

(b) *Determining the interest rate for new note and bond issues.* The interest rate established as a result of the auction will be set at a 1/8 of one percent increment. For single-price auctions, the interest rate established produces the price closest to, but not above, par when evaluated at the yield awarded to successful competitive bidders. For multiple-price auctions, the interest rate established produces the price closest to, but not above, par when evaluated at the weighted-average yield of awards to successful competitive bidders.

* * * * *

4. Section 356.21 is amended by revising the last three sentences in paragraph (a) to read as follows:

§ 356.21 Proration of awards.

(a) *Awards to submitters.* * * * For example, Treasury bills may be issued with a minimum to hold of \$1,000 and multiples of \$1,000. Where an \$18,000 bid is accepted at the high discount rate, and the percent awarded at the high discount rate is 88%, the award to that bidder will be \$16,000, representing an upward adjustment from \$15,840 (\$18,000 x .88) to an appropriate multiple to hold. If tenders at the highest accepted discount rate are prorated at, for example, a rate of 4%, the award for a \$10,000 bid will be \$1,000, instead of \$400, in order to meet the minimum to hold for a bill issue.

* * * * *

5. Section 356.23 is revised to read as follows:

§ 356.23 Announcing auction results.

(a) After the conclusion of the auction, the Department will make an official announcement of the auction results through a press release.

(b) The press release will include such information as:

- (1) The amounts of bids recognized and accepted;
- (2) The range of accepted yields or discount rates;
- (3) The proration percentage;
- (4) The interest rate for a note or bond;
- (5) A breakdown of the amounts of noncompetitive and competitive bids recognized and accepted from the public;
- (6) The amounts recognized and accepted from the Federal Reserve Banks for their own account and for foreign and international monetary authorities;
- (7) The minimum par amount required to strip a note or bond;
- (8) The bid-to-cover ratio; and

(9) other information that the Department may decide to include.

Appendix B to Part 356—[Amended]

6. In Appendix B to Part 356, section II, paragraph F is amended by replacing the term v_n (v with subscript n) throughout the paragraph with the term v^n (v with superscript n or, alternatively, v to the nth power).

7. In Appendix B to Part 356, section V, paragraph A is amended by revising the first equation under the resolution to read as follows:

* * * * *

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

A. *Conversion of the discount rate to a purchase price for Treasury bills of all maturities:*

* * * * *

Resolution:
 $P=100 [(1-dr)/360]$

* * * * *

8. Exhibit A to Part 356 is amended by revising 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 \$16,000 million of 5-year notes, \$12,000 million of 10-year notes, and \$10,000 million of 30-year bonds to refund \$26,996 million of publicly-held securities maturing February 15, 20XX, and to raise about \$11,004 million of new cash.

In addition to the public holdings, Government accounts and Federal Reserve Banks, for their own accounts, hold \$1,795 million of the maturing securities, 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.

All of the auctions being announced today will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders.

The 5-year and 10-year notes 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 for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (31 CFR Part 356, as amended). Details about the notes and bond are given in the attached offering highlights. Attachment

HIGHLIGHTS OF TREASURY OFFERINGS TO THE PUBLIC
[February 20XX Quarterly Financing]

Offering Amount	\$16,000 million	\$12,000 million	\$10,000 million.
Description of Offering:			
Term and type of security	5-year notes	10-year notes	30 year bonds.
Series	U-20XX	B-20XX	Bonds of February 20XX.
CUSIP number	912827XX X	912827XX X	912810XX 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 15, 20XX	February 15, 20XX	February 15, 20XX.
Maturity date	February 15, 20XX	February 15, 20XX	February 15, 20XX.
Interest rate	Determined based on the highest accepted competitive bid.	Determined based on the highest accepted competitive bid.	Determined based on the highest accepted competitive bid.
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 and multiples.	\$1,000	\$1,000	\$1,000.
Accrued interest payable by investor.	Determined at auction	Determined at auction	Determined at auction.
Premium or discount	Determined at auction	Determined at auction	Determined at auction.
STRIPS Information:			
Minimum amount required	Determined at auction	Determined at auction	Determined at auction.
Corpus CUSIP number	912820XX X	912820XX X	912803XX 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 highest accepted yield.
- 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.

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 By charge to a funds account at a Federal Reserve Bank on issue date, or payment of full par amount with tender. Treasury Direct customers can use the Pay Direct feature which authorizes a charge to their account of record at their financial institution on issue date.

II. Treasury Weekly Bill Announcement

Embargoed Until 2:30 p.m. April 15, 20XX
Contact: Office of Financing, 20/XXX-XXXX

Treasury Offers 13-Week and 26-Week Bills

The Treasury will auction two series of Treasury bills totaling approximately \$16,000 million, to refund \$13,469 million of publicly held securities maturing November 19, 1998 and to raise about \$2,531 million of new cash.

In addition to the public holdings, Federal Reserve Banks for their own accounts hold \$7,442 million of the maturing bills, which

may be refunded at the highest discount rate of accepted competitive tenders. Amounts issued to these accounts will be in addition to the offering amount.

The maturing bills held by the public include \$1,991 million held by Federal Reserve Banks as agents for foreign and international monetary authorities, which may be refunded within the offering amount at the highest 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.

The 13- and 26-week bill auctions will be conducted in the single-price auction format.

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 for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (31 CFR Part 356, as amended).

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

HIGHLIGHTS OF TREASURY OFFERINGS OF BILLS TO BE ISSUED APRIL 24, 20XX

Offering Amount	\$8,000 million	\$8,000 million.
Description of Offering:		
Term and type of security	91-day bill	182-day bill.
CUSIP number	912795 XX X	912795 XX X.

HIGHLIGHTS OF TREASURY OFFERINGS OF BILLS TO BE ISSUED APRIL 24, 20XX—Continued

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 and 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 highest 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	By charge to a funds account at a Federal Reserve Bank on issue date, or payment of full par amount with tender. Treasury Direct customers can use the Pay Direct feature which authorizes a charge to their account of record at their financial institution 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 highest discount rate of accepted competitive tenders.

The 45-day cash management bill will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest discount rate of accepted competitive tenders.

This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (31 CFR Part 356, as amended).

Note: Competitive bids in cash management bill auctions must be expressed as a discount rate with *two* decimals, e.g., 7.10%.

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

HIGHLIGHTS OF TREASURY OFFERING OF 45-DAY CASH MANAGEMENT BILL

Offering Amount	\$23,000 million.
Description of Offering:	
Term and type of security	45-day Cash Management Bill.
CUSIP number	912795 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 and multiples	\$1,000.
Submission of Bids:	
Noncompetitive bids	Accepted in full up to \$1,000,000 at the highest accepted discount rate.
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.

HIGHLIGHTS OF TREASURY OFFERING OF 45-DAY CASH MANAGEMENT BILL—Continued

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	By charge to a funds account at a Federal Reserve Bank on issue date, or payment of full par amount with tender.

* * * * *

[FR Doc. 99-1441 Filed 1-22-99; 8:45 am]

BILLING CODE 4810-39-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Health Care Financing Administration****42 CFR Parts 409, 410, and 424**

[HCFA-1813-FC]

RIN 0938-AH13

Medicare Program; Coverage of Ambulance Services and Vehicle and Staff Requirements

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Final rule with comment period.

SUMMARY: This final rule with comment period revises and updates Medicare policy concerning ambulance services. It identifies destinations to which ambulance services are covered, establishes requirements for the vehicles and staff used to furnish ambulance services, and clarifies coverage of nonemergency ambulance services for Medicare beneficiaries. This rule also implements section 4531(c) of the Balanced Budget Act of 1997 concerning Medicare coverage for paramedic intercept services in rural communities.

DATES: *Effective Date:* These regulations are effective on February 24, 1999.

Comment Period: We will consider comments concerning Medicare coverage for paramedic intercept services in rural areas if we receive the comments at the appropriate address, as provided below, no later than 5 p.m. on March 26, 1999.

ADDRESSES: Mail written comments (an original and three copies) to the following address:

Health Care Financing Administration,
Department of Health and Human
Services, Attention: HCFA-1813-FC
P.O. Box 7517, Baltimore, MD 21207-
0517.

If you prefer, you may deliver your written comments (an original and three copies) to one of the following addresses:

Room 443-G, Hubert H. Humphrey
Building, 200 Independence Avenue,
SW, Washington, DC 20201, or
Room C5-14-03, Central Building, 7500
Security Boulevard, Baltimore, MD
21244-1850.

Comments may also be submitted electronically to the following e-mail address: HCFA1813FC@hcfa.gov. For e-mail comment procedures, see the beginning of **SUPPLEMENTARY INFORMATION**. For further information on ordering copies of the **Federal Register** containing this document and on electronic access, see the beginning of **SUPPLEMENTARY INFORMATION**.

FOR FURTHER INFORMATION CONTACT: Robert Niemann, (410) 786-4569 for issues relating to payment for Paramedic Intercept Services. Margot Blige, (410) 786-4642 for all other issues.

SUPPLEMENTARY INFORMATION:**E-mail, Comments, Availability of Copies, and Electronic Access**

E-mail comments must include the full name, postal address, and affiliation (if applicable) of the sender and must be submitted to the referenced address to be considered. All comments must be incorporated in the e-mail message because we may not be able to access attachments.

Because of staffing and resource limitations, we cannot accept comments by facsimile (FAX) transmission. In commenting, please refer to file code HCFA-1813-FC. Comments received timely will be available for public inspection as they are received, generally beginning approximately 3 weeks after publication of a document, in Room 443-G of the Department's offices at 200 Independence Avenue, SW., Washington, DC, on Monday through Friday of each week from 8:30 a.m. to 5 p.m. (phone: (202) 690-7890).

Copies: To order copies of the **Federal Register** containing this document, send your request to: New Orders, Superintendent of Documents, P.O. box 371954, Pittsburgh, PA 15250-79454. Specify the date of the issue requested and enclose a check or money order payable to the Superintendent of Documents, or enclose your Visa or Master Card number and expiration date. Credit card orders can also be placed by calling the order desk at (202)

512-1800 or by faxing to (202) 512-2250. The cost for each copy is \$8. As an alternative, you can view and photocopy the **Federal Register** document at most libraries designated as Federal Depository Libraries and at many other public and academic libraries throughout the country that receive the **Federal Register**.

This **Federal Register** document is also available from the **Federal Register** online database through GPO Access, a service of the U.S. Government Printing Office. Free public access is available on a Wide Area Information Server (WAIS) through the Internet and via asynchronous dial-in. Internet users can access the database by using the World Wide Web; the Superintendent of Documents home page address is <http://www.access.gpo.gov/nara/>, by using local WAIS client software, or by telnet to swais.access.gpo.gov, then log in as guest (no password required). Dial-in users should use communications software and modem to call (202) 512-1661; type swais, then log in as guest (no password required). For general information about GPO Access, contact the GPO Access User Support Team by sending Internet e-mail to help@eids05.eids.gpo.gov; by faxing to (202) 512-1262; or by calling (202) 512-1530 between 7 a.m. and 5 p.m. Eastern time, Monday through Friday, except for Federal holidays.

I. Background**A. Statutory Coverage of Ambulance Services**

Under section 1861(s)(7) of the Social Security Act (the Act), Medicare Part B (Supplementary Medical Insurance) covers and pays for ambulance services, to the extent prescribed in regulations, when the use of other methods of transportation would be contraindicated. The House Ways and Means Committee and Senate Finance Committee Reports that accompanied the 1965 Social Security Amendments suggest that the Congress intended that (1) the ambulance benefit cover transportation services only if other means of transportation are contraindicated by the beneficiary's