

Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency contemporaneously published similar proposals. Collectively, the banking agencies received over 200,000 comments from the public, the overwhelming majority of which were strongly opposed to the adoption of the proposed regulation. After considering the issues raised by the comments, and in view of the strong opposition to the proposed regulation, OTS is withdrawing the Notice of Proposed Rulemaking.

**DATES:** Proposed § 563.178 is withdrawn on March 29, 1999.

**FOR FURTHER INFORMATION CONTACT:**

Larry A. Clark, Director, Trust Programs, (202) 906-5628, Gary C. Jackson, Analyst, Compliance Policy and Specialty Examinations, (202) 906-5653, Christine Harrington, Counsel (Banking and Finance), (202) 906-7957, or Karen Osterloh, Assistant Chief Counsel, (202) 906-6639, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

**SUPPLEMENTARY INFORMATION:**

**Background**

On December 7, 1998, OTS published a proposed "Know Your Customer" regulation (63 FR 67536, Dec. 7, 1998). The proposed regulation was intended to provide guidance to savings associations to facilitate and ensure their compliance with existing federal reporting and recordkeeping requirements, such as those found in the Bank Secrecy Act. It was intended to help protect the integrity and reputation of the financial services industry as it combats money laundering and other illegal activities that might be occurring through financial institutions.

OTS received approximately 5,000 comments on the proposal. Comments came from individuals, depository institutions of all sizes, members of Congress, trade and industry research groups, and regulatory bodies. Very few commenters supported the proposed regulation.

The overwhelming majority of commenters were private citizens who strongly opposed the proposal as an invasion of personal privacy. Depository institutions, their holding companies, and industry trade groups commenting on the proposal also opposed the proposed regulation, arguing that the regulation would be very costly to implement, especially for small institutions; would invade customer privacy; and would unfairly disadvantage depository institutions if

all segments of the financial services industry were not covered.

**Withdrawal of the Proposed Rule**

The OTS is sensitive both to the concerns raised by the commenters and to the need for a supervisory framework that ensures that the institutions we regulate adhere to the nation's anti-money laundering statutes, including the Bank Secrecy Act. OTS has carefully reviewed the comments received. After considering the concerns raised, we are convinced the proposed regulation does not strike the appropriate balance. Based upon that review, OTS withdraws its proposal published in the **Federal Register** on December 7, 1998, at 63 FR 67536.

By the Office of Thrift Supervision.  
Dated: March 22, 1999.

**Ellen Seidman,**

*Director.*

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[REG-106219-98]

RIN 1545-AW32

**Acquisition of an S Corporation by a Member of a Consolidated Group; Hearing Cancellation**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Cancellation of notice of public hearing on proposed rulemaking.

**SUMMARY:** This document provides notice of cancellation of a public hearing on proposed regulations under section 1502 providing specific rules that apply to the acquisition of the stock of an S corporation by an affiliate group of corporations that joins in the filing of a consolidated return.

**DATES:** The public hearing originally scheduled for Wednesday, March 31, 1999, at 10 a.m., is cancelled.

**FOR FURTHER INFORMATION CONTACT:** LaNita Van Dyke of the Regulations Unit, Assistant Chief Counsel (Corporate), (202) 622-7190 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking and/or notice of public hearing that appeared in the **Federal Register** on Thursday, December 17, 1998, (63 FR 69581), announced that a public hearing was scheduled for Wednesday, March 31,

1999, at 10 a.m., in room 2615, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. The subject of the public hearing is proposed regulations under section 1502 of the Internal Revenue Code. The public comment period for these proposed regulations expired on Wednesday, March 10, 1999. The outlines of topics to be addressed at the hearing were due on Wednesday, March 17, 1999.

The notice of proposed rulemaking and/or notice of public hearing, instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed. As of Friday, March 19, 1999, no one has requested to speak. Therefore, the public hearing scheduled for Wednesday, March 31, 1999, is cancelled.

**Cynthia Grigsby,**

*Chief, Regulations Unit, Assistant Chief Counsel (Corporate).*

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**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Part 648**

[Docket No. 990318076-9076-01; I.D. 030599A]

RIN 0648-AL72

**Fisheries of the Northeastern United States; Northeast Multispecies Fishery; Framework Adjustment 27**

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Proposed 1999 target total allowable catch (TAC) levels and management measures; request for comments.

**SUMMARY:** NMFS issues this proposed rule to implement measures contained in Framework 27 to the Northeast Multispecies Fishery Management Plan (FMP). This action is necessary to address overfishing of several stocks, in particular Gulf of Maine (GOM) cod, and to achieve the rebuilding goals of the FMP for the 1999 multispecies fishing year. The primary management measures proposed in Framework 27 would establish GOM Rolling Closures of greater size and duration than the current GOM Inshore Closure Areas, reconfigure and increase the duration of the Cashes Ledge Closure Area, reduce the GOM cod trip limit to 200 lb/day