

amount of credit to be taken against the next quarterly payment otherwise due.

(2) The notification required in paragraph (d)(1) of this section shall be made in writing addressed to the gaming operation.

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[FR Doc. 04-955 Filed 1-15-04; 8:45 am]

BILLING CODE 7565-01-P

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 363

Regulations Governing New Treasury Direct System

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

ACTION: Final rule.

SUMMARY: New Treasury Direct (also referred to as Treasury Direct) is a book-entry, online system for purchasing, holding and conducting transactions in Treasury securities. This rule amends the regulations relating to accounts belonging to minors. This rule also sets forth the rules for custom accounts, which are accounts created for a specific purpose. This rule also removes references to special forms of registration for decedents' and incompetents' estates. Rather than change registrations for these circumstances, we will handle the transactions offline.

When we initiated New Treasury Direct, we published but deferred the implementation of several sections dealing with minor accounts. All deferred sections dealing with minor accounts have been deleted or amended in their entirety, and the new sections are effective with this rule.

DATES: This rule is effective January 16, 2004.

ADDRESSES: You can download this final rule at the following Internet address: <http://www.publicdebt.treas.gov>.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION: New Treasury Direct is an account-based, online, book-entry system for purchasing, holding, and conducting transactions in Treasury securities via the Internet. Currently, Series EE and Series I savings bonds are offered through New Treasury Direct. Initially, only adult individuals were able to open accounts in New Treasury Direct. This rule will permit a parent or person who provides the chief financial support for a minor to open and access an account for a minor as custodian of the account.

The custodian is a fiduciary for the minor. The account is held in the name and social security number of the minor. The securities held in the minor's account are registered in the name and social security number of the minor, with the minor as sole owner, owner with beneficiary, or primary owner with secondary owner of the securities. The minor's account is a separate account that is linked to the primary New Treasury Direct account of the custodian. The custodian may access the minor's account using the custodian's primary New Treasury Direct account as a portal.

Using his or her own New Treasury Direct account, the custodian may access the minor's account to purchase and make transactions in securities on the minor's behalf. The custodian must certify that he or she is acting on behalf of the minor when he or she opens the minor's account and in all subsequent transactions in the account. The custodian may transfer the securities without a change in registration to another custodian for the same minor. The custodian may grant the right to view the securities to another New Treasury Direct account holder, and may grant the right to redeem the securities to a secondary owner named on the minor's securities. When the minor reaches the age of 18 years, the transactions that the custodian may make in the minor's account are limited to purchasing securities and transferring securities to another account identified by the minor's social security number, whether that is an account maintained by another custodian for the minor, or the minor's own previously established primary account. (We will continue to refer to a minor who has attained the age of 18 years by the term "minor", until the minor's securities are transferred to the minor's (now adult's) own primary account.) The minor may also contact us when he reaches the age of 18 to have the securities transferred

from the custodian's account to the minor's primary account.

In addition to permitting accounts on behalf of minors, this rule permits custom accounts, which are accounts that are linked to the primary account of the owner. A custom account contains securities in the same form of registration as the primary account, but the owner may informally designate a purpose for the custom account. However, the designation has no legal effect on the securities held in the account; the registration of the securities determines ownership. The annual purchase limitation will include securities held in custom accounts.

We are also deleting sections referring to special forms of registration. Initially, we had planned to permit representatives of a decedent's estate and guardians of an incompetent to make online transactions in securities held by a decedent or an incompetent through the personal New Treasury Direct account of the representative or guardian. At this time we believe that the interests of our customers will be better served by focusing our resources on expanding the scope of our basic online services. We therefore provide offline servicing for estates through our customer service staff.

When we initiated New Treasury Direct, we published but deferred the implementation of several sections of the regulations, including those related to minors. We have since revised our thinking on the treatment of minor accounts. Therefore, the provisions of the regulations published in Volume 67 of the **Federal Register** at page 64276, on October 17, 2002, relating to minor accounts, will never be implemented. In their place, this rule will apply, as of the date of its publication in the **Federal Register**.

Procedural Requirements

This final rule does not meet the criteria for a "significant regulatory action" as defined in Executive Order 12866. Therefore, the regulatory review procedures contained therein do not apply.

This final rule relates to matters of public contract and procedures for United States securities. The notice and public procedures requirements and delayed effective date 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 Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) does not apply.

We ask for no new collections of information in this final rule. Therefore,

the Paperwork Reduction Act (44 U.S.C. 3507) does not apply.

List of Subjects in 31 CFR Part 363

Bonds, Electronic funds transfer, Federal Reserve system, Government securities, Securities.

■ Accordingly, for the reasons set out in the preamble, 31 CFR chapter II, subchapter B, is amended as follows:

■ 1. The authority citation for part 363 continues to read as follows:

Authority: 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 3102, *et seq.*, 3105 and 3125.

PART 363—REGULATIONS GOVERNING SECURITIES HELD IN THE NEW TREASURY DIRECT SYSTEM

■ 2. Revise § 363.4 to read as follows:

§ 363.4 How is New Treasury Direct different from the Treasury Direct system?

New TreasuryDirect is an online (Internet-accessible only) system which currently provides for the purchase and holding of book-entry U.S. savings bonds and will eventually also provide for the purchase and holding of marketable Treasury securities. There is also a separate *TreasuryDirect* system (*TreasuryDirect*), available since 1986, for purchasing and holding marketable Treasury securities in book-entry form. The *TreasuryDirect* system for marketable securities offers more limited online services. The terms and conditions for *TreasuryDirect* are found at part 357, and are substantially different from the terms and conditions of securities held in New Treasury Direct.

■ 3. Amend § 363.6 by revising the definitions of “minor”, “transfer”, and “you”, and by adding other definitions in alphabetical order, to read as follows:

§ 363.6 What special terms do I need to know to understand this part?

* * * * *

Custodian of a minor account means a person who opens an account on behalf of the minor. (See § 363.27 for more information about minor accounts.)

Custom account means an account that you establish for a specific purpose that is linked to your primary account. You use your primary account as the portal to open and access your custom linked account. (See § 363.15 for more information about custom accounts.)

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De-link means the online process by which all securities contained within the minor linked account are moved to the minor's primary New Treasury

Direct account and the linked account is deactivated.

* * * * *

Linked account means an account that is a separate account from your primary account, but connected to your primary account. You use your primary account as a portal to open and access the linked account. (See § 363.15 for more information about linked accounts.)

Minor means an individual under the age of 18 years. The term minor is also used to refer to an individual who has attained the age of 18 years but has not yet taken control of the securities contained in his or her minor account.

Minor linked account means an account that you control on behalf of a minor. You use your primary account as the portal to open and access the minor linked account. (See §§ 363.15 and 363.27 for more information about minor accounts.)

* * * * *

Primary account means the account that you establish when you first open your New Treasury Direct account; your primary account is the portal used to open and access all your linked accounts. (See § 363.15 for more information about primary accounts.)

* * * * *

Transfer means moving a minimum amount of \$25 (consisting of principal and proportionate interest) of a security from one New Treasury Direct account to another. The transfer of a specific security may be restricted by the terms of this part that apply to that security.

* * * * *

You or your refers to a New Treasury Direct primary account holder.

■ 4. Revise § 363.15 to read as follows:

§ 363.15 What is a New Treasury Direct account?

A New Treasury Direct account is an online account maintained by us solely in your name in which you may hold and conduct transactions in eligible book-entry Treasury securities.

(a) *Primary Account*. Your primary account that you establish when initially opening your New Treasury Direct account may contain the following Treasury securities:

(1) Treasury securities that are your personal holdings, in sole owner, owner with beneficiary, and primary owner with secondary owner forms of registration; and

(2) gifts that have not yet been delivered.

(b) *Linked account*. A linked account is an account that is a separate account from your primary account, but that is connected to your primary account. You use your primary account as a portal to

open and access the linked account. Linked accounts include the following:

(1) *Custom account*. A custom account is an account that is linked to your primary account. You use your primary account as the portal to open and access your custom account. You may informally designate a purpose for the custom account, for example, “vacation fund”, or “Johnny’s college fund”. However, the designation as to purpose has no legal effect; the registration of the securities held in the custom account determines ownership (Annual purchase limitations include securities held in custom accounts). You may use your custom account to buy, redeem and transfer securities that you own in sole owner, owner with beneficiary, and primary owner with secondary owner forms of registration. You may also buy and deliver gift securities from your custom account.

(2) *Minor account*. A minor account is an account established by a custodian for a person who has not yet reached the age of 18 years. A minor account is linked to the custodian’s primary account. The minor is the owner of the securities, but the custodian controls the account on behalf of the minor. (See § 363.27 for more information about minor accounts.)

■ 5. Amend § 363.24 by adding paragraph (p) to read as follows:

§ 363.24 What transactions can I perform online through my New Treasury Direct account?

* * * * *

(p) You can open and access any linked accounts using your primary account as a portal.

■ 6. Revise § 363.27 to read as follows:

§ 363.27 What do I need to know about accounts for minors who have not had a legal guardian appointed by a court?

(a) *Opening an account in the name of a minor*. (1) A parent or a person who provides the chief financial support of a minor may open an account for a minor. The person opening the account for a minor is referred to as the custodian of the minor’s account.

(2) The custodian is a fiduciary for the minor as to the securities held in the minor’s account.

(3) The custodian must have an existing primary New Treasury Direct account in order to open the minor’s account.

(i) The minor’s account is an account that is linked to the custodian’s primary account.

(ii) The custodian must use his or her primary New Treasury Direct account as a portal to open and access the minor’s account.

(4) Securities contained in the minor's account will be registered in the name and SSN of the minor, in either sole owner, owner with beneficiary, or primary owner with secondary owner forms of registration.

(b) *Procedure for opening an account for a minor.* (1) Online instructions will be provided for establishing an account for a minor.

(2) The custodian must certify that all transactions conducted through the account will be on the minor's behalf.

(c) *Procedure for conducting transactions in the minor's account.* The custodian must conduct all transactions in the minor's account on behalf of the minor. Access to the minor's account is through the custodian's primary account.

(d) *Transactions permitted in the minor's account.* (1) The custodian may purchase securities for and on behalf of the minor through the minor's account.

(2) The custodian may redeem securities on behalf of the minor through the minor's account. We will report the interest earned on the security to the name and SSN of the minor.

(3) The custodian may not purchase gift securities from the minor's account.

(4) The custodian may not transfer securities from the minor's account if the transfer will result in a change of ownership in the security.

(5) Securities may be transferred to the minor's account.

(6) Gift securities may be delivered to the minor's account.

(7) The custodian may grant the right to view securities in the minor's account to another New Treasury Direct account holder, and may grant the right to redeem securities in the minor's account to a secondary owner, if any, named on the securities held in the minor's account.

(e) *When the minor reaches the age of 18 years.* (1) The only transactions that the custodian may make in the minor's account after the minor attains the age of 18 years are to purchase new securities, and to transfer the securities contained in the minor's account to another account in the name and SSN of the minor. The receiving account in the name and SSN of the minor may be a primary account established by the minor, or it may be another minor linked account with the same or a different custodian. The custodian may transfer one or more of the securities at a time, or the custodian may de-link the account and transfer all of the securities contained in the account to the minor's previously established primary New Treasury Direct account. The minor must establish his or her own primary

New Treasury Direct account prior to transfer of his or her securities.

(2) In order to gain control of the securities held in the minor's account, the minor must first open his or her own primary account.

(3) The minor may gain control of the securities held in the minor's account by the custodian transferring the securities held in the minor's account to the minor's primary account, or the minor may request that Public Debt transfer the securities to his or her primary account.

(f) *Liability.* We rely on the certification of the custodian that he or she is acting on behalf of the minor. We are not liable to the minor, or any other person or party acting on behalf of the minor, for the actions of the custodian, nor are we liable for the application of any proceeds from the transfer or redemption of securities held in the minor's account. The custodian agrees to indemnify and hold harmless the United States in the event that we suffer any loss on account of any claim relating to a minor account.

§§ 363.28 through 363.32 [Removed and reserved]

■ 7. Remove and reserve §§ 363.28 through 363.32.

■ 8. Revise § 363.36 to read as follows:

§ 363.36 What securities can I purchase and hold in my New Treasury Direct account?

You can purchase and hold eligible Treasury securities in your account. Current eligible securities are book-entry Series EE and I savings bonds. We intend to designate additional Treasury securities as eligible securities from time to time.

§ 363.51 [Amended]

■ 9. Amend § 363.51 by removing paragraph (b) and redesignating paragraphs (c) and (d) as (b) and (c), respectively.

■ 10. Amend § 363.66 to read as follows:

§ 363.66 What forms of registration are available for book-entry savings bonds?

The forms of registration available are single owner, owner with beneficiary, and primary owner with secondary owner.

§§ 363.70 and 363.71 [Removed and reserved]

■ 11. Remove and reserve §§ 363.70 and 363.71.

■ 12. Revise § 363.82 to read as follows:

§ 363.82 May an account owner deliver a book-entry savings bond purchased as a gift to a minor?

An account owner may deliver a bond purchased as a gift to a minor. The account owner must deliver the security to the minor's linked account. Once delivered, the bond will be under the control of the custodian of the minor's account. (See § 363.27.)

§§ 363.85 [Removed and reserved]

■ 13. Remove and reserve § 363.85.

§ 363.90 [Amended]

■ 14. Amend § 363.90 by removing paragraph (a)(3) and redesignating paragraphs (a)(4), (5), and (6) as paragraphs (a)(3), (4), and (5), respectively.

§ 363.96 [Amended]

■ 15. Amend § 363.96 by removing paragraph (e).

Dated: January 13, 2004.

Donald V. Hammond,

Fiscal Assistant Secretary.

[FR Doc. 04-1039 Filed 1-13-04; 3:11 pm]

BILLING CODE 4810-39-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[CGD05-04-002]

Drawbridge Operation Regulations; Intracoastal Waterway, Beach Thorofare, NJ

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations.

SUMMARY: The Commander, Fifth Coast Guard District, has approved a temporary deviation from the regulations governing the operation of the Margate Bridge across Beach Thorofare, at Intracoastal Waterway (ICW) mile 74.0, located in Margate, New Jersey. From midnight on January 4, 2004, through midnight on February 5, 2004, this deviation allows the bridge to remain closed to navigation. This closure is necessary to facilitate emergency mechanical and structural repairs.

DATES: This deviation is effective from midnight on January 4, 2004, through midnight on February 5, 2004.

FOR FURTHER INFORMATION CONTACT: Terrance Knowles, Environmental Protection Specialist, Fifth Coast Guard