

of the methods described in paragraph (g)(6)(iii) of this section or by applying the deemed equivalent value method described in this paragraph (i)(5)(ii). The amount of the payment is not redetermined except as provided in paragraph (g)(6)(iv)(B) of this section. The deemed equivalent value method may be applied if the contract fixes the timing and amount of all of the payments under the contract, except for a sole significant contingent nonperiodic payment. Under the deemed equivalent value method, the amount of the significant contingent nonperiodic payment is the amount that, as of the date the terms of the contract are fixed, causes the present value of all of the payments by the taxpayer to equal the present value of all of the payments of the counterparty to the contract. The present value of each payment of the contract is determined by applying the risk-free interest rate.

(iii) *Nonapplicability to regulated investment companies.* Paragraphs (i)(5)(i) and (ii) of this section do not apply to a regulated investment company described in paragraph (i)(2)(iv) of this section that makes an election under paragraph (i) of this section.

(6) *Election.* An election to apply this paragraph (i) must be made with respect to all notional principal contracts described in paragraph (i)(2) of this section to which the taxpayer is a party. The election must be made in the time and manner prescribed by the Commissioner and is effective for the taxable year for which made and all subsequent taxable years, unless revoked with the consent of the Commissioner.

(j) *Effective dates*—(1) *General rule.* Except as provided in paragraph (j)(2) of this section, this section is applicable for notional principal contracts entered into on or after December 13, 1993.

(2) *Exception.* Paragraphs (g)(6) (other than (g)(6)(i)) and (i) of this section are applicable for notional principal contracts entered into on or after 30 days after the date a Treasury decision based on these proposed regulations is published in the **Federal Register**.

Par. 5. Section 1.1234A-1 is added to read as follows:

§ 1.1234A-1 Notional principal contracts, bullet swaps, and forward contracts.

(a) *General rule.* If a taxpayer has a position in a notional principal contract governed by the rules of § 1.446-3, any gain or loss arising from a termination payment as defined in § 1.446-3(h)(1) is treated as gain or loss from a termination of the notional principal contract.

(b) *Nonapplicability to payments other than termination payments.* For purposes of section 1234A, none of the following payments terminate or cancel a right or obligation: a periodic payment described in § 1.446-3(e), a nonperiodic payment described in § 1.446-3(f), a contingent nonperiodic payment described in § 1.446-3(g)(6) to which § 1.446-3(g)(6)(ii) applies, or mark-to-market income inclusions and deductions described in § 1.446-3(i)(1). Accordingly, section 1234A does not apply to any of these items, including any final scheduled payment. If a payment made or received pursuant to a notional principal contract is not a termination payment as defined in § 1.446-3(h)(1), the payment constitutes ordinary income or expense. See sections 162 and 212 and the regulations thereunder.

(c) *Bullets swaps and forward contracts*—(1) Any gain or loss arising from the settlement of obligations under a bullet swap or forward contract (including a payment pursuant to the terms of the obligations) is treated as gain or loss from a termination of the bullet swap or forward contract.

(2) *Definition of bullet swap.* A bullet swap is a financial instrument that is not an excluded contract as defined in § 1.446-3(c)(1)(ii), that provides for the computation of an amount or amounts due from one party to another by reference to a specified index upon a notional principal amount, and that provides for settlement of all the parties' obligations at or close to maturity of the contract.

(d) *Effective date.* Paragraphs (b)(1) and (c) of this section are applicable to notional principal contracts, bullet swaps, and forward contracts entered into on or after 30 days after the date a Treasury decision based on these proposed regulations is published in the **Federal Register**.

Mark E. Matthews,

Deputy Commissioner for Services and Enforcement.

[FR Doc. 04-4151 Filed 2-25-04; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Parts 701, 773, 774, 778, 843 and 847

RIN 1029-AC08

Ownership and Control Settlement Rule

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Proposed rule; extension of comment period.

SUMMARY: We, the Office of Surface Mining Reclamation and Enforcement (OSM), are extending the comment period on the proposed Ownership and Control Settlement Rule published on December 29, 2003. The comment period is being extended in response to a request for an extension from members of the public.

DATES: We will accept written comments on the proposed rule until 5 p.m., Eastern Time on March 29, 2004.

ADDRESSES: You may mail or hand-deliver comments to the Office of Surface Mining Reclamation and Enforcement, Administrative Record, Room 101, 1951 Constitution Avenue, NW., Washington, DC 20240. You may also submit comments electronically to OSM at the following Internet address: osmrules@osmre.gov.

FOR FURTHER INFORMATION CONTACT: Earl D. Bandy, Jr., Office of Surface Mining Reclamation and Enforcement, Appalachian Regional Coordinating Center, Applicant/Violator System Office, 2679 Regency Road, Lexington, Kentucky 40503. Telephone: (606) 260-8424 or (800) 643-9748. E-Mail: ebandy@osmre.gov.

SUPPLEMENTARY INFORMATION: On December 29, 2003 (68 FR 75036), we published a proposed rule for public comment. The proposed rule, referred to as the Ownership and Control Settlement Rule, would revise certain provisions adopted in our December 19, 2000, Ownership and Control final rule in order to effectuate a settlement agreement we entered into with the National Mining Association. Specifically, the proposed rule would revise the provisions in the 2000 final rule pertaining to the definitions of ownership and control; permit eligibility determinations eligibility for provisionally issued permits; improvidently issued permits; challenges to ownership or control listings or findings; post-permit issuance requirements for regulatory

authorities and other actions based on ownership, control, and violation information; providing applicant, operator, and ownership and control information; improvidently issued State permits; and alternative enforcement. Additional information is contained in the proposed rule published on December 29, 2003.

The comment period on the proposed rule was scheduled to close on February 27, 2004. In response to a request from members of the public, we are extending the public comment period to March 29, 2004.

Dated: February 19, 2004.

Jeffrey D. Jarrett,

Director, Office of Surface Mining Reclamation and Enforcement.

[FR Doc. 04-4300 Filed 2-25-04; 8:45 am]

BILLING CODE 4310-05-M

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Parts 780, 816, and 817

RIN 1029-AC04

Surface Coal Mining and Reclamation Operations; Excess Spoil; Stream Buffer Zones; Diversions

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Proposed rule; extension of comment period and notice of public hearings.

SUMMARY: We are extending the comment period on our proposed rule commonly referred to as the "excess spoil/stream buffer zone rule." The comment period is being extended by 30 days in order to afford the public more time to comment and to allow enough time to hold five public hearings. We are also notifying the public of the dates and locations for five public hearings on the proposed rule.

DATES: We will accept written comments on the proposed rule until 5 p.m., eastern time, on April 7, 2004.

See the **SUPPLEMENTARY INFORMATION** section for the hearing dates.

ADDRESSES: You may mail or hand carry comments to the Office of Surface Mining Reclamation and Enforcement, Administrative Record, Room 101, 1951 Constitution Avenue, NW., Washington, DC 20240, or you may send comments via electronic mail to osmrules@osmre.gov.

If you wish to comment on the information collection aspects of this proposed rule, you may submit your

comments to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Interior Desk Officer, via e-mail to oir_docket@omb.eop.gov, or via facsimile to 202-365-6566.

See the **SUPPLEMENTARY INFORMATION** section for hearing addresses.

FOR FURTHER INFORMATION CONTACT:

David G. Hartos, Office of Surface Mining Reclamation and Enforcement, U.S. Department of the Interior, 3 Parkway Center, Pittsburgh, PA 15220; Telephone: 412-937-2909. E-mail address: dhartos@osmre.gov. Additional information concerning this rule and related documents may be found on our home page on the Internet at <http://www.osmre.gov/ocpropos.htm>.

SUPPLEMENTARY INFORMATION: On January 7, 2004 (69 FR 1036), we published a proposed rule that would minimize the adverse environmental effects stemming from the construction of excess spoil fills associated with coal mining in Appalachia. The proposed rule would also clarify the circumstances in which mining activities, such as the construction of excess spoil fills, may be allowed within the "stream buffer zone" within 100 feet of a perennial or intermittent stream. The comment period on the proposed rule was scheduled to close on March 8, 2004. We have received six requests to hold public hearings on the proposed rule from representatives of the following organizations: Save Our Cumberland Mountains, Citizens Coal Council, Kentuckians for the Commonwealth, Mountain Watershed Association, Inc., Coal River Watch, and Tri-State Citizens Mining Network. We are granting their requests for public hearings and are extending the comment period on the proposed rule by 30 days in order to hold the following five hearings on the dates and locations shown below:

1. March 30, 2004, 6 p.m. to 9 p.m., Charleston Civic Center, Room 206, 200 Civic Center Drive, Charleston, WV.

2. March 30, 2004, 6 p.m. to 9 p.m., Best Western Parkway Center, 8th Floor in the Horizon Room, 875 Greentree Road, Greentree, PA.

3. March 30, 2004, 6 p.m. to 9 p.m., Hazard Community College, Hazard Campus, Jolly Center, Room 208, One Community College Drive, Hazard, KY.

4. March 30, 2004, 6 p.m. to 9 p.m., Roane State Community College, O'Brien Building, Room 101, 276 Patton Lane, Harriman, TN.

5. March 30, 2004, from 2 p.m. to 4 p.m., Office of Surface Mining, South Interior Auditorium, 1951 Constitution Avenue NW., Washington, DC 20240.

Please use the rear entrance to the building and have photo identification with you.

These hearings will be open to anyone who would like to attend and/or testify. The primary purpose of the public hearing is to obtain your views on the proposed rule so that we can prepare a complete and objective analysis. A public hearing is not an adversarial process and, therefore, we encourage you to limit your testimony to the proposed rule. We appreciate any and all comments, but those most useful and likely to influence decisions on the final rule will be those that either involve personal experience or include citations to and analyses of the Surface Mining Control and Reclamation Act of 1977, its legislative history, its implementing regulations, case law, other State or Federal laws and regulations, technical literature, or relevant publications.

At the hearing, a court reporter will record and make a written record of the statements presented. This written record will be made part of the administrative record for the rule. If you have a written copy of your testimony, we encourage you to give us a copy. It will assist the court reporter in preparing the written record. Please do not feel intimidated by either the reporter or the formal structure of the hearing. Any disabled individual who needs special accommodation to attend a public hearing is encouraged to contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

Dated: February 18, 2004.

Brent Wahlquist,

Regional Director, Appalachian Regional Coordinating Center, Office of Surface Mining Reclamation and Enforcement.

[FR Doc. 04-4299 Filed 2-25-04; 8:45 am]

BILLING CODE 4310-05-M

POSTAL SERVICE

39 CFR Part 111

Packaging Standards and General Mailability

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: This proposed rule contains minor changes to the *Domestic Mail Manual* (DMM™) that would clarify packaging and closure requirements, types of acceptable mailing containers, and standards for certain articles processed on Postal Service™ parcel sorting equipment. This proposed rule would also update terminology and reorganize current standards for better reference and presentation.