

information from a clearing organization or from information published by the Internal Revenue Service (IRS)) has engaged in a transaction described in § 1.6043-4(c) (acquisition of control) or § 1.6043-4(d) (substantial change in capital structure) shall file a return of information with respect to the customer, unless the customer is an exempt recipient as defined in paragraph (b) of this section.

(b) *Exempt recipients.* A broker is not required to file a return of information under this section with respect to the following customers:

(1) Any customer who receives only cash in exchange for its stock in the corporation, which must be reported by the broker pursuant to § 1.6045-1.

(2) Any customer who is an exempt recipient as defined in § 1.6043-4(b)(5) or § 1.6045-1(c)(3)(i).

(c) *Form, manner and time for making information returns.* The return required by paragraph (a) of this section must be on Forms 1096, "Annual Summary and Transmittal of U.S. Information Returns," and 1099-B, "Proceeds from Broker and Barter Exchange Transactions," or on an acceptable substitute statement. Such forms must be filed on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which the acquisition of control or the substantial change in capital structure occurs.

(d) *Contents of return.* A separate Form 1099-B must be prepared for each customer. The Form 1099-B will request information with respect to the following and such other information as may be specified in the instructions:

(1) The name, address and taxpayer identification number (TIN) of the customer;

(2) The name of the corporation which engaged in the transaction described in § 1.6043-4(c) or (d);

(3) The number and class of shares in the corporation exchanged by the customer; and

(4) The aggregate amount of cash and the fair market value of any stock or other property provided to the customer in exchange for its stock.

(e) *Furnishing of forms to customers.* The Form 1099-B prepared for each customer must be furnished to the customer on or before January 31 of the year following the calendar year in

which the customer receives stock, cash or other property.

(f) *Single Form 1099.* If a broker is required to file a Form 1099-B with respect to a customer under §§ 1.6045-3 and 1.6045-1(c) with respect to the same transaction, the broker may satisfy the requirements of both sections by filing and furnishing one Form 1099-B that contains all the relevant information, as provided in the instructions to Form 1099-B.

(g) *Effective date.* This section applies with respect to any acquisition of control and any substantial change in capital structure occurring after December 5, 2005.

**§ 1.6045-3T [Removed]**

■ **Par. 5.** Section 1.6045-3T is removed.

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

Approved: November 22, 2005.

**Eric Solomon,**

*Acting Deputy Assistant Secretary of the Treasury (Tax Policy).*

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**DEPARTMENT OF THE INTERIOR**

**Minerals Management Service**

**30 CFR Part 204**

**RIN 1010-AC30**

**States' Decisions on Participating in Accounting and Auditing Relief for Federal Oil and Gas Marginal Properties**

**AGENCY:** Minerals Management Service, Interior.

**ACTION:** Notice of states' decisions to participate or not participate in accounting and auditing relief for Federal oil and gas marginal properties located in their state for calendar year 2006.

**SUMMARY:** The Minerals Management Service (MMS) published final regulations on September 13, 2004 (69 FR 55076), to provide accounting and auditing relief for marginal Federal oil and gas properties. The rule requires MMS to publish in the **Federal Register**

the decisions of the states concerned to allow or not to allow one or both forms of relief in their state. As required in the rule, MMS provided each state receiving a portion of the Federal royalties with a list of qualifying marginal Federal oil and gas properties located in the state so that each affected state could decide whether to participate in one or both relief options. This Notice provides the decisions by the respective states concerned to allow one or both types of relief.

**DATES:** Effective Date: January 1, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Mary Williams, Manager, Federal Onshore Oil and Gas Compliance and Asset Management, telephone (303) 231-3403, FAX (303) 231-3744, e-mail to *mary.williams@mms.gov*, or mail to P.O. Box 25165, MS 392B2, Denver Federal Center, Denver, Colorado 80225-0165.

**SUPPLEMENTARY INFORMATION:** The rule implemented certain provisions of Section 7 of the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 and provides two options for relief: (1) Notification-based relief for annual reporting, and (2) other requested relief, as proposed by industry and approved by MMS and the state concerned. The rule requires that MMS publish by December 1 of each year a list of the states and the decisions of each state regarding marginal property relief.

To qualify for the first option of relief (notification-based relief) for calendar year 2006, properties must have produced less than 1,000 barrels-of-oil-equivalent (BOE) per year for the base period (July 1, 2004-June 30, 2005). Annual reporting relief will begin on January 1, 2006, with the annual report and payment due February 28, 2007 (unless an estimated payment is on file, which will move the due date to March 31, 2007). To qualify for the second option of relief (other requested relief), properties must have produced less than 15 BOE per well per day for the base period.

The following table shows the states that have marginal properties, where a portion of the royalties are shared between the state and MMS, and the states' decisions whether to allow one or both forms of relief.

State	Notification-based relief (less than 1,000 BOE per year)	Request-based relief (less than 15 BOE per well per day)
Alabama .....	No .....	No.
Arkansas .....	Yes .....	Yes.
California .....	No .....	No.
Colorado .....	Yes .....	Yes.
Kansas .....	Yes .....	No.

State	Notification-based relief (less than 1,000 BOE per year)	Request-based relief (less than 15 BOE per well per day)
Louisiana .....	Yes .....	Yes.
Michigan .....	Yes .....	No.
Montana .....	Yes .....	No.
Nevada .....	No .....	No.
New Mexico .....	No .....	No.
North Dakota .....	No .....	No.
Oklahoma .....	No .....	No.
South Dakota .....	No .....	No.
Utah .....	No .....	No.
Wyoming .....	Yes .....	No.

Federal oil and gas properties located in all other states are eligible for relief if they qualify as marginal properties under the rule and if no portion of the royalties derived from the property is shared with the state.

For information on how to obtain relief, please refer to the rule, which can be viewed on the MMS Web site at [http://www.mrm.mms.gov/Laws\\_R\\_D/FRNotices/AC30.htm](http://www.mrm.mms.gov/Laws_R_D/FRNotices/AC30.htm).

All correspondence, records, or information received in response to this Notice are subject to disclosure under the Freedom of Information Act. All information provided will be made public unless the respondent identifies which portions are proprietary. Please highlight the proprietary portions, including any supporting documentation, or mark the page(s) that contain proprietary data. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), the Indian Mineral Development Act of 1982 (25 U.S.C. 2103), and Department regulations (43 CFR part 2).

Dated: November 16, 2005.

**Lucy Querques Denett,**

*Associate Director for Minerals Revenue Management.*

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**DEPARTMENT OF TRANSPORTATION**

**Federal Railroad Administration**

**49 CFR Parts 234 and 236**

[Docket No. FRA-2001-10160]

RIN 2130-AA94

**Standards for Development and Use of Processor-Based Signal and Train Control Systems; Clarification and Correcting Amendments**

**AGENCY:** Federal Railroad Administration (FRA), Department of Transportation (DOT).

**ACTION:** Final rule; clarification and correcting amendments.

**SUMMARY:** FRA is clarifying preamble language and correcting rule text language in FRA's Standards for Development and Use of Processor-Based Signal and Train Control Systems, a final rule published on March 7, 2005 (PTC Rule). First, some language in the section-by-section analysis portion of the preamble to the PTC Rule inadvertently differs from the actual regulatory language, and FRA is noting the unintended variation to avoid confusion. Second, FRA is clarifying language regarding the applicability of new 49 CFR part 236, subpart H (the Processor-Based Standards) to highway-rail grade crossing warning systems (HGCWS). FRA wants to ensure that the rule language conforms with FRA's initial intent that the regulation apply to only certain HGCWS. Therefore, FRA is adding a provision to clarify which HGCWS products may be excluded from the requirements of the PTC Rule. FRA is also adding a provision to clarify that certain HGCWS products excluded from the requirements of the Processor-Based Standards may, at the option of the railroad, be made subject to the Processor-Based Standards. Third, FRA is adding a provision to clarify which HGCWS products shall be included in the software management control plans pursuant to 49 CFR 236.18. Finally, FRA is correcting a minor error in which a provision of the Processor-Based Standards was incorrectly cited.

**DATES:** This rule is effective January 4, 2006.

**FOR FURTHER INFORMATION CONTACT:** Tom McFarlin, Staff Director, Signal and Train Control Division, Office of Safety, FRA 1120 Vermont Avenue, NW., Mail Stop 25, Washington, DC 20590 (telephone: 202-493-6203); or Melissa Porter, Trial Attorney, Office of Chief Counsel, FRA, 1120 Vermont, NW., Mail Stop 10, Washington, DC 20590 (telephone: 202-493-6034).

**SUPPLEMENTARY INFORMATION:** On March 7, 2005, FRA published the PTC Rule,

which establishes performance-based standards for the development and use of processor-based signal and train control systems. 70 FR 11052. Since the publication of the PTC Rule, FRA has determined that certain provisions need clarification or correction. First, FRA notes that some incorrect terms and an incorrect date were included in the section-by-section analysis portion of the preamble, all of which differ from the actual regulatory text. FRA is correcting the errors to prevent misinterpretations. Second, in 49 CFR 234.275, "Processor-Based Systems," FRA is clarifying the category of HGCWS to which it intended portions of the PTC Rule to apply. (All references in this final rule to a section or other provision are references to a section or other provision in title 49 of the Code of Federal Regulations, unless otherwise noted). FRA is correcting that section to include a provision to exclude certain HGCWS products from the requirements of the PTC Rule, as the agency similarly did for signal and train control system products in § 236.911. FRA is further correcting § 234.275 to make it explicit that a railroad has the right to qualify an excluded product and make it subject to the Processor-Based Standards. Third, FRA is clarifying what HGCWS should be included in a railroad's software management control plan, pursuant to § 236.18. Finally, FRA is correcting an erroneous section reference in § 236.913(c)(1). The section referenced does not exist. FRA more specifically discusses these issues in the "Section-by-Section Analysis" below.

**Section-by-Section Analysis**

*1a. Preamble Language for § 236.18, "Software Management Control [Plan]"*

In the section-by-section analysis of § 236.18, FRA referred to the correct term "software management control plan" variously as "software management control" and "software management plan." FRA notes that "software management control" and "software management plan" are