

TAO may not be issued to the Office of Chief Counsel.

\* \* \* \* \*

(f) *Effective/applicability date.* These regulations are applicable for TAOs issued on or after April 1, 2011, except that paragraph (e) of this section is applicable beginning March 20, 1992.

**Steven T. Miller,**

*Deputy Commissioner for Services and Enforcement.*

Approved: March 25, 2011.

**Michael Mundaca,**

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

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## DEPARTMENT OF THE TREASURY

### Fiscal Service

#### 31 CFR Parts 306, 356, 357, and 363

#### **U.S. Securities; Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds; Book-Entry Treasury Bonds, Notes and Bills Held in Treasury/Reserve Automated Debt Entry System (TRADES) and Legacy Treasury Direct; Securities Held in TreasuryDirect**

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

**ACTION:** Final rule.

**SUMMARY:** In order to reduce costs and duplication of systems, the Department of the Treasury (Treasury) is limiting options available in its Legacy Treasury Direct system. New customer accounts will no longer be opened and transfers of securities from other book-entry systems will no longer be accepted. Treasury also intends to limit the securities that will be available for purchase or reinvestment in existing accounts.

**DATES:** *Effective date:* May 1, 2011.

**ADDRESSES:** You can download this Final Rule at the following Internet addresses: <http://www.publicdebt.treas.gov>, <http://www.gpo.gov>, or <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Elisha Whipkey, Director, Division of Program Administration, Office of Retail Securities, Bureau of the Public Debt, at (304) 480-6319 or [elisha.whipkey@bpd.treas.gov](mailto:elisha.whipkey@bpd.treas.gov).

Lisa Martin, Attorney-Adviser; Mary Schaffer, Attorney-Adviser; Edward Gronseth, Deputy Chief Counsel, Office of the Chief Counsel, Bureau of the Public Debt, at (304) 480-8692 or [lisa.martin@bpd.treas.gov](mailto:lisa.martin@bpd.treas.gov).

**SUPPLEMENTARY INFORMATION:** Legacy Treasury Direct® is a book-entry, non-Internet-based system established in 1986 for customers to buy, hold, and conduct permitted transactions in eligible marketable Treasury securities directly with Treasury rather than indirectly through an intermediary such as a dealer or a depository institution (51 FR 18260-01 (May 16, 1986) (codified at 31 CFR part 357)). Legacy Treasury Direct customers conduct transactions in paper form, although certain transactions can be made through an Internet interface or through an automated phone system.

In 2002, Treasury launched TreasuryDirect®, an Internet-based system for purchasing, holding, and conducting permitted transactions in eligible Treasury securities in book-entry form directly with Treasury rather than indirectly through an intermediary (67 FR 64276-01 (Oct. 17, 2002) (codified at 31 CFR part 363)). TreasuryDirect allows customers to invest in both savings bonds and marketable Treasury securities—Treasury bills, notes, bonds, and inflation-protected securities (TIPS)—using one Web-based account. In TreasuryDirect, customers can purchase securities and manage their holdings online and can conduct most transactions without assistance.

When TreasuryDirect was implemented, the goal was to provide an up-to-date system that would eventually become Treasury's only system for holding marketable securities directly with Treasury. It remains Treasury's long-term plan to consolidate all retail sales of marketable Treasury securities in one system to avoid duplication of services and to create an all-electronic, cost-effective environment for holding marketable Treasury securities directly with Treasury. By gradually eliminating redundant systems and eventually consolidating all directly-held marketable securities into one system, Treasury will realize savings in administrative costs, and customers will be able to manage their accounts independently.

As a step toward achieving this goal, Treasury will no longer accept the establishment of new accounts in Legacy Treasury Direct or transfers of marketable securities into existing Legacy Treasury Direct accounts, effective May 1, 2011. Concurrently, Treasury intends to limit the opportunities for purchasing and reinvesting in new securities in Legacy Treasury Direct by reducing the number of securities offered for auction that are eligible to be held in Legacy Treasury

Direct. Treasury further intends to discontinue all offerings of securities eligible to be held in Legacy Treasury Direct by November 2012.

For now, customers with existing Legacy Treasury Direct accounts can continue to hold and make permitted transactions in securities in those accounts. Current Legacy Treasury Direct account holders will be encouraged to transfer their holdings to accounts in TreasuryDirect. Customers will be provided with information about creating TreasuryDirect accounts and the transfer process, and assistance will be available for those choosing to make the transition to TreasuryDirect.

### Procedural Requirements

*Executive Order 12866.* This rule is not a significant regulatory action pursuant to Executive Order 12866.

*Administrative Procedure Act (APA).* Because this rule relates to United States securities, which are contracts between Treasury and the owner of the security, this rule falls within the contract exception to the APA, 5 U.S.C. 553(a)(2). As a result, the notice, public comment, and delayed effective date provisions of the APA are inapplicable to this rule.

*Regulatory Flexibility Act.* The provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, do not apply to this rule because, pursuant to 5 U.S.C. 553(a)(2), it is not required to be issued with notice and opportunity for public comment.

*Paperwork Reduction Act (PRA).* There is no new collection of information contained in this final rule that would be subject to the PRA, 44 U.S.C. 3501 *et seq.* Under the PRA, 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. The Office of Management and Budget already has approved all collections of information for these parts (OMB No. 1535-0059, OMB No. 1535-0112, OMB No. 1535-0068, and OMB No. 1535-0138).

*Congressional Review Act (CRA).* This rule is not a major rule pursuant to the CRA, 5 U.S.C. 801 *et seq.*, because it is a minor amendment that is expected to decrease costs for taxpayers; therefore, this rule is not expected to lead to any of the results listed in 5 U.S.C. 804(2). This rule may take immediate effect after we submit a copy of it to Congress and the Comptroller General.

**List of Subjects****31 CFR Part 306**

Government securities.

**31 CFR Part 356**

Bonds, Federal Reserve system, Government securities, Securities.

**31 CFR Part 357**

Banks, Banking, Bonds, Electronic funds transfers, Government securities, Reporting and recordkeeping requirements.

**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:

**PART 306—GENERAL REGULATIONS GOVERNING U.S. SECURITIES**

- 1. The authority citation for part 306 continues to read as follows:

**Authority:** 31 U.S.C. Chapter 31; 5 U.S.C. 301; 12 U.S.C. 391.

- 2. Revise § 306.23 to read as follows:

**§ 306.23 Securities eligible to be held in the Legacy Treasury Direct® Book-entry Securities System.**

(a) *Eligible issues.* The Secretary has published in the **Federal Register** notices describing Treasury issues of bonds and notes issued before August 1, 1986, that are eligible for conversion to the Legacy Treasury Direct book-entry securities system.

(b) *Conversion of Registered Security to book-entry form to be held in Legacy Treasury Direct.* To convert a registered security to book-entry form to be held in Legacy Treasury Direct, the owner must contact the Bureau of the Public Debt, P.O. Box 426, Parkersburg, West Virginia 26106-0426, for instructions. A security that has been converted to book-entry form in Legacy Treasury Direct shall be subject to subpart C and other applicable portions of 31 CFR part 357, and the provisions of 31 CFR part 306 shall no longer apply.

(c) Securities held under subpart O of this part may not be transferred to Legacy Treasury Direct.

**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)**

- 3. 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.

- 4. Amend § 356.2 to revise the definition of “*Book-entry security*” to read as follows:

**§ 356.2 What definitions do I need to know to understand this part?**

\* \* \* \* \*

*Book-entry security* means a security that is issued or maintained as an accounting entry or electronic record in either the commercial book-entry system or in one of Treasury’s two direct-hold systems—TreasuryDirect® or Legacy Treasury Direct®. (See § 356.4.)

\* \* \* \* \*

- 5. Amend § 356.4 by revising the heading and the first three sentences of the introductory text to read as follows:

**§ 356.4 What are the book-entry systems in which auctioned Treasury securities may be issued or maintained?**

There are three book-entry securities systems—the commercial book-entry system, TreasuryDirect®, and Legacy Treasury Direct®—into which we issue marketable Treasury securities. We maintain and transfer securities in these three book-entry systems (except that securities may not be transferred into the Legacy Treasury Direct system) at their par amount. Par amounts of Treasury inflation-protected securities do not include adjustments for inflation. Securities may be transferred from one system to the other (except that securities may not be transferred into the Legacy Treasury Direct system), unless the securities are not eligible to be held in the receiving system. \* \* \*

\* \* \* \* \*

**PART 357—REGULATIONS GOVERNING BOOK-ENTRY TREASURY BONDS, NOTES AND BILLS HELD IN TREASURY/RESERVE AUTOMATED DEBT ENTRY SYSTEM (TRADES) AND LEGACY TREASURY DIRECT**

- 6. The authority citation for part 357 continues to read as follows:

**Authority:** 31 U.S.C. chapter 31; 5 U.S.C. 301; 12 U.S.C. 391.

- 7. Amend § 357.0 by revising paragraph (b) and removing paragraph (c) to read as follows:

**§ 357.0 Book-entry systems.**

\* \* \* \* \*

(b) *Transferability between Legacy Treasury Direct and other systems.* A Treasury security maintained in Legacy Treasury Direct may be transferred to an account in TRADES or to an account in TreasuryDirect in accordance with § 357.22(a). Securities may not be

transferred to Legacy Treasury Direct from other systems.

**§ 357.2 [Amended]**

- 8. Amend § 357.2 by removing the words “to be maintained in the commercial book-entry system, Legacy Treasury Direct, or TreasuryDirect” from the definition of “*Original issue*”.

- 9. Amend § 357.20 by:

- a. Revising the first sentence and removing the second and third sentences of paragraph (c);
- b. Revising paragraphs (1)(a) and (b) of footnote 1 to paragraph (e); and
- c. Adding paragraph (h) to read as follows:

**§ 357.20 Securities account in Legacy Treasury Direct®.**

\* \* \* \* \*

(c) *Account master record.* In order for a security to be maintained in Legacy Treasury Direct, the account owner must have previously established an account master record, except that a new account may be established for the conversion of a definitive security pursuant to 31 CFR 306.23. \* \* \*

\* \* \* \* \*

(e) \* \* \*

1 \* \* \*

(1) \* \* \*

(a) If a bill was deposited in Legacy Treasury Direct at original issue, the price shown will be the issue price.

(b) If a bill was transferred to Legacy Treasury Direct from TRADES, the price shown will be that included in the transfer wire or supplied subsequently by the bill owner. If a price was not furnished, the price shown will be the weighted average price of the bill of the longest maturity having the identical CUSIP number.

\* \* \* \* \*

(h) *Closing an account.* If a Legacy Treasury Direct account has no holdings, we reserve the right to close the account.

- 10. Amend § 357.21 by revising the next to last sentence of paragraph (b)(2)(i)(A) to read as follows:

**§ 357.21 Registration.**

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

(i) \* \* \*

(A) *Without right of survivorship.*

\* \* \* Any registration which purports, by its terms, to preclude the right of survivorship, or any registration in the names of two persons without indicating whether survivorship rights attach (other than a registration under paragraph (b)(2)(ii) of this section), will

be presumed to be ownership without right of survivorship. \* \* \*

\* \* \* \* \*

■ 11. Amend § 357.22 by revising the second sentence of paragraph (a) and revising paragraph (a)(3)(i) to read as follows:

**§ 357.22 Transfers.**

(a) *General.* \* \* \* A security may be transferred from an account in Legacy Treasury Direct® to an account in the commercial book-entry system or to an account in TreasuryDirect®. \* \* \*

\* \* \* \* \*

(3) *When transfer effective—(i) Transfer within Legacy Treasury Direct.* A transfer of a security within Legacy Treasury Direct is effective when an appropriate entry is made in the name of the transferee on the Legacy Treasury Direct records.

\* \* \* \* \*

■ 12. Amend § 357.32 by revising the first two sentences to read as follows:

**§ 357.32 Submission of transaction requests; further information.**

Transaction requests and requests for forms and information may be submitted to any Federal Reserve Bank currently serving as a Treasury Retail Securities Site or to the Bureau of the Public Debt, Legacy Treasury Direct®, P.O. Box 426, Parkersburg, West Virginia 26106-0426. A list of the Federal Reserve Banks currently serving as Treasury Retail Securities Sites is available upon request to the Bureau. \* \* \*

**PART 363—REGULATIONS GOVERNING SECURITIES HELD IN TREASURYDIRECT**

■ 13. 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.*; 31 U.S.C. 3121, *et seq.*

■ 14. Amend § 363.4 by revising the heading and the first sentence in paragraph (b) to read as follows:

**§ 363.4 How is TreasuryDirect® different from the Legacy Treasury Direct® system and the commercial book-entry system?**

\* \* \* \* \*

(b) *Legacy Treasury Direct.* The Legacy Treasury Direct system is a non-Internet-based book-entry system maintained by Treasury for holding and conducting permitted transactions in eligible marketable Treasury securities as book-entry products. \* \* \*

\* \* \* \* \*

■ 15. Amend § 363.6 by revising the definitions of “*Legacy Treasury Direct*” and “*Transfer*” to read as follows:

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

\* \* \* \* \*

*Legacy Treasury Direct*® system is a non-Internet-based book-entry system maintained by Treasury since 1986 for holding and conducting permitted transactions in marketable Treasury securities directly with Treasury as book-entry products. (See § 363.4.)

\* \* \* \* \*

*Transfer* is a transaction to move a security, or a portion of a security, to or from a TreasuryDirect account. (See § 363.26.)

\* \* \* \* \*

■ 16. Amend § 363.26 by revising paragraph (a)(2) and adding paragraph (a)(3) to read as follows:

**§ 363.26 What is a transfer?**

(a) \* \* \*

(2) Move a marketable Treasury security to or from a TreasuryDirect account and an account in the commercial book-entry system;

(3) Move a marketable Treasury security to a TreasuryDirect account from a Legacy Treasury Direct® account.

\* \* \* \* \*

**§ 363.27 [Amended]**

■ 17. Amend § 363.27 by removing the words “Legacy Treasury Direct or” from the second sentence of paragraph (e)(4).

**§ 363.208 [Amended]**

■ 18. Amend § 363.208 by removing the words “to an account in Legacy Treasury Direct or”.

**Richard L. Gregg,**

*Fiscal Assistant Secretary.*

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**BILLING CODE 4810-39-P**

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 63**

[EPA-R09-OAR-2010-0680; FRL-9283-6]

**State of California; Request for Approval of Section 112(l) Authority for Hazardous Air Pollutants; Perchloroethylene Air Emission Standards From Dry Cleaning Facilities**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule.

**SUMMARY:** EPA is finalizing approval of California’s Airborne Toxic Control Measure for Emissions of Perchloroethylene from Dry Cleaning and Water-Repelling Operations,

Requirements for Perc Manufacturers, and Requirements for Perc Distributors to be implemented and enforced in place of the National Perchloroethylene Air Emission Standards for Dry Cleaning Facilities. EPA is taking this action under section 112(l) of the Clean Air Act (CAA).

**DATES:** This rule is effective on May 2, 2011. The incorporation by reference of certain publications listed in this rule is approved by the Director of the Federal Register on May 2, 2011.

**ADDRESSES:** EPA has established docket number EPA-R09-OAR-2010-0680 for this action. The index to the docket is available electronically at <http://www.regulations.gov> and in hard copy at EPA Region IX, 75 Hawthorne Street, San Francisco, California. While all documents in the docket are listed in the index, some information may be publicly available only at the hard copy location (e.g., copyrighted material), and some may not be publicly available in either location (e.g., CBI). To inspect the hard copy materials, please schedule an appointment during normal business hours with the contact listed in the **FOR FURTHER INFORMATION CONTACT** section.

**FOR FURTHER INFORMATION CONTACT:** Mae Wang, EPA Region IX, (415) 947-4124, [wang.mae@epa.gov](mailto:wang.mae@epa.gov).

**SUPPLEMENTARY INFORMATION:** Throughout this document, “we,” “us” and “our” refer to EPA.

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**I. Proposed Action**

On October 6, 2010 (75 FR 61662), EPA proposed to approve California’s Airborne Toxic Control Measure for Emissions of Perchloroethylene from Dry Cleaning and Water Repelling Operations, Requirements for Perc Manufacturers, and Requirements for Perc Distributors, sections 93109, 93109.1, and 93109.2, Title 17 of the California Code of Regulations (amended dry cleaning ATCM). The amended dry cleaning ATCM became State law on December 27, 2007, and was submitted by the California Air Resources Board (CARB) to be implemented and enforced in lieu of the National Perchloroethylene Air Emission Standards for Dry Cleaning Facilities, 40 CFR Part 63, Subpart M (dry cleaning NESHAP), and California’s previously approved original dry cleaning ATCM. Because EPA believes