

(A) The last date on which the utility's rates are determined under the rate order in effect on December 21, 2005; or

(B) December 21, 2007.

■ **Par. 3.** Section 1.168(i)–3 is added to read as follows:

**§ 1.168(i)–3 Treatment of excess deferred income tax reserve upon disposition of deregulated public utility property.**

(a) *Scope*—(1) *In general.* This section provides rules for the application of section 203(e) of the Tax Reform Act of 1986, Public Law 99–514 (100 Stat. 2146) to a taxpayer with respect to public utility property (within the meaning of section 168(i)(10)) that ceases, whether by disposition, deregulation, or otherwise, to be public utility property with respect to the taxpayer and that is not described in paragraph (a)(2) of this section (deregulated public utility property).

(2) *Exceptions.* This section does not apply to the following property:

(i) Property that ceases to be public utility property with respect to the taxpayer on account of an ordinary retirement within the meaning of § 1.167(a)–11(d)(3)(ii).

(ii) Property transferred by the taxpayer if after the transfer the property is public utility property of the transferee and the taxpayer's excess tax reserve with respect to the property (within the meaning of section 203(e) of the Tax Reform Act of 1986) is treated as an excess tax reserve of the transferee with respect to the property.

(b) *Amount of reduction.* If public utility property of a taxpayer becomes deregulated public utility property to which this section applies, the reduction in the taxpayer's excess tax reserve permitted under section 203(e) of the Tax Reform Act of 1986 is equal to the amount by which the reserve could be reduced under that provision if all such property had remained public utility property of the taxpayer and the taxpayer had continued use of its normalization method of accounting with respect to such property.

(c) *Cross reference.* See § 1.46–6(k) for rules relating to the treatment of accumulated deferred investment tax credits when utilities dispose of regulated public utility property.

(d) *Effective/applicability dates*—(1) *In general.* Except as provided in paragraph (d)(2) of this section, this section applies to public utility property that becomes deregulated public utility property after December 21, 2005.

(2) *Property that becomes public utility property of the transferee.* This section does not apply to property that

becomes deregulated public utility property with respect to a taxpayer on account of a transfer on or before March 20, 2008 if after the transfer the property is public utility property of the transferee.

(3) *Application of regulation project (REG–104385–01).* A reduction in the taxpayer's excess deferred income tax reserve will be treated as ratable if it is consistent with the proposed rules in regulation project (REG–104385–01) (68 FR 10190) March 4, 2003, and occurs during the period beginning on March 5, 2003, and ending on the earlier of—

(i) The last date on which the utility's rates are determined under the rate order in effect on December 21, 2005; or

(ii) December 21, 2007.

**Linda E. Stiff,**

*Acting Deputy Commissioner for Services and Enforcement.*

Approved: March 6, 2008.

**Eric Solomon,**

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

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## DEPARTMENT OF THE TREASURY

### Fiscal Service

#### 31 CFR Part 356

[Docket No. BPD GSRS 08–01]

#### **Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds—Minimum and Multiple Amounts Eligible for STRIPS, Legacy Treasury Direct, and Certification Requirements**

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

**ACTION:** Final rule.

**SUMMARY:** The Department of the Treasury (“Treasury” or “We”) is issuing in final form amendments to the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds. The first change lowers the minimum and multiple par amounts of Treasury marketable notes, bonds, and Treasury inflation-protected securities (TIPS) that may be stripped from \$1,000 to \$100. The second change eliminates the provisions allowing depository institutions and dealers to submit customer bids in Treasury marketable securities auctions for securities that will be held in Legacy Treasury Direct. The third change eliminates the requirement that submitters that submit bids by computer provide a written

certification that they are in compliance with the auction rules. Finally, this final rule adds technical clarification to the calculation of accrued interest for Treasury bonds and notes.

**DATES:** *Effective Date:* This rule is effective on March 20, 2008.

*Applicability Date:* The changes to 31 CFR 356.31 apply to all Treasury marketable securities eligible for stripping (notes, bonds, plus TIPS issued after January 15, 1985) outstanding on and after April 7, 2008.

*Applicability Date:* The change to 31 CFR Part 356, Appendix B, Section I, Paragraph C applies to all Treasury notes, bonds, and TIPS issued on or after the date of the first Treasury marketable securities auction with a \$100 minimum purchase amount announced through an offering announcement.

*Applicability Date:* The changes to 31 CFR 356.2, 356.4, 356.16, 356.17 and 356.25 apply to all auctions of Treasury marketable securities beginning with the first Treasury marketable securities auction with a \$100 minimum purchase amount announced through an offering announcement.

**ADDRESSES:** You may download this final rule from the Bureau of the Public Debt's Web site at <http://www.treasurydirect.gov> or from the Electronic Code of Federal Regulations (e-CFR) Web site at <https://www.ecfr.gov/current/title-31/subtitle-B/chapter-II/subchapter-A/part-356>. It is also available for public inspection and copying at the Treasury Department Library, Room 1428, Main Treasury Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220. To visit the library, call (202) 622–0990 for an appointment.

**FOR FURTHER INFORMATION CONTACT:** Lori Santamorenna (Executive Director), Chuck Andreatta (Associate Director), or Aaron Gregg (Government Securities Specialist), Bureau of the Public Debt, Government Securities Regulations Staff, (202) 504–3632 or e-mail us at [govsecreg@bpd.treas.gov](mailto:govsecreg@bpd.treas.gov). *Policy Information:* Karthik Ramanathan (Director), Department of the Treasury, Office of Debt Management, (202) 622–2042 or e-mail at [debt.management@do.treas.gov](mailto:debt.management@do.treas.gov).

**SUPPLEMENTARY INFORMATION:** The Uniform Offering Circular (UOC), in conjunction with the announcement for each auction, provides the terms and conditions for the sale and issuance to the public of marketable Treasury bills, notes, bonds and TIPS.<sup>1</sup>

<sup>1</sup> The Uniform Offering Circular was first published as a final rule on January 5, 1993 (58 FR 5891).

This final rule revises 31 CFR 356.31 of the UOC, which describes the terms and conditions for STRIPS (Separate Trading of Registered Interest and Principal of Securities). The STRIPS program allows holders of book-entry (electronic) Treasury notes, bonds, and TIPS to separate those securities into their separate principal and interest components. Holders then can hold or trade these components separately as zero-coupon securities. Currently, the minimum par amount of notes, bonds, and TIPS that may be stripped is \$1,000,<sup>2</sup> and any higher par amount to be stripped must be in a multiple of \$1,000.

On August 1, 2007, Treasury announced that it was considering lowering the minimum and multiple par amounts that bidders may bid for in Treasury marketable securities auctions from \$1,000 to \$100 to put Treasury securities within the reach of all individual investors.<sup>3</sup> On October 31, 2007, Treasury announced that it will lower the minimum purchase amounts for Treasury auctions from \$1,000 to \$100 after the release of the new auction processing system.<sup>4</sup> This will also allow holders to hold and transfer all outstanding Treasury bills, notes, bonds, and TIPS in minimum and multiple par amounts of \$100. The announced change does not require a change to the UOC because it will be incorporated in each auction announcement.<sup>5</sup>

This final rule makes the minimum and multiple par amounts of Treasury notes, bonds, and TIPS eligible to be stripped consistent with the lower minimum and multiple par amounts that bidders may bid for in marketable Treasury securities auctions. The change to the minimum and multiple par amounts eligible to be stripped (31 CFR 356.31) will apply on April 7, 2008, and thereafter to all outstanding Treasury marketable securities eligible

for stripping (notes, bonds, plus TIPS issued after January 15, 1985).

The final rule also eliminates the provisions allowing depository institutions and dealers to submit customer bids in Treasury marketable securities auctions for securities that will be held in Legacy Treasury Direct (31 CFR 356.2, 356.4, 356.17, and 356.25). This functionality is not available in the new Treasury Automated Auction Processing System (TAAPS). Our experience has been that the volume of such bids has been so low that it does not justify continuing to provide the service in the new TAAPS. Investors will still be able to submit their own bids directly to Legacy Treasury Direct.

This final rule also eliminates the requirement that submitters that submit bids by computer provide a written certification that they are in compliance with the auction rules, because it is unnecessary in view of other requirements. The current UOC states that, by submitting bids or other information in an auction, submitters are deemed to have certified that they are in compliance with the auction rules; that the information provided regarding any bids for their own account is accurate and complete; and that the information provided with regard to any bids for customers accurately and completely reflects information provided by those customers or their intermediaries (31 CFR 356.16(a)). The new TAAPS will also state on the login screen that, by bidding in an auction, bidders are certifying that they will comply with the auction rules.

In addition, this final rule adds language to Appendix B, Section I, Paragraph C of the UOC to specify how we calculate accrued interest for a par amount of securities less than \$1,000.

#### Procedural Requirements

This final rule is not a significant regulatory action for purposes of E.O. 12866. The notice and public procedures requirements of the Administrative Procedure Act do not apply, under 5 U.S.C. 553(a)(2).

Since a notice of proposed rulemaking is not required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

#### List of Subjects in 31 CFR Part 356

Bonds, Federal Reserve System, Government Securities, Securities.

■ For the reasons stated in the preamble, 31 CFR part 356 is amended as follows:

#### 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)

■ 1. 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.

■ 2. Amend § 356.2 to revise the definition of “Autocharge agreement” to read as follows:

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

\* \* \* \* \*

*Autocharge agreement* means an agreement in a format acceptable to Treasury between a submitter or clearing corporation and a depository institution that authorizes us to:

- (1) Deliver awarded securities to the book-entry securities account of a designated depository institution in the commercial book-entry system, and
- (2) Charge a funds account of a designated depository institution for the settlement amount of the securities.

\* \* \* \* \*

■ 3. Amend § 356.4 to revise paragraph (c) as follows:

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

\* \* \* \* \*

(c) *Legacy Treasury Direct.* In this system, we maintain the book-entry securities of account holders directly on the records of the Bureau of the Public Debt, Department of the Treasury. Bids for securities to be held in Legacy Treasury Direct are submitted directly to us. From time to time, Treasury may announce that certain securities to be offered will not be eligible for purchase or holding in Legacy Treasury Direct.

#### § 356.16 [Amended]

■ 4. In § 356.16, remove paragraph (a)(4).

■ 5. Amend § 356.17 to revise paragraph (c)(1) to read as follows:

#### § 356.17 How and when do I pay for securities awarded in an auction?

\* \* \* \* \*

(c) \* \* \*

(1) *Bidding and payment by computer or by telephone.* If you are bidding by computer or by telephone, you must pay for any securities awarded to you by debit entry to a deposit account.

\* \* \* \* \*

■ 6. Amend § 356.25 to revise paragraph (b) to read as follows:

412). The circular, as amended, is codified at 31 CFR part 356. A final rule converting the UOC to plain language and making certain other minor changes was published on July 28, 2004 (69 FR 45202).

<sup>2</sup> See 65 FR 66174 (November 3, 2000) for a previous UOC amendment to minimum and multiple par amounts that may be stripped.

<sup>3</sup> See August 2007 Quarterly Refunding Statement by Anthony W. Ryan, Treasury Assistant Secretary for Financial Markets (August 1, 2007) <http://www.treas.gov/press/releases/hp515.htm>.

<sup>4</sup> See November 2007 Quarterly Refunding Statement by Anthony W. Ryan, Treasury Assistant Secretary for Financial Markets (October 31, 2007) <http://www.treas.gov/press/releases/hp655.htm>.

<sup>5</sup> See 31 CFR 356.2, which defines “minimum to bid” and “multiple to bid” as “the smallest amount of a security that may be bid for in an auction as stated in the auction announcement” and “the smallest additional amount of a security that may be bid for in an auction as stated in the auction announcement,” respectively.

**§ 356.25 How does the settlement process work?**

\* \* \* \* \*

(b) *Payment by authorized charge to a funds account.* Where the submitter's method of payment is an authorized charge to the funds account of a depository institution as provided for in § 356.17 (d), we will charge the settlement amount to the specified funds account on the issue date.

\* \* \* \* \*

■ 7. Amend § 356.31 to revise paragraphs (b)(1) and (c)(1) to read as follows:

**§ 356.31 How does the STRIPS program work?**

\* \* \* \* \*

(b) \* \* \*

(1) *Minimum par amounts required for STRIPS.* The minimum par amount of a fixed-principal security that may be stripped is \$100. Any par amount to be stripped above \$100 must be in a multiple of \$100.

\* \* \* \* \*

(c) \* \* \*

(1) *Minimum par amounts required for STRIPS.* The minimum par amount of an inflation-protected security that may be stripped is \$100. Any par amount to be stripped above \$100 must be in a multiple of \$100.

\* \* \* \* \*

■ 8. Amend Appendix B to part 356 by revising Section I, Paragraph C, Subparagraph 4, to read as follows:

**Appendix B to Part 356—Formulas and Tables**

\* \* \* \* \*

**C. Accrued Interest**

\* \* \* \* \*

4. We round all accrued interest computations to five decimal places for a \$1,000 par amount, using normal rounding procedures. We calculate accrued interest for a par amount of securities greater than \$1,000 by applying the appropriate multiple to accrued interest payable for a \$1,000 par amount, rounded to five decimal places. We calculate accrued interest for a par amount of securities less than \$1,000 by applying the appropriate fraction to accrued interest payable for a \$1,000 par amount, rounded to five decimal places.

\* \* \* \* \*

**Gary Grippo,**

*Acting Fiscal Assistant Secretary.*

[FR Doc. E8-5713 Filed 3-19-08; 8:45 am]

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**NATIONAL SCIENCE FOUNDATION****45 CFR Part 670**

**RIN 3145-AA48**

**Conservation of Antarctic Animals and Plants**

**AGENCY:** National Science Foundation.

**ACTION:** Final rule.

**SUMMARY:** Pursuant to the Antarctic Conservation Act of 1978, The National Science Foundation (NSF) is amending its regulations to designate additional Antarctic Specially Managed Areas (ASMA) and one new Historical Site or Monument (HSM). Further, NSF is amending its regulations to reflect that the Antarctic Treaty Consultative Parties (Consultative Parties), at the Antarctic Treaty Consultative Meeting XXIX (ATCM XXIX) in Edinburgh, Scotland adopted Measure 4 (2006) which removed all species of the genus *Arctocephalus*, Fur Seals, from the list of Specially Protected Species in Appendix A to Annex II to the Protocol on Environmental Protection to the Antarctic Treaty (The Protocol). These additions only reflect measures already adopted by the Consultative Parties at Antarctic Treaty Consultative Meetings.

**DATES:** *Effective Date:* March 20, 2008.

**FOR FURTHER INFORMATION CONTACT:**

Bijan Gilanshah, Office of the General Counsel, at 703-292-8060, National Science Foundation, 4201 Wilson Boulevard, Room 1265, Arlington, Virginia 22230.

**SUPPLEMENTARY INFORMATION:** The Antarctic Conservation Act of 1978 (ACA), as amended, (16 U.S.C. 2401, *et seq.*) implements the Protocol on Environmental Protection to the Antarctic Treaty. Annex II of the Protocol contains provisions for conservation of native Antarctic plants and animals. Annex V contains provisions for the protection of specially designated areas. Section 2405 of title 16 of the ACA directs the Director of the National Science Foundation to issue such regulations as are necessary and appropriate to implement Annexes II and V to the Protocol.

The Antarctic Treaty Parties periodically adopt measures to establish additional specially protected areas, specially managed areas and historical sites or monuments in Antarctica. This rule is being revised to add two new Antarctic Specially Managed Areas and one new Historical Site and Monument. Finally, this revision reflects a decision by the Consultative Parties to de-list all species of the genus *Arctocephalus*, Fur Seals, from the list of Specially

Protected Species in Appendix A to Annex II to the Protocol. The Fur Seals will continue to receive comprehensive protection under the Environmental Protocol to the Antarctic Treaty.

No public comment is needed because the addition of these areas or sites and the delisting merely implements measures adopted by the Consultative Parties at ATCM XXIX.

**Determinations**

NSF has determined, under the criteria set forth in Executive Order 12866, that this rule is not a significant regulatory action requiring review by the Office of Management and Budget. This rule involves a foreign affairs function of the United States and is, therefore, exempt from the notice requirements of section 553 of the Administrative Procedures Act and from regulatory flexibility analysis requirements of the Regulatory Flexibility Act, 5 U.S.C. 601-612. Although this rule is exempt from the Regulatory Flexibility Act, it has nonetheless been determined that this rule will not have a significant impact on a substantial number of small businesses. For purposes of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), these amendments to the existing regulations do not change the collection of information requirements contained in NSF's existing regulations, which have already been approved by the Office of Management and Budget.

**List of Subjects in 45 CFR Part 670**

Administrative practice and procedure, Antarctica, Exports, Imports, Plants, Reporting and recordkeeping requirements, Wildlife.

Dated: March 17, 2008.

**Lawrence Rudolph,**  
*General Counsel.*

Pursuant to the authority granted by 16 U.S.C. 2405(a)(1), NSF hereby amends 45 CFR part 670 as set forth below:

**PART 670—[AMENDED]**

■ 1. The authority citation for part 670 continues to read as follows:

**Authority:** 16 U.S.C. 2405, as amended.

■ 1. Section 670.25 is revised to read as follows:

**§ 670.25 Designation of specially protected species of native mammals, birds, and plants.**

The following species has been designated as Specially Protected Species by the Antarctic Treaty Parties and is hereby designated Specially Protected Species: