

regarding the issues raised and questions posed in the Proposing Release.

DATES: The public hearings will be held on September 13, 2000 in New York, New York and on September 20, 2000 in Washington, D.C. (addresses to be announced). The hearings on both days will begin at 9:00 a.m. Parties who wish to testify at either hearing must submit a written request to the Commission specifying on which date they prefer to testify. The Commission must receive these requests on or before August 25, 2000. Persons requesting to testify must also submit three copies of their oral statement, or a summary of their intended testimony, to the Commission. The Commission must receive these submissions on or before September 5, 2000. Interested parties who do not wish to appear at the hearings may submit written testimony by the end of the comment period for the Proposing Release (September 25, 2000) for inclusion in the public comment file.

ADDITIONAL INFORMATION: Requests to appear, oral statements or summaries of testimony, and other written testimony or comments should be mailed to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20459 or filed electronically at the following e-mail address: rule-comments@sec.gov. All requests to appear, oral statements or summaries of testimony, and other written testimony or comments should refer to Comment File No. 87-13-00. In addition, the words "Request to Testify" should be clearly noted on the subject line of the request. Copies of all requests and other submissions and transcripts of the hearing will be available for public inspection and copying in the Commission's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. Electronically submitted requests and other materials will be posted on the Commission's internet web site (www.sec.gov) following the hearings.

FOR FURTHER INFORMATION CONTACT: John M. Morrissey, Deputy Chief Accountant, or W. Scott Bayless, Associate Chief Accountant, Office of the Chief Accountant, at (202) 942-4400.

SUPPLEMENTARY INFORMATION:

I. Summary of Rule Proposals

The public hearings concern the Commission's proposed rule amendments regarding auditor independence. As more fully described in the Proposing Release, the proposals modernize our requirements by providing governing principles for determining whether an auditor is independent in light of: investments by

auditors or their family members in audit clients, employment relationships between auditors or their family members and audit clients, and the scope of services provided by audit firms to their audit clients. The proposals would, among other things, significantly reduce the number of audit firm employees and their family members whose investments in audit clients are attributed to the auditor. They would also identify certain non-audit services that, if provided to an audit client, would impair an auditor's independence. The scope of services proposals would not extend to services provided to non-audit clients. The proposals also would provide a limited exception for accounting firms that have certain quality controls and satisfy other conditions. Finally, the proposals would require companies to disclose in their annual proxy statements certain information about, among other things, non-audit services provided by their auditors during the last fiscal year. The Commission will consider the hearing record in connection with its rulemaking proposals.

II. Procedures for Hearing

After August 25, 2000, we will publish a schedule of appearances for the hearings to be held on September 13 and 20. Based on the number of requests received, we may not be able to accommodate all requests. As we did for the hearings held on July 26, we also may limit the time for formal presentations or group presentations into a series of panels. Time will be reserved for members of the Commission and Commission staff to pose questions to the witnesses concerning their testimony as well as other matters pertaining to the Proposing Release. The Commission has designated Jonathan G. Katz, Secretary of the Commission, as the hearing officer.

Dated: August 10, 2000.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 00-20667 Filed 8-15-00; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 301

[REG-103735-00; REG-110311-98; REG-103736-00]

RIN 1545-AX81; 1545-AW26; 1545-AX79

Modification of Tax Shelter Rules

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cross-reference notice of proposed rulemaking.

SUMMARY: These proposed rules relate to the modification of tax shelters under sections 6011, 6111, and 6112. The proposed rules provide the public with additional guidance needed to comply with the disclosure rules, the registration requirement, and the list maintenance requirement applicable to tax shelters. The proposed rules affect corporations participating in certain reportable transactions, persons responsible for registering confidential corporate tax shelters, and organizers of potentially abusive tax shelters. In the rules and regulations portion of this issue of the **Federal Register**, the IRS is issuing temporary regulations modifying the rules relating to the requirement that certain corporate taxpayers file a statement with their Federal corporate income tax returns under section 6011(a), the registration of confidential corporate tax shelters under section 6111(d), and the maintenance of lists of investors in potentially abusive tax shelters under section 6112. The text of those temporary regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments and requests for a public hearing must be received by November 14, 2000.

ADDRESSES: Send submissions to: CC:M&SP:RU (REG-103735-00; REG-110311-98; REG-103736-00), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:M&SP:RU (REG-103735-00; REG-110311-98; REG-103736-00), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option of the IRS Home Page or by submitting comments directly to the IRS Internet site at http://www.irs.gov/tax_regs/regslst.html.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Catherine Moore, (202) 622-3070; concerning submissions, Guy Traynor, (202) 622-7180.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information contained in this notice of proposed rulemaking previously have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). No material changes to these collections of information are proposed in these regulations.

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 control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

The temporary regulations amend the Income Tax Regulations (26 CFR part 1) regarding rules relating to the filing and records requirements for certain corporate taxpayers under section 6011. The temporary regulations also amend the temporary procedure and administration regulations (26 CFR part 301) regarding the registration of confidential corporate tax shelters under section 6111 and the maintenance of lists of investors in potentially abusive tax shelters under section 6112.

The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. Because these regulations impose no new collection of information on small entities, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue

Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (preferably a signed original and eight (8) copies) or electronically generated comments that are submitted timely to the IRS. The IRS and Treasury request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Drafting Information: The principal author of these regulations is Catherine Moore, Office of the Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects

26 CFR Part 1

Income taxes, reporting and recordkeeping requirements.

26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 301, which were proposed to be amended on August 29, 1984, and March 2, 2000, are proposed to be further amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.6011-4 as proposed to be added at 65 FR 11271 (March 2, 2000) is amended as follows:

1. The first sentence of paragraph (a) is revised.
2. Paragraph (d)(1), second sentence, is amended by removing the language "LM:PF" and adding "LM:PFTG:OTSA" in its place.

3. Paragraphs (e) and (g) are revised. The revisions read as follows:

§ 1.6011-4 Requirement of statement disclosing participation in certain transactions by corporate taxpayers.

(The text of the amendments to this proposed section is the same as the text of the amendments to § 1.6011-4T published elsewhere in this issue of the **Federal Register**.)

PART 301—PROCEDURE AND ADMINISTRATION

Par. 3. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 4. Section 301.6111-2 as proposed to be added at 65 FR 11274 (March 2, 2000) is amended as follows:

1. Paragraph (b)(3)(ii) is amended by removing the word "corporate".
2. Paragraph (c) is amended as follows:
 - a. The last two sentences of paragraph (c)(1) are revised.
 - b. Paragraph (c)(2) is revised.
 - c. Paragraph (c)(3) is added.
3. Paragraphs (f) and (g)(1) are revised.
4. Paragraph (h) is amended by adding three sentences at the end of the paragraph.

The revisions and additions read as follows:

§ 301.6111-2 Confidential corporate tax shelters.

(The text of the amendments to this proposed section is the same as the text of the amendments to § 301.6111-2T published elsewhere in this issue of the **Federal Register**.)

Par. 5. Section 301.6112-1 as proposed to be added at 49 FR 34246 (August 29, 1984) and 65 FR 11272 (March 2, 2000) is amended as follows:

0. The section heading is added.
1. A-4(a) is revised.
2. The last two sentences of A-5 are removed and a new sentence is added in their place.
3. A-6 is amended as follows:
 - a. Paragraph (b) is amended by removing the language "and" at the end of the paragraph.
 - b. Paragraph (c) is amended by removing the period at the end of the paragraph and adding "; and" in its place.
 - c. Paragraph (d) is added immediately after paragraph (c).
4. The last sentence of A-7 is revised.
5. A-8 is amended as follows:
 - a. In A-8, introductory text and paragraphs (a) through (e) are redesignated as paragraph (a)

introductory text and paragraphs (a)(1) through (a)(5), respectively.

b. New paragraph (b) is added immediately after Example (2) in newly designated paragraph (a)(5).

6. The last two sentences of A-9 are amended by removing the language "paragraph (e)" and adding "paragraph (a)(5)" in its place.

7. One sentence is added at the end of A-10.

8. A-11 is amended as follows:

a. In A-11, introductory text and paragraphs (a) and (b) are redesignated as paragraph (a) introductory text and paragraphs (a)(1) and (a)(2), respectively.

b. New paragraph (b) is added.

9. A-17 is amended as follows:

a. Paragraph (a)(3) is revised.

b. Paragraph (c) is added.

10. The first and second sentences of A-19 are amended by removing the language "paragraph (d) or paragraph (e)" and adding "paragraph (a)(4) or (5)" in its place.

11. A-22 is amended by adding three sentences before the last sentence.

The additions and revisions read as follows:

§ 301.6112-1 Questions and answers relating to the requirement to maintain a list of investors in potentially abusive tax shelters.

(The text of the amendments to this proposed section is the same as the text of the amendments to § 301.6112-1T published elsewhere in this issue of the *Federal Register*.)

Robert E. Wenzel,

Deputy Commissioner of Internal Revenue.

[FR Doc. 00-20541 Filed 8-11-00; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206

RIN 1010-AC59

Valuation of Federal Geothermal Resources

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Withdrawal of advance notice of proposed rulemaking.

SUMMARY: MMS withdraws its August 19, 1999, Advance Notice of Proposed Rulemaking (Advance Notice) regarding the valuation of Federal geothermal resources. After further analysis, we conclude that the concerns that prompted the Advance Notice can be

satisfactorily addressed using alternative valuation methods available in existing regulations. This notice terminates the geothermal rulemaking process initiated by the Advance Notice.

DATES: The advance notice of proposed rulemaking is withdrawn as of August 16, 2000.

ADDRESSES: See **FOR FURTHER INFORMATION CONTACT** section below.

FOR FURTHER INFORMATION CONTACT:

Charles Brook, Royalty Valuation Division, MMS; telephone, (303) 275-7250; E-mail, Charles.Brook@mms.gov; mailing address, Minerals Management Service, Royalty Valuation Division, P.O. Box 25165, MS 3153, Denver, Colorado 80225-0165.

SUPPLEMENTARY INFORMATION: MMS published an Advance Notice of Proposed Rulemaking in the *Federal Register* on August 19, 1999 (64 FR 45213), requesting public comments on new methods of valuing, for royalty purposes, Federal geothermal resources that are not subject to a sales transaction (the "no-sales" resources). MMS took this action in response to concerns raised by several California congressional representatives and their constituent county governments over declining royalties. The concerns centered around the use of the netback procedure to value no-sales electrical generation resources. MMS also solicited comments on valuation standards for direct-use resources.

The comment period on the Advance Notice closed on October 18, 1999. MMS also held a public workshop on October 7, 1999 (64 FR 50026), and met with several industry representatives on December 7, 1999.

MMS received written comments from 20 respondents, including representatives of States, county governments, and industry; members of a municipal utility; and a Member of Congress. All of the comments focused on the valuation of electrical generation resources. Fourteen of the 20 respondents—all of the industry representatives, the members of the municipal utility, a Member of Congress, and a State representative—commented on the existing netback valuation procedure. The remaining 6 respondents commented on other geothermal valuation procedures. MMS received no comments on the valuation of direct-use resources.

The comments did not reveal a preferred valuation method for no-sales resources. In general, advocates of one valuation method found fault with, or were fundamentally opposed to, other methods. Some respondents also questioned the merits of the rulemaking,

stating that MMS had not fully presented its reasons for the new valuation rules.

Based on the comments received, both written and verbal, the impact of declining royalties appears to affect only a few county governments and geothermal lessees operating within those counties. Both MMS and the lessees involved have taken steps to mitigate this impact by exploring alternative valuation methods within the existing regulatory structure. These efforts are proving successful and are satisfying the concerns of the affected county governments and Members of Congress. Accordingly, MMS believes it is no longer necessary to pursue a rulemaking for geothermal valuation and withdraws its August 19, 1999, Advance Notice.

Dated: August 10, 2000.

Lucy Querques Denett,

Associate Director for Royalty Management.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 70

[CO-001b; FRL-6851-2]

Clean Air Act Proposed Full Approval of Operating Permit Program; Approval of Expansion of State Program Under Section 112(I); State of Colorado

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to approve the operating permit program submitted by the State of Colorado. Colorado's program was submitted for the purpose of meeting the Federal Clean Air Act directive that States develop, and submit to EPA, programs for issuing operating permits to all major stationary sources and to certain other sources within the State's jurisdiction.

In the "Rules and Regulations" section of this *Federal Register*, the EPA is promulgating full approval of the Colorado program as a direct final rule without prior proposal because the state is currently running the program and the Agency views this as a noncontroversial action and anticipates no adverse comments. A detailed rationale for the approval is set forth in the preamble to the direct final rule.

In addition, EPA is also approving the expansion of Colorado's program for receiving delegation of section 112