

For the Nuclear Regulatory Commission.
Robert E. Browning,
*Director, Division of Waste Management,
 Office of Nuclear Material Safety and
 Safeguards.*

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FEDERAL TRADE COMMISSION

16 CFR Part 424

Retail Food Store Advertising and Marketing Practices

AGENCY: Federal Trade Commission.
ACTION: Notice of Postponement of Scheduled Public Hearing.

SUMMARY: The Federal Trade Commission has postponed until April 1, 1986, the public hearing on the Proposed Amendment of the Retail Food Store Advertising and Marketing Practices Trade Regulation Rule. The time for filing statements of testimony and exhibits by witnesses has not been extended.

DATE: The public hearing will commence at 9:30 a.m., April 1, 1986.

ADDRESS: The public hearing will be held in Room 532 of the Federal Trade Commission Building, Pennsylvania Avenue and Sixth Street, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Henry B. Cabell, Presiding Officer, Federal Trade Commission, Washington, DC 20580, 202-523-3564 or Jill Goodrich-Mahoney, Attorney, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580, 202-523-5998.

SUPPLEMENTARY INFORMATION: By Federal Register Notice of October 24, 1985 (50 FR 43224) the Commission published the proposed amendment of the rule, announced the date for commencement of the hearing and set a deadline for filing statements of testimony by prospective witnesses and exhibits. The hearing was scheduled to commence on March 17, 1986. Prepared statements of testimony by witnesses and exhibits were to be filed on or before February 14, 1986.

The Presiding Officer has granted the motion of the Commission staff for a delay in the commencement of the hearing, and has postponed the commencement date of the hearing until April 1, 1986. The Presiding Officer has not extended the deadline for filing prepared statements of testimony and exhibits by witnesses.

Issued: February 28, 1986.
Henry B. Cabell,
Presiding Officer.
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DEPARTMENT OF THE INTERIOR

Mineral Management Service

30 CFR Parts 202, 203, 206, 207, 210, 212, 241, and 250

Royalty Management; Product Valuation Regulations and Related Topics

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Addition to advance notice of proposed rulemaking and request for comments.

SUMMARY: The Minerals Management Service (MMS) hereby gives notice that it is supplementing its February 5, 1986, Federal Register Notice announcing an advance notice of proposed rulemaking. Two alternative product valuation methods are proposed for oil and gas and associated products.

DATES: Comments must be received on or before April 7, 1986. A public meeting will be held on March 18 and 19, 1986, from 8:30 a.m. to 4:00 p.m.

ADDRESSES: Comments should be mailed to Minerals Management Service, Royalty Management Program, Office of External Affairs, Denver Federal Center, Building 85, P.O. Box 25165, Mail Stop 660, Denver, Colorado 80225, Attention: Vernon E. Ingraham. The public meeting will be held at the Denver Federal Center, Building 25, Room 1254, Lakewood, Colorado 80225.

FOR FURTHER INFORMATION CONTACT: Vernon B. Ingraham, telephone: (303) 231-3360, (FTS) 236-3360.

SUPPLEMENTARY INFORMATION:

I. Background

An advance notice of proposed rulemaking giving notice of the availability of draft valuation regulations for coal, oil, gas and associated products, gas processing allowances, and transportation allowances was published in the Federal Register on February 5, 1986 (51 FR 4507). The background information in that notice applies also to this notice.

II. Draft Regulations

The draft regulations for each of the products being made available for review and comment (i.e. coal, oil, and gas) incorporate a procedure for valuing products disposed of under non-arm's-

length-contract and no-contract situations that requires an intensive, up-front MMS approval process. However, future resources available to MMS may be inadequate to support the active MMS role required in the draft proposed regulations. Therefore, MMS specifically requests comments for each of the regulations regarding alternatives that may require fewer resources for both the lessee and MMS. In this regard, MMS has identified a few specific alternatives, but other alternative suggestions are requested.

In valuing oil, posted prices are a well-recognized valuation standard, and posted price bulletins cover almost all producing areas. MMS has proposed to use these posted prices as the primary valuation criteria. Under the draft regulations, MMS would review all transactions that do not occur under an arm's-length contract. This review would be based primarily upon information submitted to MMS by the lessee, and then MMS would specify a value, which in all probability would be based upon prices posted for the producing area. As an alternative, MMS would like comments on whether the regulations could require the lessee to compute royalties based on a price which is no more than 5 percent less than the highest price posted applicable to the producing area, adjusted for gravity. This would eliminate both the need for lessees to submit information and for MMS to review all that information before establishing a royalty value in non-arm's-length and no-contract situations. The lessee's valuation still would be subject to later audit by MMS.

For valuing gas, one alternative to the draft regulations would retain the basic approach of the draft proposed regulations, but up-front MMS approval would not be required for non-arm's-length-contract and no-contract situations. The lessee would be responsible for determining whether its non-arm's-length contract is equivalent to non-arm's-length contracts or, failing that, for determining which of the prioritized valuation criteria should be used. Thus, rather than requiring the lessee to propose a value, submit that proposal to MMS with supporting documentation, and then await MMS approval, this alternative would allow the lessee, in the first instance, to apply the prioritized criteria which would be set forth in the rules. Of course, the lessee's value would be subject to later audit to ensure its reasonableness. While this approach would reduce MMS's involvement in establishing value, comments are requested on

whether it would provide the level of certainty to the lessee that MMS desires in the regulations. One purpose of the regulations is to eliminate, to the extent practicable, the situation which currently exists whereby lessees are uncertain as to what the royalty value of a product will be until MMS conducts an audit.

A second alternative for valuing gas in non-arm's-length-contract and non-contract situations would be to have the regulations prescribe, by geographical area, a minimum value for royalty purposes. This minimum value would change periodically based upon an index which would also be prescribed by the regulations. The index would be designed to reflect changing market conditions, and thus cause the minimum value to rise or fall with the market. For example, assume minimum value for NGPA section 102 gas for January 1986 is determined after the notice and opportunity for comment to be \$2.10 per MMBtu for the Gulf of Mexico OCS. The index is prescribed to be the average projected base price reported to FERC for the Gulf of Mexico OCS under all Purchased Gas Adjustment (PGA) filings in effect for the current month divided by the average projected base price reported to FERC under all PGA filings in effect for January 1986. If the average projected base price reported to FERC for January 1986 was \$2.00 per MMBtu, and for June 1986 it was \$1.75 per MMBtu, the minimum value upon which royalties could be based for June 1986 Gulf of Mexico OCS production would be \$1.84 per MMBtu.

PGA filings are required to be filed by all interstate pipeline companies that purchase gas for resale and these filings are publicly available. One concern with this alternative is that the PGA filing information may not represent the total gas sales from an area because it does not include intrastate gas sales, direct producer sales, etc. In the worst case, there may be no PGA filing information available, such as for the State of California where no gas produced is sold into the interstate market. The advantage of this alternative is that lessees would be able to determine with some certainty what their royalty obligation would be. For MMS, the audit burden would be decreased significantly because auditors would be required to determine only if the lessee paid either gross proceeds or the minimum value whichever is greater.

MMS's objective is to have clear and concise valuation regulations which result in proper, reasonable values for royalty purposes. Our goal is to avoid a process that is burdensome on either the

lessee or lessor. Therefore, comments are requested on the draft rules, the alternatives outlined in this notice, and any other suggestions lessees or others may have for inclusion in proposed regulations.

III. Availability of Draft Regulations

Interested persons may obtain a copy of the draft regulations upon request from the MMS at the address above in ADDRESSES.

The format of the public meeting will be the same as that specified in the preamble section of the draft regulations. The oil and gas draft regulations will be covered on March 18, the coal draft regulations will be covered in the morning session on March 19, and the gas processing and transportation allowance draft regulations will be covered in the afternoon session on March 19.

Dated: March 2, 1986.

William D. Beitenberg,

Director, Minerals Management Service.

[FR Doc. 86-4884 Filed 3-5-86; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 110

[CGD3-85-81]

Special Anchorage Area; Hudson River, Tarrytown, NY

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is considering a proposal to establish a special anchorage area in the Hudson River southwest of Tarrytown, New York and northeast of the Tappan Zee Bridge. This proposal is being considered because there is a reported shortage of dock space for recreational vessels in the lower Hudson River. The proposed special anchorage would help alleviate the shortage of space by providing a mooring area for approximately 45 small vessels.

DATE: Comments must be received on or before April 21, 1986.

ADDRESSES: Comments should be mailed to Commander, Coast Guard Group New York, Bldg. 109, Governors Island, New York, NY 10004. The comments and other materials referenced in this notice will be available for inspection and copying at the Vessel Movement Office, Bldg. 109, Governors Island, New York. Normal office hours are between 8:00 a.m. and

4:30 p.m., Monday through Friday, except holidays. Comments may also be hand delivered to this address.

FOR FURTHER INFORMATION CONTACT: Lieutenant Junior Grade T.S. Kuhaneck, Vessel Movement Officer, Commander, Coast Guard Group New York, at (212) 668-7933.

SUPPLEMENTARY INFORMATION:

Interested persons are invited to participate in this rulemaking by submitting written views, data, or arguments. Persons submitting comments should include their names and addresses, identify this notice (CGD3-85-81) and the specific section of the proposal to which their comments apply, and give reasons for each comment. Receipt of comments will be acknowledged if a stamped, self-addressed postcard or envelope is enclosed.

The regulations may be changed in light of comments received. All comments received before the expiration of the comment period will be considered before final action is taken on this proposal. No public hearing is planned, but one may be held if written requests for a hearing are received and it is determined that the opportunity to make oral presentations will aid the rulemaking process.

Drafting Information

The drafters of this notice are LTJG T.S. Kuhaneck, Project Officer, Coast Guard Group New York, and Mrs. M.A. Arisman, Project Attorney, Third Coast Guard District Legal Office.

Discussion of Proposed Regulations

The area proposed for designation as a special anchorage lies in an area southwest of Tarrytown, New York, and northeast of the Tappan Zee Bridge. This is an area of heavy recreational boating concentration but one lacking in available dock area. The proposed special anchorage would increase the area available for recreational boaters to anchor in this section of the Hudson River. This rule would allow anchoring of small boats (vessels under 65 feet in length) without requiring them to display anchor lights or sound fog signals. The area is well away from the navigable channel and is located where general navigation will not endanger or be endangered by unlighted vessels. It is projected that approximately 45 small vessels will use this designated area. The area would be open to the general public with access available at the Washington Irving Boat Club. The boat club has launching equipment, a paved launching ramp, and fueling and parking facilities. This regulation is issued