Answer: No.

(147) *Question:* An insider holds convertible debentures for more than six months. He then converts the debentures into common stock and immediately sells some additional shares of common stock. Assuming he has no other relevant transactions, is rule 16b-9 available for his conversion?

Answer: Yes. The proviso to the rule states that the rule is not available to the extent that there are independent purchases and sales of the securities concerned within a period of less than six months, which period includes the date of conversion. Since the insider did not engage in any other relevant transactions within the six month period, the exemption is available.

Illustration: An insider of Company X acquires notes convertible into Company X common stock in a private placement. He intends to convert these notes one year later. The conversion will be effected at a time when he will not have purchased or sold any other equity securities of the company within the preceding six months. However, he intends to sell Company X common stock immediately after the conversion.

Interpretation: Rule 16b-9 is available, hence the acquisition of the common stock upon the conversion of the notes would not be deemed a purchase for purposes of Section 16(b).[201]

(148) *Question:* Is Rule 16b-9 available if, pursuant to the terms of the conversion right, the holder must make an additional cash payment in order to receive the new security?

Answer: Usually. In connection with the exercise of a conversion right, it is sometimes necessary to make a payment in addition to the surrender of the convertible security or, alternatively, surrender of the convertible security may result in the delivery of cash or other property in addition to the security received on conversion. Where such extra payments or receipts are not substantial in relation to the value of the securities involved, they do not affect the availability of the exemption. Thus, the exemption would still be available so long as not more than 15 percent of the value of the security received in exchange consisted of cash or property other than the convertible security.[202]

(149) *Question:* Would the application of anti-dilution provisions which might affect the conversion price of a convertible security, be considered a change in the conversion privilege for purposes of Rule 16b-9(a)(1)?

Answer: No.

Illustration: In accordance with a loan agreement, Company A issued and sold to Company B a $2,000,000 principal amount, convertible subordinated note. The note is convertible into shares of Company A common stock. The agreement requires Company A to make periodic pre-payments on the principal amount of the note. The agreement also provides for the adjustment of the conversion price of the note to prevent dilution of the conversion privilege and protect the proportional equity interest of the note holder. Any changes in the conversion price resulting from the operation of the anti-dilution provisions would occur solely because of actions taken by Company A and would not involve any further actions by, or negotiations with, the note holder.

Interpretation: Any change in the conversion price of the note, by operation of the anti-dilution provisions, would not be considered a change in the conversion privilege of the note for purposes of clause (1) of the proviso to paragraph (a) of Rule 16b-9.[203]

J. Rule 16b-10 [17 CFR 240.16b-10]

Rule 16b-10 exempts from Section 16(b) of the Exchange Act certain acquisitions of securities from an issuer received in exchanges made pursuant to the provisions of the Interstate Commerce Act. In order for the exemption to be available, the person acquiring the new security must be subject to one or more of the provisions of Part I of the Interstate Commerce Act and meet the other conditions set forth in the rule. The exemption was intended to provide a measure of protection for mandatory exchange transactions in connection with the reorganization of railroads and other carriers.

(150) *Question:* Is Rule 16b-10 available for the disposition of stock made in accordance with an order or condition imposed by the Interstate Commerce Commission?

Answer: No. The exemption covers only the acquisition of securities received in the mandatory exchange.

K. Rule 16b-11 [17 CFR 240.16b-11]

Rule 16b-11 exempts from Section 16(b) certain transactions involving the sale of short-term subscription rights distributed *pro rata* by an issuer to its security holders.

(151) *Question:* Does Rule 16b-11 exempt: (1) purchases of subscription rights for cash or other consideration; (2) sales of subscription rights which were purchased for cash or other consideration; or (3) the purchase of securities upon the exercise of subscription rights?

Answer: No. By its terms, the exemption is only available for the sale of subscription rights which were acquired from the issuer without the payment of consideration.

Illustration: A company proposes to file a registration statement under the Securities Act of 1933, pursuant to which it will offer to the holders of its common stock the right to subscribe for additional shares of common stock. The rights will be evidenced by transferable subscription warrants which will be distributed to stockholders *pro rata*, without the payment of any consideration, and will expire 30 days after issuance.

Interpretation: The sale of such rights by an insider would be exempt under Rule 16b-11.[204]

By the Commission.

George A. Fitzsimmons,

Secretary.

September 23, 1981.

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[201] Letter re *Oxoco* dated September 15, 1977.

[202] It should be noted that this exemption is construed to exclude the exercise of options, warrants or rights. See *Brenner v. Johnson*, 328 F.Supp. 149 (E.D. Wis. 1971), *mod.*, 467 F.2d 1080 (7th Cir. 1972).

[203] Letter re *Portec, Inc.* dated June 14, 1976.

[204] The exemption does not apply to the sale of subscription rights by a person who has purchased subscription rights for cash or other consideration, within the six-month period preceding or following such sale, to the extent of any such purchase. See paragraph (c) of Rule 16b-11.

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17 CFR Parts 285, 286 and 287

[Release Nos. 33-6347, 34-18116, BWA-4, IAD-3; AD-3]

Primary Offerings by Multinational Banks

AGENCY: Securities and Exchange Commission.

ACTION: Final rules.

SUMMARY: The Commission is amending three virtually identical exemptive regulations for primary distribution of securities issued by the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. The amendments permit these banks to sell their securities immediately upon filing certain information with the Commission instead of waiting a period of seven days.

EFFECTIVE DATE: October 1, 1981.

FOR FURTHER INFORMATION CONTACT:

Carl T. Bodolus (202) 272-3246, or Ronald Adee (202) 272-3250, Office of International Corporate Finance, Division of Corporation Finance, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: On June 25, 1981, there was published in the Federal Register (46 FR 32879) a notice of proposed rulemaking relating to the sale of securities issued by the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Interested parties were given the opportunity to submit comments until July 24, 1981.

No unfavorable comments have been received, and the proposed amendments are hereby adopted without change and are set forth below.

George A. Fitzsimmons,

Secretary.

September 24, 1981.

PART 285—RULES AND REGULATIONS PURSUANT TO SECTION 15(A) OF THE BRETTON WOODS AGREEMENTS ACT

PART 286—GENERAL RULES AND REGULATIONS PURSUANT TO SECTION 11(A) OF THE INTER-AMERICAN DEVELOPMENT BANK ACT

PART 287—GENERAL RULES AND REGULATIONS PURSUANT TO SECTION 11(A) OF THE ASIAN DEVELOPMENT BANK ACT

Accordingly, 17 CFR 285.3, 286.3, and 287.3 are revised to read as follows:

§ —.3 Reports with respect to proposed distribution of primary obligations.

The Bank shall file with the Commission, on or prior to the date on which it sells any of its primary obligations in connection with a distribution of such obligations in the United States, a report containing the information and documents specified in Schedule A below. The term "sell" as used in this section and in Schedule A means the making of a completed sale or a firm commitment to sell.

Authority

These amendments are pursuant to Section 15(a) of the Bretton Woods Agreements Act, Section 11(a) of the Inter-American Development Bank Act, Section 11(a) of the Asian Development Bank Act, and Section 19(a) of the Securities Act of 1933.

(Sec. 15(a), 63 Stat. 298, 22 U.S.C. 286k-1(a); Sec. 11(a), 73 Stat. 301, 22 U.S.C. 283h(a); Sec. 11(a), 80 Stat. 73, 22 U.S.C. 285h(a); Sec. 19(a), 48 Stat. 85, 15 U.S.C. 77s(a))

[FR Doc. 81-28549 Filed 9-30-81; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 274

[Docket No. RM81-44; Order No. 176]

Identification of Jurisdictional Agencies

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission (Commission) amends 18 CFR 274.501, which identifies the State and Federal agencies from which well category determinations must be obtained under the Natural Gas Policy Act of 1978 (NGPA) (15 U.S.C. 3301-3432). Section 503 of the NGPA provides that Federal and State agencies having regulatory jurisdiction with respect to the production of natural gas are authorized to make the initial determinations that gas qualifies under sections 102, 103, 107, and 108. Section 274.501 of the Commission's regulations lists the names and addresses of the appropriate jurisdictional agencies. The United States Department of Energy, the United States Geological Survey and the North Dakota Geological Survey have notified the Commission of a change in jurisdiction over specific natural gas production. The Commission now amends § 274.501(a)(2) to reflect those changes.

DATES: Effective date: September 23, 1981.

FOR FURTHER INFORMATION CONTACT: Thomas Hirsch, Office of the General Counsel, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, D.C. 20426, (202) 357-8511.

SUPPLEMENTARY INFORMATION:

Issued: September 23, 1981.

By this rule, the Federal Energy Regulatory Commission (Commission) amends § 274.501, which identifies the State and Federal agencies from which well category determinations must be obtained under the Natural Gas Policy Act of 1978 (NGPA) (15 U.S.C. 3301-3432). Section 503 of the NGPA provides that Federal and State agencies having regulatory jurisdiction with respect to the production of natural gas are authorized to make the initial determinations that gas qualifies under sections 102, 103, 107, and 108. Section 274.501 lists the names and addresses of the appropriate jurisdictional agencies. When a jurisdictional agency notifies the Commission of a change of jurisdiction over specific natural gas production, the change is reflected in § 274.501(a)(2) to provide current information to the public. The Commission now amends § 274.501(a)(2) to reflect changes submitted by the United States Department of Energy (DOE), the United States Geological Survey (USGS) and the North Dakota Geological Survey.

On March 28, 1980, the Commission received notice from DOE [1] that it was responsible for making well category determinations on certain Naval Petroleum Reserves.[2] On September 15, 1980, the Commission received notice from the USGS that its Central Region of the USGS Conservation Division located in Denver, Colorado, was the jurisdictional agency for Federal and Indian lands in the states of Colorado, Iowa, Kansas, Missouri, Nebraska and Utah. Also, on June 18, 1981, the North Dakota Geological Survey notified the Commission that effective July 1, 1981, the Industrial Commission would be the jurisdictional agency for lands other than federal lands for the state of North Dakota. Section 274.501(a)(2) is amended herein to reflect these changes.

Publication of a notice of proposed rulemaking and opportunity for public comment under section 553 (b) and (c) of the Administrative Procedure Act (5 U.S.C. 553) is unnecessary because the amendments simply inform the public of the identity and location of jurisdictional agencies. For the same reason, the 30 day publication prior to the effective date, otherwise required under section 553(d), is also unnecessary.

(Natural Gas Act, as amended, 15 U.S.C. 717-717w; Department of Energy Organization Act, 42 U.S.C. 7101-7352; Natural Gas Policy Act of 1978, 15 U.S.C. 3301-3432; Administrative Procedure Act, 5 U.S.C. 553)

For reasons stated herein, Part 274 of Subchapter H, Title 18, Code of Federal Regulations, is amended as set forth below, effective September 23, 1981.

By the Commission.

Kenneth F. Plumb,

Secretary.

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[1] See section 307 of DOE Organization Act. The Department of Energy's report of determination process, filed under § 274.105(a) was received by the Commission on March 28, 1980, and notice of receipt of the report was issued on May 1, 1980.

[2] Naval Petroleum Reserve No. 1 (Elk Hills, California), Naval Petroleum Reserve No. 2 (Buena Vista, California), Naval Petroleum Reserve No. 3 (Teapot Dome, Wyoming).

PART 274—DETERMINATIONS BY JURISDICTIONAL AGENCIES

Section 274.501(a)(2) is amended by adding a jurisdictional agency for federal lands in Iowa and Missouri and by revising the list of jurisdictional agencies for California, Colorado, Kansas, Nebraska, North Dakota, Utah and Wyoming to read as follows:

§ 274.501 Jurisdictional agency.

(a) Definitions * * *

* * * * *

(2) * * *

State in which well is located	Jurisdictional agency for wells on— Federal lands	Other lands
* *	* * * *	*
California	(Except for Naval Petroleum Reserve No. 1 (Elk Hills) and Naval Petroleum Reserve No. 2 (Buena Vista)), Area Oil & Gas Supervisor, 160 Federal Building, 1340 West 6th Street, Los Angeles, CA 90017; or (Only Naval Petroleum Reserve No. 1 (Elk Hills) and Naval Petroleum Reserve No. 2 (Buena Vista)), Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness, DOE, 1000 Independence Ave. SW, Room 4G 084, Washington, D.C. 20585.	Department of Conservation, Division of Oil & Gas, 1416 Ninth St., Rm. 1316, Sacramento, CA 95814.
Colorado	DCM—Oil and Gas Conservation Div., USGS Box 25046, DECF, MS 609, Denver, CO 80225	Oil & Gas Conservation Commission, 1313 Sherman Street, Rm. 721, Denver, CO 80203.
* *	* * * *	*
Iowa	DCM—Oil and Gas Conservation Div., USGS Box 25046, DFC, MS 609, Denver, CO 80225	
* *	* * * *	*
Kansas	DCM—Oil and Gas Conservation Div., USGS Box 25046, DFC, MS 609, Denver, CO 80225	Corporation Commission, State Office Building, Topeka, KS 66612.
* *	* * * *	*
Missouri	DCM—Oil and Gas Conservation Div., USGS Box 25046, DFC, MS 609, Denver, CO 80225	
* *	* * * *	*
Nebraska	DCM—Oil and Gas Conservation Div., USGS Box 25046, DFC, MS 609, Denver, CO 80225	Oil & Gas Conservation Commission, Box 399, Sidney, NE 69162.
* *	* * * *	*
North Dakota	Area Oil & Gas Supervisor, P.O. Box 2589, 20002 Federal Bldg. & Post Office, Casper, WY 82602	Industrial Commission, Commission State Office Building, 900 East Boulevard, Bismarck, ND 58505.
* *	* * * *	*
Utah	DCM—Oil and Gas Conservation Div., USGS Box 25046, DFC, MS 609, Denver, CO 80225	Division of Oil, Gas and Mining, Utah Department of Natural Resources, 1588 West North Temple, Salt Lake City, Utah 84116.
* *	* * * *	*
Wyoming	(Except for Naval Petroleum Reserve No. 3 (Teapot Dome)), Area Oil & Gas Supervisor, P.O. Box 2859, 2000 Federal Bldg. & Post Office, Casper, WY 82602; or (Only Naval Petroleum Reserve No. 3 (Teapot Dome)), Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness, DOE, 1000 Independence Ave. SW, Room 4G 084, Washington, D.C. 20585.	Oil & Gas Conservation Commission, Box 2640, Casper, WY 82602.

[FR Doc. 81-28593 Filed 9-30-81; 8:45 am]

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DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Part 4

[T.D. 81-256]

Vessels in Foreign and Domestic Trades

AGENCY: Customs Service, Treasury.

ACTION: Final rule.

SUMMARY: This document amends the Customs Regulations to add Greece to the list of nations which permit vessels of the United States to transport certain articles specified in section 27, Merchant Marine Act of 1920, as amended, between their ports. The Department of State has furnished satisfactory evidence that Greece places no restrictions on the transportation of the specified articles by vessels of the United States between ports in that country. This amendment provides reciprocal privileges for vessels registered in Greece.

EFFECTIVE DATE: June 12, 1981.

FOR FURTHER INFORMATION CONTACT: Michael K. Tomenga, Carriers, Drawback and Bonds Division, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229 (202-566-5706).