organization of governments in order to determine the most appropriate level of classification. Levels above Confidential must be assigned by an original classification authority.

20. Section 1203.702 is revised to read as follows:

§ 1203.702 Duration of classification.

Unless the guidelines for the systematic review of 30-year old foreign government information developed pursuant to § 1203.603(b) prescribe dates or events for declassification:

(a) Foreign government information shall not be assigned a date or event for declassification unless such is specified or agreed to by the foreign entity.

(b) Foreign government information classified after December 1, 1978, shall be annotated: DECLASSIFY ON: Originating Agency's Determination Required or "OADR."

21. Section 1203.703 is amended by revising paragraphs (a) and (b) to read as follows:

§ 1203.703 Declassification.

(a) Information classified in accordance with § 1203.400 shall not be declassified automatically as a result of any unofficial publication or inadvertent or unauthorized disclosure in the United States or abroad of identical or similar information.

(b) Following consultation with the Archivist of the United States and where appropriate, with the foreign government or international organization concerned and with the assistance of the Department of State, NASA will issue guidelines for the systematic review of 30-year old foreign government information that will apply to foreign government information of primary concern to NASA. These guidelines are authorized for use by the Archivist of the United States and, with the approval of NASA, by an agency having custody of such information. The Chairperson, NASA Information Security Program Committee, will initiate administrative functions necessary to effect review of these guidelines at least once every 5 years and submit recommendations to the Administrator based on these reviews. If, after applying the guidelines to 30-year old foreign government information, a determination is made by the reviewer that classification is necessary, a date for declassification or DECLASSIFY ON: Originating Agency's Determination Required or "OADR" shall be shown on the face of the document.

* * * * *

James M. Beggs,

Administrator.

[FR Doc. 83-3376 Filed 2-8-83; 8:45 am]

BILLING CODE 7510-01-M

DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Part 399

[Docket No. 30124-16]

Exports to the People's Republic of China of Certain Graphic Display Systems Implemented With Raster Scan Techniques

AGENCY: Office of Export Administration, International Trade Administration, Commerce.

ACTION: Interim rule with request for comments.

SUMMARY: This rule amends the Export Administration Regulations by adding an Advisory Note to entry 1565A of the Commodity Control List (Supplement No. 1 to § 399.1) which controls electronic computers and related equipment. The Advisory Notes indicate which of various specified commodities are likely to be approved for export to certain countries. This rule adds an Advisory Note regarding the export to the People's Republic of China of certain graphic display (non-image processing) systems implemented with raster scan techniques.

DATES: This rule is effective February 9, 1983. Comments must be received by the Department April 11, 1983.

ADDRESS: Written comments (six copies) should be sent to: Richard J. Isadore, Director, Operations Division, Office of Export Administration, U.S. Department of Commerce, P.O. Box 273, Washington, D.C. 20044.

FOR FURTHER INFORMATION CONTACT: Archie Andrews, Director, Exporters' Service Staff, Office of Export Administration, Department of Commerce, Washington, D.C. 20230 (Telephone: (202) 377-4811).

Rulemaking Requirements and Invitation to Comment

In connection with various rulemaking requirements, the Office of Export Administration has determined that:

1. Under section 13(a) of the Export Administration Act of 1979 (Pub. L. 96-72, 50 U.S.C. app. 2401 *et seq.*) ("the Act"), this rule is exempt from the public participation in rulemaking procedures of the Administrative Procedure Act.

However, because of the importance of the issues raised by these regulations and the intent of Congress set forth in section 13(b) of the Act, these regulations are issued in interim form and comments will be considered in developing final regulations. These regulations may be revised before the end of the comment period. Accordingly, interested persons who desire to comment are encouraged to do so at the earliest possible time to permit the fullest consideration of their views.

2. This rule does not impose a burden under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 *et seq.*

3. This rule is not subject to the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*

4. This rule is not a major rule within the meaning of section 1(b) of Executive Order 12291 (46 FR 13193, February 19, 1981), "Federal Regulation."

The period for submission of comments will close April 11, 1983. All comments received before the close of the comment period will be considered by the Department in the development of final regulations. While comments received after the end of the comment period will be considered if possible, their consideration cannot be assured. Public comments that are accompanied by a request that part or all of the material be treated confidentially because of its business proprietary nature or for any other reason will not be accepted. Such comments and materials will be returned to the submitter and will not be considered in the development of final regulations.

All public comments on these regulations will be a matter of public record and will be available for public inspection and copying. In the interest of accuracy and completeness, comments in written form are preferred. If oral comments are received, they must be followed by written memoranda which will also be a matter of public record and will be available for public review and copying. Communications from agencies of the United States Government or foreign governments will not be made available for public inspection.

The public record concerning these regulations will be maintained in the International Trade Administration Freedom of Information Records Inspection Facility, Room 4001-B, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20230. Records in this facility, including written public

comments and memoranda summarizing the substance of oral communications, may be inspected and copied in accordance with regulations published in Part 4 of Title 15 of the Code of Federal Regulations. Information about the inspection and copying of records at the facility may be obtained from Patricia L. Mann, the International Trade Administration Freedom of Information Officer, at the above address or by calling (202) 377-3031.

List of Subjects in 15 CFR Part 399

Exports.

Accordingly, the Export Administration Regulations (15 CFR Parts 368-399) are amended as follows:

PART 399—[AMENDED]

Entry 1565A of the Commodity Control List (Supplement No. 1 to § 399.1) is amended by adding a NOTE 12 under the Advisory Notes, reading as follows:

§ 399.1 [Amended]

* * * * *

§ 1565A * * *

Controls for ECCN 1565A:

* * * * *

List of electronic computers and related equipment controlled by ECCN 1565A:

* * * * *

Advisory Notes

* * * * *

12. Licenses are likely to be approved for export to satisfactory end-users in Country Group P (People's Republic of China) of graphic display (non-image processing) systems implemented with raster scan techniques, provided they have the following characteristics:

(a) Display sizes of not greater than 19 inches (measured on a diagonal).

(b) Display database storage (refresh memory) up to 4.2 Mbits (1024 by 1024 by 4 or 512 by 512 by 16).

(c) Shadow mask techniques for color displays.

(d) Pixel fill rate/calculation time of 2 microseconds or greater.

(e) No image processing software.

(f) No parallel processing or pipeline processing function capabilities for image processing.

(g) No more than 1024 resolvable points along any axis.

(h) Maximum bit transfer rate between a host computer and the display of 19,200 bits per second. (This restriction does not apply to television receivers used with graphic display systems covered by this Note.)

(Sections 6, 13 and 15, Pub. L. 96-72, 93 Stat. 503, 50 U.S.C. app. 2401 *et seq.*; Executive Order No. 12214 (45 FR 29783, May 6, 1980))

Dated: January 20, 1983.

John K. Boidock,

Director, Office of Export Administration, International Trade Administration.

[FR Doc. 83-3375 Filed 2-7-83; 8:45 am]

BILLING CODE 3510-25-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 271

[Release No. IC-13005]

Securities Trading Practices of Registered Investment Companies

AGENCY: Securities and Exchange Commission.

ACTION: Statement of staff position.

SUMMARY: The Securities and Exchange Commission announces a revision of the position of the Division of Investment Management (the "Division") taken in Investment Company Act Release No. 10666 (April 18, 1979) regarding registered investment companies entering into fully collateralized repurchase agreements with a broker or dealer. The announcement states that the Division is imposing an additional condition to its "no-action" position that will require investment company boards of directors to evaluate the creditworthiness of the brokers or dealers with which they propose to enter into repurchase transactions. Further, the Commission hereby announces the view of the Division that the directors of money market funds using the amortized cost or penny rounding method of portfolio valuation, pursuant to a Commission exemptive order or proposed Rule 2a-7 (if adopted), are required to evaluate the creditworthiness of all entities, including banks and broker-dealers, with which they propose to enter into repurchase agreements. The Division believes that this action is appropriate in order to help ensure that investment companies will avoid entering into repurchase transactions with parties that present a serious risk of becoming involved in bankruptcy proceedings.

EFFECTIVE DATE: February 2, 1983.

FOR FURTHER INFORMATION CONTACT: W. Randolph Thompson, Special Counsel (202) 272-3016 or Brion R. Thompson, Esq. (202) 272-3026 Division of Investment Management, Securities and Exchange Commission, Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission ("Commission") today announces a revision of the position of the Division of Investment Management ("the Division") taken in Investment Company Act Release No. 10666 (April 18, 1979) ("Release 10666") (44 FR 25128, April 27, 1979). That release stated that the Division would not recommend to the Commission that any enforcement action be taken under Section 12(d)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a *et seq.*) ("Act") against an investment company with respect to repurchase agreements entered into with brokers or dealers, provided each agreement was fully collateralized during the entire term of the agreement. The staff's revised no-action position imposes an additional requirement that investment company boards of directors evaluate the creditworthiness of the brokers or dealers with which they propose to engage in repurchase agreements by setting guidelines and standards of review for their investment advisers and monitoring the advisers' actions with regard to repurchase agreements for the funds. In addition, the Commission is publishing the position of the Division that the condition in Commission exemptive orders permitting money market funds to use the amortized cost or penny rounding methods of portfolio valuation, limiting permissible portfolio investments of such funds to "high quality" instruments which present minimal credit risks, requires that the directors of money market funds operating under such exemptive orders evaluate the creditworthiness of all entities, including banks and broker-dealers, with which they propose to engage in repurchase agreements. A similar condition is contained in proposed Rule 2a-7 [Investment Company Act Release No. 12206, February 1, 1982; 47 FR 5428, February 5, 1982], which would codify the exemptive orders, and the Division believes that that condition (if it is contained in any final version of the rule which might be adopted) would similarly require a creditworthiness evaluation.

Background

In a typical mutual fund repurchase transaction ("repo"), the fund purchases securities from a bank or a broker-dealer and agrees to resell those securities to the same party at a stated higher price on an agreed-upon date, often as soon as the next day. If the repo transaction, in economic reality, is considered to be a loan, the securities which the mutual fund "purchases" are considered to be collateral for that loan. Mutual funds, particularly money

market funds, often invest in repos on a short-term basis (in many cases, overnight) to assist in managing their portfolios. Mutual funds also invest in repos in order to maintain a degree of liquidity in their portfolios, which is particularly important to the orderly operation of money market funds using the amortized cost or penny rounding methods of portfolio valuation.[1] The securities most frequently used in connection with repurchase agreements are Treasury bills and other United States Government securities. Upon resale, the investment company receives the principal of the agreement plus an amount which represents interest on the principal.

Broker-Dealers

Section 12(d)(3) of the Act, in part, prohibits an investment company from purchasing or otherwise acquiring "any security issued by or any other interest in the business of any person who is a broker, a dealer, [or] is engaged in the business of underwriting." In Investment Company Act Release No. 10666, the Commission stated that the Division was taking the no-action position summarized above concerning investment company repo transactions. The Division's no-action position was based upon the premise that an investment company, in determining whether to enter into a repo with a particular broker-dealer "would look to the intrinsic value of the collateral * * * rather than the creditworthiness or other risks associated solely with the business operations of the broker-dealer." The Division further believed that, so long as an investor acquired actual or constructive [2] possession of the collateral underlying a repo at the time the repo was executed, the investor would be able to liquidate the collateral securities for its benefit immediately upon any default or insolvency of the repo issuer. Thus, the Division concluded that investment companies were not exposed to the entrepreneurial risks of an investment banking business by engaging in a repo transaction with a broker or dealer, provided the agreement were fully collateralized.[3]

Recent developments have caused the Division to reconsider its prior conclusion that fully collateralized repos involve no more risk to fund investors than would ownership of the collateral securities. Pending bankruptcy proceedings involving Lombard-Wall Inc.,[4] and the recent insolvency of other large issuers of repos have prompted inquiries about the legal status and safety of repos. It now appears to the staff that the uncertain status of repos under the Bankruptcy Code ("Code") [5] creates certain risks for mutual funds that invest in such instruments issued by a party that subsequently initiates bankruptcy proceedings. Specifically, the staff found that an entity that enters into a repo may be exposed, in varying degrees, to the risk that it will be unable to liquidate the collateral securities immediately upon the insolvency of the other party, depending in part on whether a bankruptcy court views the repo as a consummated purchase and sale of the underlying securities with an accompanying executory contract to repurchase the securities, or as a collateralized loan.

In view of the possible adverse effect on a mutual fund repo investor, and, particularly, on the liquidity, or valuation calculations of a money market fund if it were unable to liquidate the collateral securities immediately in the event of insolvency of the issuer of a repo, the Division has determined that the above no-action position under Section 12(d)(3) of the Act should be revised by adding a further condition that investment company boards of directors evaluate the creditworthiness of the brokers or dealers with which they propose to enter into repos. The Division believes this action is appropriate in order to help ensure that an investment company will not be exposed to undue risks of the type against which Section 12(d)(3) is meant to guard when the company engages in a repurchase agreement with a broker or dealer. The Division recognizes that the evaluation of the creditworthiness [6] of repo issuers is a difficult task that may involve subjective judgments as well as consideration of available financial information. Moreover, since repo transactions typically are entered into frequently (as often as daily), the Division recognizes that it would normally not be feasible for fund directors themselves to evaluate the creditworthiness of each issuer. Rather, the Division anticipates that fund directors will discharge their responsibilities for supervising repo purchases primarily by way of setting guidelines and standards of review for the fund's investment adviser, and monitoring the adviser's actions in engaging in repos for the fund.

Modification of Interpretive Position

Accordingly, the no-action position taken in Release 10666 is hereby modified as follows. Henceforth, the staff will not recommend to the Commission that enforcement action be brought under Section 12(d)(3) of the Act against investment companies with respect to repurchase agreements with brokers or dealers, provided (1) the repo is structured in a manner reasonably designed to ensure that it is fully collateralized (including accrued interest earned thereon) and (2) as set forth above, the investment company's board of directors, has evaluated the creditworthiness of the broker or dealer issuing the repo.

Amortized Cost and Penny Rounding

Most money market funds have filed applications requesting, and the Division pursuant to delegated authority

[1] As of January 5, 1983, money market funds held repos totalling approximately $17.9 billion.

[2] Consecutive possession could include the transfer of United States Government securities by notation in the Federal Book Entry System.

[3] "Fully collateralized" means that the value of the collateral security is, and during the entire term of the agreement remains, at least equal to the amount of the "loan" including accrued interest.

[4] *In re Lombard-Wall, Inc.*, Reorganization Case No. 82 B 11558 (EJR) (Bankr. S.D.N.Y., petition filed August 12, 1982).

[5] 11 U.S.C. 101, et seq. (Supp. V 1981) (amended by Pub. L. No. 97-222, 96 Stat. 235) (July 27, 1982).

[6] "Creditworthiness" is used here broadly to mean financial responsibility. The determination should be that the proposed issuer of a repo presents no serious risk of becoming involved in bankruptcy proceedings within the time frame contemplated by that repo. The Division's position enunciated herein recognizes that an investment company's board of directors and its investment adviser may not be able to make a judgment concerning the creditworthiness of particular issuers based solely on objective financial data, but may have to consider some additional factors such as the issuers' reputation for, and history of, sound management, and past experience in dealing with the particular issuers. Among the more objective data that should be available with regard to registered broker-dealers are their semi-annual customer financial statements, their statements of financial condition (balance sheets) contained in their annual audited reports of financial statements and (for publicly-owned broker-dealers) their reports filed with the Commission under the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.]. A broker-dealer is also required to file monthly and/or quarterly reports ("FOCUS reports") with its appropriate self-regulatory organization (stock exchange or National Association of Securities Dealers, Inc.). Although FOCUS reports are not made available to the public, funds may be able to obtain (and should request) useful information (including net capital statements) from those reports on an informal basis from broker-dealers with which they engage in repos. Similarly, information contained in broker-dealers' annual audited reports of financial statements for which confidential treatment has been granted may be available on an informal basis and should be requested. For unregulated government securities dealers, less information is likely to be available, but audited annual financial statements should be obtainable. Those dealers which are on the Federal Reserve Bank of New York's ("Fed") list of primary dealers report certain information regularly to the Fed. Funds may be able to obtain informally (and should request) information from those reports from the reporting dealers, and comparable information should be requested from non-reporting dealers.

has granted, exemptive orders [7] permitting the use of the amortized cost or penny rounding methods of portfolio valuation and pricing of shares subject to conditions stated in the orders.[8] Proposed Rule 2a–7, in general, would codify those previous orders of exemption from the pricing and valuation provisions of the Act by permitting money market funds, subject to the same conditions, to use amortized cost or penny rounding without the necessity of filing an application.[9]

One condition, present both in the Commission's exemptive orders permitting money market funds to value their portfolios and price their shares using amortized cost or penny rounding and in proposed Rule 2a-7, requires the boards of directors of such funds to limit the funds' investments, including repos, to "high quality" debt instruments which present "minimal credit risks." The directors of money market funds using the amortized cost or penny rounding methods pursuant to Commission exemptive orders, thus, are required to consider the creditworthiness of issuers of all money market instruments eligible for inclusion in their funds' portfolios. In view of the uncertainty regarding the rights of repo investors under the Code, the Division believes it is necessary to emphasize in this release that the directors of funds using the amortized cost or penny rounding valuation and pricing methods, whether pursuant to existing Commission exemptive orders, or proposed Rule 2a–7 (when and if that rule is adopted with the condition described), are required to give consideration to the creditworthiness of those entities with which they propose to enter into repos, in addition to that given to the issuers of all other money market instruments in which their funds invest.

Staff Interpretive Position

Accordingly, the Commission announces the Division's position that proposed Rule 2a–7 (when and if adopted), and the Commission exemptive orders permitting money market funds to use the amortized cost or penny rounding methods of portfolio valuation and pricing of shares which the rule would codify, require that the boards of directors of money market funds operating under the rule or exemptive orders evaluate the creditworthiness of all entities, including bands,[10] broker-dealers, and government securities dealers with which they propose to enter into repos, when assessing whether the proposed transaction presents more than "minimal credit risks." [11] The actual role of the directors vis a vis that of the investment adviser would be identical with that discussed, *supra*, in connection with Section 12 (d) (3) and the evaluation of broker-dealer repo issuers.

The Commission is announcing the above administrative measures because it appears they are advisable to help protect the shareholders of mutual funds against the risk that their funds may invest in repos with entities that present a serious risk of becoming insolvent.[12] If subsequent legislative or judicial developments appear to eliminate the need for funds to be concerned about the creditworthiness of repo issuers, then the Commission will consider whether the procedures discussed in this release should be revised.

List of Subjects in 17 CFR Part 271

Investment companies, Securities.

Accordingly, 17 CFR Part 271 is hereby amended to incorporate therein this statement of staff position.

By the Commission.

George A. Fitzsimmons,

Secretary.

February 2, 1983.

[FR Doc. 83-3476 Filed 2-8-83; 8:45 am]

BILLING CODE 8010-01-M

[7] These exemptive applications were necessary because of the Commission's view expressed in Investment Company Act Release No. 9786 (May 31, 1977) [42 FR 28999, June 7, 1977], that it was inconsistent, generally, with the pricing and valuation provisions of the Act for a money market fund to value its portfolio securities using the amortized cost or penny rounding method of valuation.

[8] Those conditions were the result of the settlement of an administrative proceeding at which the issue of the appropriateness of use of the penny rounding and amortized cost valuation and pricing methods by money market funds was considered. *See* Investment Company Act Release No. 10451 (October 16, 1978) [43 FR 51485, November 3, 1978] and 10824 (August 8, 1979).

[9] For a description of the amortized cost and penny rounding valuation methods and the provisions of proposed Rule 2a-7, see Investment Company Act Release No. 12206 (Feb. 1, 1982).

[10] In addition to published financial statements of banks, there may be other sources of information on banks' creditworthiness, including annual and quarterly reports filed with the Commission by bank holding companies and reports filed by bank holding companies with stock exchanges on which they are listed. Moreover, many large banks and bank holding companies are rated and reviewed by a number of services and publications, including credit reporting services. *See* note 8 *supra* for suggestions regarding information that may be available concerning the creditworthiness of broker-dealers and government securities dealers.

[11] The position of the Division announced herein does not alter the requirement that, in all cases, the underlying securities subject to a repo must be of high quality and present minimal credit risks.

[12] The Division also believes that, in fulfilling their fiduciary duties to fund shareholders, the directors of mutual funds not operating either under Commission exemptive orders or the proposed rule should likewise give consideration to the creditworthiness of all entities with which their funds propose to engage in repos before authorizing that type of investment.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 271

High-Cost Gas Produced From Tight Formations; Correction

February 3, 1983.

AGENCY: Federal Energy Regulatory Commission; DOE.

ACTION: Final rule: correction.

SUMMARY: This document corrects a final rule that concerned high-cost gas produced from tight formations, Docket No. RM79–76–102 (Colorado-24). The final rule appeared in the **Federal Register** on June 10, 1982 (47 FR 25132), and contained an incorrect acreage description.

FOR FURTHER INFORMATION CONTACT: Steven Ross, Office of General Counsel, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, D.C. 20436, (202) 357–8571.

SUPPLEMENTARY INFORMATION:

PART 271—[CORRECTED]

The following restates the acreage description in FR Doc. 82–15757, appearing on page 25132. On page 25132, § 271.703(d)(86)(i) and (d)(87)(i) should read as follows:

§ 271.703 Tight formations.

* * * * *

(d) *Designated tight formations.*

* * * * *

(86) *Mesaverde Formation in Colorado.* RM79–76–102 (Colorado-24).

(i) *Delineation of formation.* The Mesaverde Formation is found in the southwestern portion of Rio Blanco County, Colorado, about 70 miles northwest of the town of Grand Junction. The Mesaverde Formation is located in Township 1 South, Ranges 98 and 99 West, 6th P.M., all; Township 1 South, Range 100 West, 6th P.M., Sections 1 through 3, 10 through 15, 22 through 27, and 34 through 36; Township 2 South, Range 98 West, 6th P.M., Sections 4 through 8; Township 2 South, Range 99 West, 6th P.M., Sections 1 through 12, 15 through 22, and 27 through 34; and Township 2 South, Range 100 West, 6th P.M., Section 1 through 3, 10

through 15, 22 through 27, and 34 through 36.

(ii) *Depth.* The Mesaverde Formation varies in thickness from 2,900 to 3,600 feet. The average depth to the top of the Mesaverde Formation is 6,693 feet.

(87) *Mancos Formation in Colorado.* RM79–76–102 (Colorado-24).

(i) *Delineation of formation.* The Mancos Formation is found in the southwestern portion of Rio Blanco County, Colorado, about 70 miles northwest of the town of Grand Junction. The Mancos Formation is located in Township 1 South, Ranges 98 and 99 West, 6th P.M., all; Township 1 South, Range 100 West, 6th P.M., Sections 1 through 3, 10 through 15, 22 through 27, and 34 through 36; Township 2 South, Range 98 West, 6th P.M., Sections 4 through 8; Township 2 South, Range 99 West, 6th P.M., Sections 1 through 12, 15 through 22, and 27 through 34; and Township 2 South, Range 100 West, 6th P.M., Section 1 through 3, 10 through 15, 22 through 27, and 34 through 36.

(ii) *Depth.* The Mancos Formation is approximately 5,000 feet thick. The average depth to the top of the Mancos Formation is 9,495 feet.

Kenneth F. Plumb,

Secretary.

[FR Doc. 83-3410 Filed 2-8-83; 8:45 am]

BILLING CODE 6717-01-M

18 CFR Part 271

[Docket No. RM79–76–118 (New York-2); Order No. 280]

High-Cost Gas Produced From Tight Formations; New York-2

Issued: February 3, 1983.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission (Commission) is authorized by section 107(c)(5) of the Natural Gas Policy Act of 1978 to designate certain types of natural gas as high-cost gas where the Commission determines that the gas is produced under conditions which present extraordinary risks or costs. Under section 107(c)(5), the Commission issued a final regulation designating natural gas produced from tight formations as high-cost gas which may receive an incentive price (18 CFR 271.703). This rule established procedures for jurisdictional agencies to submit to the Commission recommendations of areas to be designated as tight formations. This final order adopts the recommendation of the State of New York, Department of Environmental Conservation that the Medina Group and Queenston Shale be designated as a tight formation under § 271.703(d).

EFFECTIVE DATE: February 3, 1983.

FOR FURTHER INFORMATION CONTACT: Scott E. Koves, (202) 357–8569, or Webster Gray, (202) 357–8731.

SUPPLEMENTARY INFORMATION: The Federal Energy Regulatory Commission (Commission) hereby amends § 271.703(d) of its regulations to include portions of the Medina Group and Queenston Shale, located in Erie, Genesee, Wyoming, Allegany, Livingston, Ontario, Yates, Seneca, Cayuga, and Tompkins Counties, New York, as a tight formation eligible for incentive pricing under § 271.703.

This amendment was proposed in a Notice of Proposed Rulemaking by the Director, Office of Pipeline and Producer Regulation (OPPR), issued June 24, 1982 (47 FR 28425; June 30, 1982), based on a recommendation submitted on May 19, 1982, by the State of New York, Department of Environmental Conservation (New York), in accordance with § 271.703(c)(4), that the Medina Group and Queenston Shale be designated as a tight formation in § 271.703(d). The recommended area does not include any Medina gas storage areas, including buffer zones, or any areas within Medina or Queenston "existing fields." [1] Comments on the proposed rule were invited and none were received. No person requested a public hearing and none was held.

Pursuant to notice issued August 19, 1982, a public technical conference was held at the Commission, attended, *inter alia*, by New York, industry representatives, and the Commission's staff, for the purpose of discussing the sufficiency of evidence submitted by New York in support of its recommendation. Following this conference, and at the request of the Commission's staff, New York submitted additional supporting data including additional well logs.

The Commission finds that the evidence submitted by New York, as supplemented, supports the assertion that the Medina Group and Queenston Shale meet the guidelines contained in § 271.703(c)(2). The Commission hereby adopts the New York recommendation.

This amendment shall become effective immediately. The Commission finds that the public interest dictates that new natural gas supplies be developed on an expedited basis, and, therefore, incentive prices should be made available as soon as possible. The need to make incentive prices immediately available establishes good cause to waive the thirty-day publication period.

[1] Title 6 of the New York Code of Rules and Regulations, § 550.3(q), defines an "existing field" as an area underlain by one or more existing pools which have been discovered, developed, and operated, or were in the process of being developed and operated on or prior to October 1, 1963.

List of Subjects in 18 CFR Part 271

Natural gas, Incentive price, Tight formations.

(Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*; Natural Gas Policy Act of 1978, 15 U.S.C. 3301–3432; Administrative Procedure Act, 5 U.S.C. 553)

In consideration of the foregoing, Part 271 of Subchapter H, Chapter I, Title 18, Code of Federal Regulations, is amended as set forth below, effective February 3, 1983.

By the Commission.

Kenneth F. Plumb,

Secretary.

PART 271—[AMENDED]

Section 271.703 is amended by adding new paragraph (d)(118) to read as follows:

§ 271.703 Tight formations

* * * * *

(d) *Designated tight formations.*

* * * * *

(118) *Medina Group and Queenston Shale in New York.* RM79–76–118 (New York-2).

(i) *Delineation of formation.* The Medina Group and Queenston Shale are found in Erie, Genesee, Wyoming, Allegany, Livingston, Ontario, Yates, Seneca, Cayuga, and Tompkins Counties, New York. Excluded from the delineated Medina-Queenston interval are any Medina gas storage areas, including buffer zones, or any areas within Medina or Queenston "existing fields" (as defined in Title 6, New York Code of Rules and Regulations, Section 550.3(q)). The Medina Group (also known as the Albion Group) is of Early Silurian age and overlies the Upper Ordovician Queenston Shale (called the "red shale" by some drillers). The Medina Group is bounded above by the base of the Thorold Formation or the time equivalent Kodak Sandstone. The Medina Group consists of (from base to top) the Whirlpool Sandstone (called "white Medina" by drillers), the Power Glen Shale (also known as the Cabot Head Shale), and the Grimsby Sandstone (called "red Medina" by drillers). The Queenston Shale has a gradational contact with the underlying Oswego Sandstone.

(ii) *Depth.* The depth to the top of the Medina Group varies from less than 1,000 feet in the northwestern portion of the designated area to as much as 5,500 feet in the southeastern portion. The Medina Group ranges in thickness from approximately 60 to 120 feet. The thickness of the Queenston Shale is indefinite due to the transitional nature of its contact with the underlying Oswego Sandstone, but the Queenston-Oswego sequence ranges in a thickness from approximately 1,000 feet in Western New York to more than 1,300 feet in southern and central New York.

[FR Doc. 83-3411 Filed 2-8-83; 8:45 am]
BILLING CODE 6717-01-M

18 CFR Part 271

[Docket No. RM79-76-140 Texas-11 Addition III; Order No. 279]

High-Cost Gas Produced From Tight Formations; Texas

Issued February 3, 1983.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission is authorized by section 107(c)(5) of the Natural Gas Policy Act of 1978 to designate certain types of natural gas as high-cost gas where the Commission determines that the gas is produced under conditions which present extraordinary risks or costs. Under section 107(c)(5), the Commission issued a final regulation designating natural gas produced from tight formations as high-cost gas which may receive an incentive price (18 CFR 271.703). This rule established procedures for jurisdictional agencies to submit to the Commission recommendations of areas for designation as tight formations. This final order adopts the recommendation of the Railroad Commission of Texas that an additional area of the Wilcox Formation be designated as a tight formation under § 271.703.

EFFECTIVE DATE: This rule is effective February 3, 1983.

FOR FURTHER INFORMATION CONTACT: Randall S. Rich, (202) 357-8511 or Walter W. Lawson, (202) 357-8556.

SUPPLEMENTARY INFORMATION: The Commission hereby amends § 271.703(d)(63) of its regulations to include an additional area of the Wilcox Formation located in Zapata County, Texas, as a designated tight formation eligible for incentive pricing under § 271.703. The amendment was proposed in a Notice of Proposed Rulemaking by the Director, Office of Pipeline and Producer Regulation, on October 6, 1982 (47 FR 44748, October 12, 1982),[1] based on a recommendation by the Railroad Commission of Texas (Texas) in accordance with § 271.703(c)(2)(ii) that the additional area of the Wilcox Formation be designated as a tight formation.

Evidence submitted by Texas supports the assertion that the additional area of the Wilcox Formation meets the guidelines contained in § 271.703(c)(2). The Commission hereby adopts the Texas recommendation.

This amendment shall become effective immediately. The Commission has found that the public interest dictates that new natural gas supplies be developed on an expedited basis, and, therefore, incentive prices should be made available as soon as possible. The need to make incentive prices available immediately establishes good cause to waive the thirty-day publication period.

List of Subjects in 18 CFR Part 271

Natural gas, Incentive price, Tight formations.

(Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*; Natural Gas Policy Act of 1978, 15 U.S.C. 3301-3432; Administrative Procedure Act, 5 U.S.C. 553)

In consideration of the foregoing, Part 271 of Subchapter H, Chapter I, Code of Federal Regulations, is amended as set forth below, effective February 3, 1983.

By the Commission.

Kenneth F. Plumb,

Secretary.

PART 271—[AMENDED]

Section 271.703(d)(63) is revised to read as follows:

§ 271.703 Tight formations.

* * * * *

(d) *Designated tight formations.*

* * * * *

(63) *Wilcox Formation in Texas.* RM79-76 (Texas-11)

* * * * *

(iv) *Taquachie Creek Field.*

(A) *Delineation of formation.* The Wilcox Formation found in the area of the Taquachie Creek (Wilcox 11,162) Field, Zapata County, Texas, is located approximately 7 miles south of Mirando City, Texas, and is within a 2.5 mile radius around the Blocker Exploration Company No. 1-252 L. Amour Hinnant well.

[1] Comments on the proposed rule were invited and one comment supporting the recommendation was received. No party requested a public hearing and no hearing was held.

(B) *Depth.* The top of the Wilcox Formation, Taquachie Creek (Wilcox 11,162) Field is log-measured at approximately 11,162 feet and extends to 11,200 feet, resulting in a total thickness of 38 feet.

[FR Doc. 83-3412 Filed 2-8-83; 8:45 am]
BILLING CODE 6717-01-M

INTERNATIONAL TRADE COMMISSION

19 CFR Part 201

Amendment to Rules of General Application Concerning National Security Information

AGENCY: International Trade Commission.

ACTION: Final rule.

SUMMARY: Rule §§ 201.42-201.44, which concern Commission handling and treatment of national security information, are being amended to conform with the requirements of Executive Order 12356, National Security Information, April 2, 1982, and to reflect current Commission practice with respect to such information.

EFFECTIVE DATE: December 30, 1982.

FOR FURTHER INFORMATION CONTACT: William W. Gearhart, Jr., Assistant General Counsel, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0487.

SUPPLEMENTARY INFORMATION: These changes involve no substantive changes in Commission practice or policy in handling national security information. The Commission does not have authority to classify or declassify information. In view of the procedural nature of these rules and their absence of impact on anyone's substantive rights, they are being published in final form without opportunity for public comment.

List of Subjects in 19 CFR Part 201

Classified information.

By order of the Commission.

Issued: January 28, 1983.

Kenneth R. Mason,

Secretary.

In 19 CFR Part 201, Subpart F (§§ 201.42-201.44) is revised to read as follows:

Subpart F—National Security Information

Sec.