(4) Whether the proposal is consistent with relevant provisions of the laws of the State;

(5) Whether the proposal is consistent with the trust obligations of the United States to the Indian Tribe;

(6) Whether the proposal is consistent with all applicable provisions of the IGRA;

(7) Whether the proposal is consistent with provisions of other applicable Federal laws; and

(8) Whether the State has negotiated in good faith.

(b) Within 60 days of the expiration of the 60-day comment period in § 291.7, the Secretary must notify the Indian Tribe, the Governor, and the Attorney General of the State in writing that he/she has:

(1) Approved the proposal if the Secretary determines that there are no objections to the Indian Tribe's proposal;

(2) Disapproved the proposal if it does not meet the standards in paragraph (a) of this section; or

(3) Identified unresolved issues and areas of disagreements in the proposal, and that the Indian Tribe, the Governor, and the Attorney General are invited to participate in an informal conference to resolve identified unresolved issues and areas of disagreement.

(c) Within 30 days of the informal conference, the Secretary must prepare and mail to the Indian Tribe, the Governor, and the Attorney General:

(1) A written report that summarizes the results of the informal conference; and

(2) A final decision either setting forth the Secretary's proposed Class III gaming procedures for the Indian Tribe, or disapproving the proposal for any of the reasons in paragraph (a) of this section.

§ 291.9 What must the Secretary do at the end of the 60-day comment period if the State offers an alternative proposal for Class III gaming procedures?

Within 7 days of receiving the State's alternative proposal, the Secretary must submit the State's alternative proposal to the Indian Tribe for a 60-day comment period.

§ 291.10 What must the Indian Tribe do when it receives the State's alternative proposal for Class III gaming procedures?

(a) If the Indian Tribe objects to the State's alternative proposal, it may, within 60 days of receiving the alternative proposal, notify the Secretary in writing of its objections.

(b) If the Indian Tribe does not file written objections within 60 days of receiving of the State's alternative proposal, the Secretary must, within 60 days of the expiration of the Indian Tribe's comment period in § 291.9, notify the Indian Tribe, the Governor, and the Attorney General, in writing of his/her decision to either:

(1) Approve the State's alternative proposal for Class III gaming procedures; or

(2) Disapprove the State's alternative proposal for any of the reasons in § 291.13(b).

§ 291.11 What must the Secretary do if the Indian Tribe files timely objections to the State's alternative proposal?

If the Indian Tribe files timely objections to the State's alternative proposal, the Secretary must appoint a mediator who must convene a process to resolve differences between the two proposals.

§ 291.12 What is the role of the mediator appointed by the Secretary?

(a) The mediator must ask the Indian Tribe and the State to submit their last best proposal for Class III gaming procedures.

(b) After giving the Indian Tribe and the State an opportunity to be heard and present information supporting their respective positions, the mediator must select from the two proposals the one that best comports with the terms of the IGRA and any other applicable Federal law. The mediator must submit the proposal selected to the Indian Tribe, the State, and the Secretary.

§ 291.13 What must the Secretary do upon receiving the proposal selected by the mediator?

Within 60 days of receiving the proposal selected by the mediator, the Secretary must do one of the following:

(a) Notify the Indian Tribe, the Governor and the Attorney General in writing of his/her decision to approve the proposal for Class III gaming procedures selected by the mediator.

(b) Notify the Indian Tribe, the Governor and the Attorney General in writing of his/her decision to disapprove the proposal selected by the mediator for any of the following reasons:

(1) The requirements of § 291.4 are not adequately addressed;

(2) Gaming activities would not be conducted on Indian lands over which the Indian Tribe has jurisdiction;

(3) Contemplated gaming activities are not permitted in the State for any purpose by any person, organization, or entity;

(4) The proposal is not consistent with relevant provisions of the laws of the State;

(5) The proposal is not consistent with the trust obligations of the United States to the Indian Tribe;

(6) The proposal is not consistent with applicable provisions of the IGRA; or

(7) The proposal is not consistent with provisions of other applicable Federal laws.

(c) If the Secretary rejects the mediator's proposal under paragraph (b) of this section, he may prescribe appropriate procedures under which Class III gaming may take place consistent with the mediator's selected compact, the provisions of IGRA and the relevant provisions of the laws of the State.

§ 291.14 When do Class III gaming procedures for an Indian Tribe become effective?

Upon approval of Class III gaming procedures for the Indian Tribe under either § 291.8(b), § 291.8(c), § 291.10(b)(1), or § 291.13(a), the Indian Tribe shall have 90 days in which to approve and execute the Secretarial procedures and forward its approval and execution to the Secretary, who will publish notice of their approval in the **Federal Register**. The procedures take effect upon their publication in the **Federal Register**.

§ 291.15 How can Class III gaming procedures approved by the Secretary be amended?

An Indian Tribe may ask the Secretary to amend approved Class III gaming procedures by submitting an amendment proposal to the Secretary. The Secretary must review the proposal by following the approval process for initial tribal proposals, except that he/she may waive the requirements of § 291.4 to the extent they do not apply to the amendment request.

Dated: December 8, 1997.

Kevin Gover,

Assistant Secretary—Indian Affairs.

[FR Doc. 98–1409 Filed 1–22–98; 8:45 am]

BILLING CODE 4310–02–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–110965–97]

RIN 1545–AV47

Obligations of States and Political Subdivisions

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Partial withdrawal of notice of proposed rulemaking; notice of proposed rulemaking by cross-reference to temporary regulations; and notice of public hearing.

SUMMARY: This document withdraws portions of the notice of proposed rulemaking published in the **Federal Register** (59 FR 67658) on December 30, 1994. In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations that provide guidance to state and local governments that issue bonds for output facilities and to certain nongovernmental persons that are engaged in the local furnishing of electric energy or gas using facilities financed with state or local bonds. These proposed regulations reflect changes made by the Tax Reform Act of 1986 and the Small Business Job Protection Act of 1996. The text of those temporary regulations also serves as the text of these proposed regulations. This document provides a notice of public hearing on these proposed regulations.

DATES: Written comments must be received by April 22, 1998. Outlines of topics to be discussed at the public hearing scheduled for April 28, 1998, at 10:00 a.m. must be received by April 7, 1998.

ADDRESSES: Send Submissions to: CC:DOM:CORP:R (REG–110965–97), 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:DOM:CORP:R (REG–110965–97), 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 on the IRS Home Page, or by submitting comments directly to the IRS Internet site at http://www.irs.ustreas.gov/prod/tax__regs/comments.html. The public hearing will be held in the Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Allan B. Seller, 202–622–3980; concerning submissions and the hearing, Michael L. Slaughter, Jr., 202–622–7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Proposed regulations §§ 1.141–7 and 1.141–8, published on December 30, 1994 (59 FR 67658) addressed the application of the private activity bond tests of section 141(b)(2) to output contract for output facilities and the application of the $15 million limitation on output facility financings of section 141(b)(4). These proposed sections are withdrawn. These sections were issued as part of proposed regulations under §§ 1.141–0 through 1.141–16, Definition of Private Activity Bonds, which were finalized in part in TD 8712 published in the **Federal Register** on January 16, 1997.

Sections 1.141–7T, 1.141–8T, 1.141–15T, 1.142(f)(4)–1T, and 1.150–5T published in the Rules and Regulations portion of this issue of the **Federal Register** are issued to provide guidance on certain aspects of the private activity bond restrictions under section 141 of the Internal Revenue Code.

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

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 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.

It is hereby certified that these regulations do not have a significant impact on a substantial number of small entities. This certification is based upon the fact that in the years 1987 through 1993 a total of 61 different state or local government issuers of exempt facility bonds issued under section 142(f) for the local furnishing of electric energy or gas filed information returns with the Internal Revenue Service under section 149(e). Further, an election under section 142(f)(4) is in no event required to be filed with the Internal Revenue Service more than once by a person engaged in the local furnishing of electric energy or gas. Therefore, 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 Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments that are submitted timely (a signed original and eight (8) copies) to the IRS. All comments will be available for public inspection and copying.

A public hearing has been scheduled for April 28, 1998, at 10:00 a.m. in the Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW, Washington, DC. Because of access restrictions, visitors will not be admitted beyond the lobby more than 15 minutes before the hearing starts.

The rules of 26 CFR 601.601(a)(3) apply to the hearing.

Persons that wish to present oral comments at the hearing must submit written comments by April 22, 1998 and submit an outline of the topics to be discussed and the time to be devoted to each topic by April 7, 1998.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

Drafting Information

The principal authors of these regulations are Michael G. Bailey and Allan Seller, Office of the Assistant Chief Counsel (Financial Institutions and Products), and Nancy M. Lashnits, formerly of that office. However, other personnel from the IRS and Treasury Department participated in their development.

Partial Withdrawal of Notice of Proposed Rulemaking

Under the authority of 26 U.S.C. 7805, §§ 1.141–7 and 1.141–8 in the notice of proposed rulemaking that was published on December 30, 1994 (59 FR 67658) are withdrawn.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

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

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

Par. 2. Section 1.141–7 is added to read as follows:

§ 1.141–7 Special rules for output facilities.

[The text of this proposed section is the same as the text of §§ 1.141–7T

published elsewhere in this issue of the **Federal Register.**]

Par. 3. Section 1.141–8 is amended by adding the text of the section to read as follows:

§ 1.141–8 $15 million limitation for output facilities.

[The text of this proposed section is the same as the text of § 1.141–8T published elsewhere in this issue of the **Federal Register.**]

Par. 4. Section 1.141–15 is amended by adding paragraphs (f) through (i) to read as follows:

§ 1.141–15 Effective dates.

* * * * *

(f) through (i) [The text of proposed paragraphs (f) through (i) are the same as the text of § 1.141–15T(f) through (i) published elsewhere in this issue of the **Federal Register**.]

Par. 5. Section 1.142(f)(4)–1 is added to read as follows:

§ 1.142(f)(4)–1 Manner of making election to terminate tax-exempt bond financing.

[The text of this proposed section is the same as the text of § 1.142(f)(4)–1T published elsewhere in this issue of the **Federal Register**.]

Par. 6. Section 1.150–5 is added to read as follows:

§ 1.150–5 Filing notices and elections.

[The text of this proposed section is the same as the text of § 1.150–5T published elsewhere in this issue of the **Federal Register.**]

Michael P. Dolan,

Deputy Commissioner of Internal Revenue.

[FR Doc. 98–717 Filed 1–21–98; 8:45 am]

BILLING CODE 4830–01–U

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 14

RIN 1018–AE08

Importation, Exportation, and Transportation of Wildlife

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule.

SUMMARY: This proposed rule would revise the U.S. Fish and Wildlife Service (Service) regulations providing for user fee collections from commercial importers and exporters of wildlife and wildlife products. We, the Service, propose a licensing and fee scheme which will exempt certain commercial importers and exporters from our inspection fee, based upon specific criteria, including country of origin, numbers of items, and permitting requirements. We propose to modify our user fee regulations to grant relief to certain individuals and small businesses, meeting the outlined criteria, from the designated port inspection fee and nondesignated port administrative fee and hourly minimums only. This proposal, if implemented, will allow us to continue to collect data on fee collections in order to analyze the impact of user fees on small business for future decision making.

We will also update the authority citation for this part to delete an obsolete reference and to reflect the current United States Code citation regarding fees and charges for Government services.

DATES: Comments must be submitted on or before March 23, 1998.

ADDRESSES: Comments and materials concerning this proposal should be sent to the Director, U.S. Fish and Wildlife Service, P.O. Box 3247, Arlington, Virginia 22203–3247. Comments and materials may be hand-delivered to the U.S. Fish and Wildlife Service, Division of Law Enforcement, 4401 N. Fairfax Drive, Room 500, Arlington, Virginia, between the hours of 8 a.m. and 4 p.m. Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Kevin R. Adams, Chief, Division of Law Enforcement, Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C. 20240, Telephone Number (703) 358–1949.

SUPPLEMENTARY INFORMATION:

Background

On June 21, 1996, we published a final rule (61 FR 31850) which established a new requirement in Part 14 for all commercial importers and exporters of wildlife and wildlife products to obtain an Import/Export License (license) and also provided for our charging license holders increased inspection and overtime fees. The final rule eliminated the $25,000 annual dollar value exemption the Service had utilized since 1984 in determining whether a particular business or individual was required to have a license. The final rule raised the inspection fees charged to licensees to enable the Service to more fully recoup the costs of operating the wildlife inspection program. We published the June 21, 1996, final rule after several lengthy comment periods which began with the notice of intent to review published on November 14, 1991 (56 FR 57873). Of the 800 total comments received, 81 were on the new fee structure discussed in the notice of intent, the proposed rule published November 15, 1994 (59 FR 58811), and the supplemental proposed rule published March 23, 1995 (60 FR 15277). We received 64 favorable comments on the fee increase out of 81 total with 17 commenters opposed to a user fee increase. Several of the 17 commenters opposed to the fee increase requested that we maintain a dollar value exemption for small businesses. We acknowledged these commenters' concerns and expressed our own concern for the new fee structure being perceived as overly burdensome on small business, and replied, as restated in this proposed rule, that we are attempting to maintain the most efficient inspection program possible without being overly burdensome on smaller importers. We were attempting to implement the smallest fee increase possible which would allow us to recoup the cost of the wildlife inspection program. At the same time we were attempting to respond to several studies of the Service's inspection program that clearly indicate a need to raise inspection fees and overtime rates commensurate with costs incurred by the Service. In addition to the studies cited in the June 21, 1996, final rule, a 1994 General Accounting Office report states in its recommendations to the Secretary of the Interior, that the Service should ''Proceed with plans to increase the user fees charged by the wildlife inspection program * * *.''

Since the implementation of the new fee schedule on August 1, 1996, we have received comments, including eight Congressional inquiries, indicating that the burden on small business may be greater than the Service initially anticipated in the June 21, 1996, rulemaking. In the economic effects section of that document, we estimated the costs to newly licensed small businesses and individuals who are now subject to the inspection fee requirement. In the analysis we used estimated numbers extrapolated from 1994 data contained in the Law Enforcement Management Information System (LEMIS) which represented the best information available. Based upon comments received subsequent to publication of the final rule, we believe that we may have underestimated the cumulative effect that the increased licensing and inspection fees may impose on small business and certain individuals. We have determined that we may need better data upon which to rely in making a definitive analysis of