

Government Securities Regulations Staff, (202) 504-3632.

SUPPLEMENTARY INFORMATION: The Department of the Treasury ("Treasury" or "We") is issuing an amendment to 31 CFR 356.20(b) of the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds¹ ("UOC" or "Auction Rules") to establish a minimum interest rate of $\frac{1}{8}$ of one percent (*i.e.*, 0.125 percent) for all new marketable Treasury note and bond issues. This amendment is not applicable to reopenings.² In this rule we discuss how Treasury determines the interest rate for new note and bond issues, the reason for establishing a minimum interest rate, and the final amendment to the UOC.

I. Determining the Interest Rate for New Treasury Note and Bond Issues

In determining the interest rate for new note and bond issues, Treasury sets the interest rate at a $\frac{1}{8}$ of one percent increment. The interest rate we establish produces the price closest to, but not above, par that corresponds to the yield awarded to successful competitive bidders.³ The interest rate in turn is used to establish the amount of the semi-annual interest payment that note and bond investors receive.⁴

II. Establishing a Minimum Interest Rate

In an extremely low interest rate environment, a note or bond auction could result in an interest rate lower than Treasury's $\frac{1}{8}$ of one percent interest rate increment. If that were to happen, under the current methodology the new security would be issued with a zero percent interest rate and would have no semi-annual interest payments. Treasury is amending the UOC because we believe it is preferable that Treasury notes and bonds pay regular, semi-annual interest payments.

III. Amendment to the Rule

Accordingly, Treasury is amending paragraph (b) of 31 CFR 356.20 to state

¹ See 58 FR 412, January 5, 1993. The circular, as amended, is codified at 31 CFR part 356. The UOC, together with the offering announcement for each auction, sets out the terms and conditions for the sale and issuance by the Treasury to the public of marketable book-entry Treasury bills, notes, and bonds.

² The term *reopening* is defined at 31 CFR 356.2 as the auction of an additional amount of an outstanding security.

³ For example, the two-year note auction conducted on December 29, 2005, resulted in a yield of 4.404 percent. The interest rate was set at $\frac{4}{8}$ percent with a price of 99.944505. See <http://www.treasurydirect.gov/insttit/annceresult/press/preanre/2005/ofk1229051.pdf>.

⁴ See Appendix B to part 356—Formulas and Tables.

that if a Treasury note or bond auction results in a yield lower than 0.125 percent, the interest rate will be set at $\frac{1}{8}$ of one percent with the price adjusted accordingly (*i.e.*, at a premium). This change applies to all new marketable Treasury note and bond issues: Treasury fixed-principal⁵ (also referred to as nominal) notes and bonds as well as Treasury inflation-protected notes and bonds.

Procedural Requirements

Executive Order 12866. This final rule is not a "significant regulatory action" pursuant to Executive Order 12866.

Administrative Procedure Act (APA). Because this rule relates to public contracts and procedures for United States securities, the notice, public comment, and delayed effective date provisions of the Administrative Procedure Act are inapplicable, pursuant to 5 U.S.C. 553(a)(2).

Regulatory Flexibility Act. As no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) do not apply.

Paperwork Reduction Act. There is no new collection of information contained in this final rule, and, therefore, the Paperwork Reduction Act does not apply. The Office of Management and Budget has approved the collections of information already contained in 31 CFR part 356, under control number 1535-0112. Under the Paperwork Reduction Act, 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 OMB control number.

List of Subjects in 31 CFR Part 356

Bonds, Federal Reserve System, Government Securities, Securities.

For the reasons set forth in the preamble, 31 CFR part 356 is amended as follows:

PART 356—SALE AND ISSUE OF MARKETABLE BOOK-ENTRY TREASURY BILLS, NOTES, AND BONDS (DEPARTMENT OF THE TREASURY CIRCULAR, PUBLIC DEBT SERIES NO. 1-93)

■ 1. The authority citation for part 356 continues to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 3102, *et seq.*; 12 U.S.C. 391.

⁵ We use the term "fixed-principal" to distinguish such securities from "inflation-protected" securities. We refer to fixed-principal notes and fixed-principal bonds as "notes" and "bonds" in official Treasury publications, such as auction announcements and auction results press releases, as well as in the auction system.

■ 2. Section 356.20 is amended by revising the introductory text of paragraph (b) to read as follows:

§ 356.20 How does the Treasury determine auction awards?

* * * * *

(b) *Determining the interest rate for new note and bond issues.* We set the interest rate at a $\frac{1}{8}$ of one percent increment. If a Treasury note or bond auction results in a yield lower than 0.125 percent, the interest rate will be set at $\frac{1}{8}$ of one percent, and successful bidders' award prices will be calculated accordingly (see appendix B to this part for formulas).

* * * * *

Richard L. Gregg,

Fiscal Assistant Secretary.

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BILLING CODE 4810-39-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R05-OAR-2010-0850; FRL-9271-9]

Approval and Promulgation of Air Quality Implementation Plans; Wisconsin; The Milwaukee-Racine and Sheboygan Areas; Determination of Attainment of the 1997 8-Hour Ozone Standard

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: EPA is making determinations under the Clean Air Act (CAA) that the Milwaukee-Racine and Sheboygan, Wisconsin areas have attained the 1997 8-hour ozone National Ambient Air Quality Standard (NAAQS). The Milwaukee-Racine area includes Milwaukee, Ozaukee, Racine, Washington, Waukesha, and Kenosha Counties. The Sheboygan area includes Sheboygan County. The determinations are based on complete, quality-assured and certified ambient air monitoring data that show that the areas have monitored attainment of the 1997 8-hour ozone standard for the 2006-2008 and 2007-2009 monitoring periods. Quality assured data available for 2010 indicate that the areas continue to monitor attainment. As a result of these determinations, the requirements for these areas to submit attainment demonstrations and associated reasonably available control measures (RACM), reasonable further progress plans (RFP), contingency measures, and other State Implementation Plan (SIP)

revisions related to attainment of the standard are suspended for as long as the areas continue to attain the 1997 8-hour ozone standard. These determinations also suspend the requirement for EPA to promulgate attainment demonstration, RFP, and any other attainment-related Federal Implementation Plans (FIPs) for these areas. EPA published proposed and direct final approvals of this request on December 15, 2010. We received an adverse comment on our proposed rulemaking, which is addressed below. As a result, EPA withdrew the direct final approval on January 28, 2011.

DATES: This final rule is effective on March 31, 2011.

ADDRESSES: EPA has established a docket for this action under Docket ID No. EPA-R05-OAR-2010-0850. All documents in the docket are listed in the <http://www.regulations.gov> index. Although listed in the index, some information is not publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket materials are available either electronically in www.regulations.gov or in hard copy at the Environmental Protection Agency, Region 5, Air and Radiation Division, 77 West Jackson Boulevard, Chicago, Illinois 60604. This facility is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding Federal holidays. We recommend that you telephone Kathleen D'Agostino, Environmental Engineer, at (312) 886-1767 before visiting the Region 5 office.

FOR FURTHER INFORMATION CONTACT: Kathleen D'Agostino, Environmental Engineer, Attainment Planning and Maintenance Section, Air Programs Branch (AR-18J), Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 886-1767, dagostino.kathleen@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document whenever "we," "us," or "our" is used, we mean EPA. This supplementary information section is arranged as follows:

- I. What did EPA propose?
- II. What comments did we receive on the proposed action?
- III. What actions is EPA taking?
- IV. Statutory and Executive Order Reviews

I. What did EPA propose?

On December 15, 2010, EPA published proposed (75 FR 78197) and direct final (75 FR 78164) determinations under the CAA that the

Milwaukee-Racine and Sheboygan, Wisconsin areas have attained the 1997 8-hour ozone NAAQS. EPA received an adverse comment on this action and withdrew the direct final approval on January 28, 2011 (76 FR 5078).

II. What comments did we receive on the proposed action?

EPA received an adverse comment from Midwest Environmental Defense Center, Inc.

Comment: The commenter asserts that section 107(d)(3)(E) of the CAA prohibits redesignation of a nonattainment area to attainment unless five requirements are met. The commenter contends that EPA's **Federal Register** document describes air quality monitoring data in the Milwaukee-Racine and Sheboygan areas, but does not discuss the other requirements for redesignation. The commenter argues that unless all five criteria for redesignation are met, the Administrator cannot grant the redesignation.

Response: The commenter's concerns are misplaced; the actions that are the subject of these rulemakings are determinations of attainment, and not redesignations to attainment. As EPA stated in its December 15, 2010, direct final rule, the determinations of attainment in this notice are not equivalent to redesignations to attainment under section 107(d)(3) of the CAA. While the commenter is correct that rulemakings redesignating an area to attainment would need to satisfy the criteria of section 107(d)(3)(E), EPA's actions here are not redesignations. EPA is not purporting here to redesignate the Milwaukee-Racine and Sheboygan areas, and thus we acknowledged in the direct final rulemaking that we were not attempting to approve maintenance plans for the areas as required under section 175A of the CAA, nor have we found that the areas have met the other statutory requirements for redesignation. The designation status of each of the areas remains nonattainment for the 1997 8-hour ozone NAAQS until such time as EPA determines, through notice and comment rulemaking, that it meets the CAA requirements for redesignation to attainment. Thus, EPA's rulemaking here addresses only the air quality issue of whether the areas are attaining the 1997 8-hour ozone standard. The commenter offered no objection to EPA's proposed determinations that the Milwaukee-Racine and Sheboygan nonattainment areas are attaining that standard.

III. What actions is EPA taking?

EPA is making final determinations that the Milwaukee-Racine and Sheboygan, Wisconsin areas have attained the 1997 8-hour ozone NAAQS. The determinations are based upon complete, quality-assured and certified ambient air monitoring data, which show that the areas have monitored attainment of the 1997 8-hour ozone standard for the 2006–2008 and 2007–2009 monitoring periods. Quality assured data for 2010 available to date indicate that the areas continue to monitor attainment.

As provided in 40 CFR 51.918, the determinations of attainment for the Milwaukee-Racine and Sheboygan areas suspend the requirements for the State of Wisconsin to submit for these areas: An attainment demonstration, associated RACM, RFP plan, contingency measures, and any other planning SIPs related to attainment of the 1997 8-hour ozone NAAQS. These determinations also suspend any requirement for EPA to promulgate FIPs for these areas deriving from the concomitant SIP obligations.

The attainment-related SIP and FIP obligations remain suspended for each area for so long as it continues to attain the 1997 8-hour ozone NAAQS or until it is redesignated for that NAAQS, at which time the obligations end. 40 CFR 51.918.

IV. Statutory and Executive Order Reviews

These actions make determinations based on air quality data, and would, if finalized, result in the suspension of certain Federal requirements. For that reason, these actions:

- Are not "significant regulatory actions" subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- Do not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Are certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Do not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4);
- Do not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Are not economically significant regulatory actions based on health or

safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);

- Are not significant regulatory actions subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Are not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- Do not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because a determination of attainment is an action that affects the status of a geographical area and does not impose any new regulatory requirements on tribes, impact any existing sources of air pollution on tribal lands, nor impair the maintenance of ozone national ambient air quality standards in tribal lands. However, because there are tribal lands located in Milwaukee County, we provided the affected tribe with the opportunity to consult with EPA on the attainment determination. The consultation occurred on November 15, 2010. The affected tribe raised no concerns.

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this action and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the **Federal Register**. A major rule cannot take effect until 60 days after it is published in the **Federal Register**. These actions are not "major rules" as defined by 5 U.S.C. 804(2).

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by May 2, 2011. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of these actions for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not

postpone the effectiveness of such rule or action. These actions may not be challenged later in proceedings to enforce their requirements. (*See* section 307(b)(2).)

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Ozone, Reporting and recordkeeping requirements, Volatile organic compounds.

Dated: February 14, 2011.

Susan Hedman,

Regional Administrator, Region 5.

40 CFR part 52 is amended as follows:

PART 52—[AMENDED]

- 1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401 *et seq.*

Subpart YY—Wisconsin

- 2. Section 52.2585 is amended by adding paragraph (y) to read as follows:

§ 52.2585 Control strategy: Ozone.

* * * * *

(y) *Determination of attainment.* EPA has determined, as of March 1, 2011 that the Milwaukee-Racine, WI and Sheboygan, WI areas have attained the 1997 8-hour ozone standard. These determinations suspend the requirements for these areas to submit attainment demonstrations and associated reasonably available control measures (RACM), reasonable further progress plans (RFP), contingency measures, and other State Implementation Plan (SIP) revisions related to attainment of the standard for as long as the areas continue to attain the 1997 8-hour ozone standard. These determinations also stay the requirement for EPA to promulgate attainment demonstration and RFP Federal Implementation Plans (FIPs) for these areas.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R05-OAR-2006-0976; FRL-9272-1]

Approval and Promulgation of Air Quality Implementation Plans; Ohio; Oxides of Nitrogen Budget Trading Program; Technical Amendment

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: EPA is taking final action to remove codification of a State Implementation Plan (SIP) approval vacated by the U.S. Court of Appeals for the Sixth Circuit in a decision dated June 5, 2009. This relates to Ohio rule revisions concerning 240 allowances under the Nitrogen Oxides Budget Trading Program added to the SIP by EPA rulemaking dated February 13, 2008. This final rule conforms the codification of the SIP to the decision by the U.S. Court of Appeals for the Sixth Circuit in *Buckeye Power, Inc. v. EPA* (6th Cir., No. 08-3399, June 5, 2009).

DATES: This final rule is effective on March 1, 2011.

ADDRESSES: EPA has established a docket for this action under Docket ID No. EPA-R05-OAR-2006-0976. All documents in the docket are listed on the <http://www.regulations.gov> Web site. Although listed in the index, some information is not publicly available, i.e., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically through www.regulations.gov or in hard copy at the Environmental Protection Agency, Region 5, Air and Radiation Division, 77 West Jackson Boulevard, Chicago, Illinois 60604. This facility is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding Federal holidays. We recommend that you telephone Anthony Maietta, Environmental Protection Specialist, at (312) 353-8777 before visiting the Region 5 office.

FOR FURTHER INFORMATION CONTACT:

Anthony Maietta, Environmental Protection Specialist, Control Strategies Section, Air Programs Branch (AR-18J), Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 353-8777, Maietta.anthony@epa.gov.

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- Background Information
- What action is EPA taking?
- Statutory and Executive Order Reviews

I. Background information

On October 11, 2006, the Ohio Environmental Protection Agency sent EPA a letter requesting, among other actions, that EPA approve rule revisions