creditor agency under paragraph (c)(2)
of this section.

(d) When the debtor transfers to
another Federal agency—(1) Notice to
the creditor agency. If the debtor
transfers to another Federal agency
before the debt is paid in full, the
Commodity entity will notify the creditor
agency and will certify the total amount
of its collection on the debt. The
Commodity entity will provide a copy
of the certification to the creditor agency.
The creditor agency is responsible for
submitting a copy of the certified claim to the
debtor’s new employing agency before
collection may begin.

(2) Notice to the debtor. The
Commodity entity will provide to the
debtor a copy of any notices and
certifications sent to the creditor agency
under paragraph (d)(1) of this section.

(e) Request for hearing official. A
Commodity entity will provide a hearing
official upon the creditor agency’s
request with respect to a Commodity
to entity employee. See 5 CFR 550.1107(a).

PART 21—[REMOVED AND
RESERVED]

2. Remove and reserve part 21.

PART 22—[REMOVED AND
RESERVED]

3. Remove and reserve part 22.

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A further notice with a detailed
agenda for each conference will be
issued in advance of the conferences. In
the event a transmission provider is
uncertain as to which technical
conference is the appropriate forum for
discussion of its “strawman” proposal,
such transmission providers should
contact Commission staff in advance to
discuss the matter.

For further information about these
conferences, please contact:

W. Mason Emnett, Office of the
General Counsel—Energy Markets,
Federal Energy Regulatory Commission,

888 First Street, NE., Washington, DC
20426, (202) 502–6461,
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Phlis J. Posey,
Acting Secretary.
[FR Doc. E7–7085 Filed 4–13–07; 8:45 am]
BILLING CODE 6717–01–P

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DEPARTMENT OF ENERGY
Federal Energy Regulatory
Commission

18 CFR Parts 35 and 37
[Docket Nos. RM05–17–000 and RM05–25–
000; Order No. 890]

Preventing Undue Discrimination and
Preference in Transmission Service

Issued April 6, 2007.

AGENCY: Federal Energy Regulatory
Commission, DOE.

ACTION: Final Rule; Notice of Technical
Conferences.

SUMMARY: On February 16, 2007, the
Federal Energy Regulatory Commission
issued Order No. 890, which amended the
regulations and the pro forma open
access transmission tariff (OATT). The
Commission’s staff is convening
technical conferences to review and
discuss the “strawman” proposals
regarding the processes for transmission
planning required by the Final Rule.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Transmission provider participants</th>
</tr>
</thead>
</table>
| June 4–7, 2007 | Little Rock, AR  | Entities located in the states represented in the
|               |                  | Southeastern Association of Regulatory Utility
|               |                  | Commissioners (SEARUC) and entities located in the
|               |                  | Southwest Power Pool footprint, presenting on
| June 13, 2007 | Park City, Utah  | June 4–5 and 6–7, respectively.                   |
| June 28–29, 2007 | Pittsburgh, PA    | Entities located within the ColumbiaGrid and Northern
|               |                  | Tier Transmission Group footprints and other
|               |                  | northern WECC regions.                           |
| TBD          | TBD              | Entities located in the Midwest ISO, PJM, New York
|               |                  | ISO, and ISO New England footprints and
|               |                  | adjacent areas.                                  |
|               |                  | Entities located in the West other than those
|               |                  | attending the June 13, 2007 conference in
|               |                  | Park City, Utah.                                 |

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DEPARTMENT OF THE TREASURY
Monetary Offices

31 CFR Part 82

Prohibition on the Exportation,
Melting, or Treatment of 5-Cent and
One-Cent Coins

AGENCY: United States Mint, Treasury.

ACTION: Final Rule.

SUMMARY: To protect the coinage of the United States, the United States Mint is
adopting a final rule that prohibits the

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2 Staff also requests that a representative of WECC’s Transmission Expansion Planning Policy Committee attend these technical conferences.
II. Interim Rule

This final rule is based on the interim rule published Wednesday, December 20, 2006 (71 FR 76148). The interim rule sought public comment on the proposed final rule.

The comment period for the interim rule ended on January 19, 2007. The United States Mint received 31 comments from members of the public, businesses and trade associations.

III. Summary of Comments

General Overview

Two commenters fully supported the regulation. One trade association supported the regulation as long as its proposed exception was included in the final regulation. Three commenters stated that the regulation should only be a temporary measure until a solution could be attained on the underlying issue. One commenter supported the regulation as it applies to 5-cent coins, but opposed the regulation as it applies to one-cent coins. Eighteen commenters generally opposed the regulation. Six commenters did not state whether they supported or opposed the regulation, but instead suggested an amendment to the regulation or proposed a solution to the underlying issue.

Comments on Eliminating the 5-Cent Coin or One-Cent Coin and Altering Their Composition

One bank and three individuals suggested that the United States government should eliminate the 5-cent coin and the one-cent coin as circulating coinage. The bank stated, “The cost associated with the creating and handling of these low denomination coins far exceeds their value.” Five commenters suggested that the United States Mint change the content of the 5-cent and one-cent coins to less expensive alloys. Two commenters suggested that the United States Mint eliminate the one-cent coin and alter the composition of the 5-cent coin. Commenters stated that the United States government should eliminate one-cent coins because they “waste pocket space” and people “throw them away.” A few of the commenters suggested that one-cent coins be eliminated after the 2009 Abraham Lincoln Bicentennial One-Cent Coin Redesign, provided for by Title III of the Presidential $1 Coin Act of 2005, Public Law 109–145 (Dec. 22, 2005). Two commenters suggested that existing 5-cent and one-cent coins be physically altered; one suggested punching holes in the center to decrease their melt value, and the other suggested encasing them in a ring of metal and increasing the denomination of the coins. Two commenters suggested the United States Mint begin producing a two-cent coin or a three-cent coin.

The changes suggested by these comments are outside the scope of the interim rule, which is limited to implementation of the Secretary of the Treasury’s authority under 31 U.S.C. 5111(d) to prohibit the exportation, melting, or treatment of coins when necessary to protect the coinage of the United States. We note, however, that under Article I, section 8, clause 5, of the United States Constitution, only Congress has the power to coin money and regulate its value. Congress determines the denominations, specifications, and design of United States coins. Under 31 U.S.C. 5112(c), Congress has delegated to the Secretary of the Treasury the authority to prescribe the weight and the composition of copper and zinc in the alloy of the one-cent coin that the Secretary decides are appropriate when the Secretary decides that a different weight and alloy of copper and zinc are necessary to ensure an adequate supply of one-cent coins to meet the needs of the United States.” However, Congress has not delegated to the Secretary the authority to alter the composition of the one-cent coin to a metal, or an alloy of metals, other than copper and zinc. The United States Mint has ongoing research into alternative metals for the Nation’s coinage. Changing the metal content or the denomination of United States coins requires legislation passed by Congress and approved by the President.

Comments on Increasing the Face Value Limit on the Exporting Exception for One-Cent and 5-Cent Coins Carried on Individual or in Personal Effects

Three commenters suggested that the aggregate face-value limit on the number of 5-cent and one-cent coins that can be exported by an individual carried on his or her person or in his or her personal effects should be increased. One of the commenters gave the example of Americans crossing the border into Canada to play “nickel slot” machines or “penny-ante” poker. The other commenter pointed out that a person would not be able to carry on his or her person one roll containing 5-cent coins bearing each of the five United States Mint Westward Journey Nickel Series™ designs without exceeding the $5 face-value limit, and would have to ship them out of the country instead.

The aggregate face-value limit selected for the interim rule was the same face-value limit approved when the Secretary invoked the standby authority of 31 U.S.C. 5111(d) for the periods...
1967–1969 and 1974–1978. The United States Mint recognizes that some 30 years have passed since this authority was last invoked and, based on the consumer price index, the $5 limit in the previous regulations would be equivalent to about $20 today. However, the face values of 5-cent coins and one-cent coins obviously have not changed over this time period and there is no evidence to suggest that an average individual carries any more 5-cent or one-cent coins in his or her pocket change today, than in 1974 or 1967. Accordingly, the United States Mint has kept the aggregate face-value limit for the exception provided for in the current regulation at section 82.2(a)(2) at $5.

The United States Mint nevertheless acknowledges the concerns raised by the commenters. Therefore, the exception provided for in the current regulation at section 82.2(a)(2) has been amended to reasonably accommodate these concerns by allowing exportation of 5-cent and one-cent coins having an aggregate face value of up to $25 when it is clear that the purpose for exporting such coins is for legitimate personal numismatic, amusement, or recreational use.

Comments on Redeeming or Reclaiming One-Cent Coins

Two commenters suggested the United States Mint should redeem existing 5-cent and one-cent coins and alter their physical form, as discussed above. One commenter suggested that the United States Mint and the Federal Reserve should encourage the public to redeem their unused one-cent coins and pay a small premium over their face value, and then the United States Mint could reclaim the pre-1982 copper one-cent coins for their metal content. One commenter stated that recycling the 5-cent and one-cent coins should not be prohibited because, if the coins are recycled for their metal content, it would increase the supply of copper, nickel, and zinc, with the ensuing market forces resulting in a price decrease for those metals.

The purpose of this regulation is to protect 5-cent and one-cent coins in circulation from being the subject of recycling and speculation in order to ensure that sufficient quantities of the coins remain in circulation to meet the needs of the United States. This regulation is not intended to address the cost and supply of metals used in, or the specifications for, the production of future 5-cent and one-cent coins. Furthermore, statute, 31 U.S.C. 5111(d), permits the Secretary of the Treasury only to prohibit or limit the exportation, melting, or treatment of United States coins. It does not authorize the Secretary to redeem current United States coin.

Comments on the Constitutionality of the Regulation

Twelve commenters stated that coins are the personal property of the holder and the Department of the Treasury does not have the authority to regulate what a person does with his or her own property. Although it is generally recognized that money is the property of its bearer under common law, Congress has the power to regulate the coins and currency of the United States pursuant to its authority under Article I, section 8, clause 5, of the United States Constitution. For instance, Congress has relied on that authority to regulate the use of coins by making it illegal to alter, deface, or mutilate United States coins with fraudulent intent, see 18 U.S.C. 331; to debase United States coins with fraudulent intent, see 18 U.S.C. 332; and to attach any business or professional card, notice, or advertisement on any United States coin, see 18 U.S.C. 475. There are many other examples of personal property whose use is regulated by the Federal government. These include controlled drugs; firearms; copyrighted books, electronic recordings; United States postage stamps; Federal Reserve notes; and uniforms and service medals of the Armed Forces. Such regulations are generally enacted to protect competing ownership interests in the same property, to protect the health and safety of the public, or to protect a special governmental interest in property otherwise privately owned. In this case, the Federal Government has an interest in ensuring that sufficient quantities of 5-cent and one-cent coins remain in circulation to meet the needs of the United States.

Moreover, while several provisions of the Constitution protect property rights, a statute or regulation is not unconstitutional merely because it has some effect on those rights. See, e.g., Penn Cent. Transp. Corp. v. New York City, 438 U.S. 104 (1978) (Government restrictions on the use of private property are legal when substantially related to the promotion of the general welfare and do not prohibit reasonable beneficial use). The regulation here is necessary to protect the United States coinage. In addition, the standby authority that the Secretary of the Treasury possesses under 31 U.S.C. 5111(d) has been in effect since 1965; therefore, the regulation generally have been on notice that they accept and use U.S. coinage subject to this potential limitation. None of the comments set forth any specific theory under which the regulation is asserted to be unconstitutional, and we continue to believe that this is not the case.

Comments on Debasement and Devaluation

Eleven commenters discussed inflation and the debasement and devaluation of United States currency. However, this issue is beyond the scope of this regulation. Pursuant to the authorizing statute, 31 U.S.C. 5111, this regulation’s purpose is to protect the Nation’s coinage by ensuring there are sufficient 5-cent and one-cent coins in circulation to meet the needs of the United States.

Comments on Enforcement of the Regulation

One commenter stated that the penalties provided in the regulation are too harsh. However, the statute that enables the Secretary of the Treasury to issue this regulation, 31 U.S.C. 5111(d), mandates the penalties for engaging in the prohibited activities, as follows: (d)(t) The Secretary may prohibit or limit the exportation, melting, or treatment of United States coins when the Secretary decides the prohibition or limitation is necessary to protect the coinage of the United States.

(2) A person knowingly violating an order or license issued or regulation prescribed under paragraph (1) of this subsection, shall be fined not more than $10,000, imprisoned not more than 5 years, or both.

Three commenters stated that the cost of enforcing the regulation would exceed the minting costs that the regulation is intended to save, or that enforcing the regulation is a waste of law enforcement resources. The Secretary of the Treasury has weighed the enforcement costs associated with the enactment of this regulation against the potential costs of not enacting this regulation and has determined that it is in the public’s best interest to enact this regulation as a temporary measure until actions are taken, or conditions change, to abate concerns that sufficient quantities of 5-cent and one-cent coins will remain in circulation to meet the needs of the United States.

Two commenters voiced concern that the Federal Government could arrest or fine a science teacher for experimenting with a one-cent coin during a classroom demonstration, or could arrest or fine a child for using a penny pressing machine at an amusement park. However, the regulation includes an exception for the treatment of 5-cent and one-cent coins for educational,
amusement, novelty, jewelry, and similar purposes as long as the volumes treated and the nature of the treatment make it clear that such treatment is not intended as a means by which to profit solely from the value of the metal content of the coins.

Six commenters stated that the public would hoard the coins and remove them from circulation. The United States Mint is aware that 5-cent and one-cent coins may be hoarded. However, the legislative history of 31 U.S.C. 5111(d) indicates that when Congress passed the Coinage Act of 1965, section 105 (the predecessor provision to 31 U.S.C. 5111(d)), it did not intend on prohibiting hoarding because of concerns that such prohibitions would be difficult to enforce and that citizens might unknowingly violate the regulations. The United States Mint does not intend to prohibit the hoarding of 5-cent and one-cent coins but, consistent with the legislative intent of 31 U.S.C. 5111(d), has implemented these prohibitions on exportation, melting, and treatment to reduce the incentive to hoard these coins.

Comments From Trade Associations and Businesses

The Institute of Scrap Recycling Industries, Inc. (Institute), a trade association for the recycling industry, submitted a comment suggesting that an exception be added for the unintended exportation, melting, and treatment of 5-cent and one-cent coins that occur incidental to the recycling of other materials, such as scrap automobiles and construction and demolition debris. We agree that such melting should not be prohibited, and have added an exception for coins incidentally present in recycled scrap. In doing so, we express no view as to whether the melting or export of coins under the circumstances described by the Institute would otherwise violate the regulation.

The Industry Council for Tangible Assets (Council), a trade association for rare coin and precious metals dealers, submitted a comment suggesting that an exception be added for the exportation, melting, or treatment of “war nickels.” War nickels were 5-cent coins produced during World War II, from 1942 through 1945, from a special alloy of copper, silver, and manganese in order to conserve nickel for the war effort. The Council points out that the war nickels are traded for their numismatic value, they are melted for the value of their metal composition, and that few, if any, remain as circulating coins. Because it appears that covering war nickels under the regulation would disrupt longstanding practices and would not further the protection of circulating coinage, we have added an exception for such coins.

Advice From the Cash Product Office of the Federal Reserve

The Cash Product Office of the Federal Reserve advised that some depository institutions export 5-cent and one-cent coins, as well as other U.S. circulating coins, to foreign countries that have so-called “dollarized” monetary systems. Central banks in these countries purchase U.S. circulating coinage from domestic depository institutions for use as circulating money in their own countries. To accommodate this legitimate requirement to permit the exportation of 5-cent and one-cent coins, we have added an additional exception to the final regulation.

IV. Conclusion

Based on the comments received and the analysis of those comments as set forth above, and based on the additional considerations discussed above, the Department of the Treasury, United States Mint, has concluded that the interim regulation will be adopted as a final rule, with certain changes as discussed above and set forth below.

V. Procedural Requirements

This rule is not a significant regulatory action for the purposes of Executive Order 12866.

Because a notice of proposed rulemaking was not required prior to the implementation of the interim rule, the provisions of the Regulatory Flexibility Act (5 U.S.C. chapter 6), do not apply.

The final rule does not impose a “collection of information” requirement within the meaning of the Paperwork Reduction Act of 1995.

The final rule will be effective upon publication. The final rule relieves some of the restrictions in the interim rule by providing for new exceptions and for the expansion of existing exceptions. Accordingly, because the final rule grants or recognizes an exemption or relieves a restriction currently in place, 5 U.S.C. 553(d)(1) exempts the final rule from the requirement in 5 U.S.C. 553(d) that the publication or service of a substantive rule shall be made not less than 30 days before its effective date.

VI. Format

The format of the final rule is generally consistent with the format of the interim rule.

List of Subjects in 31 CFR Part 82

Administrative practice and procedure, Currency, Exports, Penalties.

Amendments to the Regulation

For the reasons set forth above, the interim rule amending Chapter 1 of Subtitle B of Title 31 of the Code of Federal Regulations, which was published at 71 FR 76148 on December 20, 2006, is adopted as a final rule with the following changes.

PART 82—5-CENT AND ONE-CENT COIN REGULATIONS

1. The authority citation for part 82 continues to read as follows:


2. Section 82.2 is amended by revising paragraph (a)(2), redesignating current paragraph (c) as paragraph (f), and adding new paragraphs (c), (d), and (e) as follows:

§ 82.2 Exceptions.

(a) * * *

(2) The exportation of 5-cent coins and one-cent coins carried on an individual, or in the personal effects of an individual, departing from a place subject to the jurisdiction of the United States, when the aggregate face value is not more than $5, or when the aggregate face value is not more than $25 and it is clear that the purpose for exporting such coins is for legitimate personal numismatic, amusement, or recreational use.

(c) The prohibition contained in § 82.1 against the exportation, melting, or treatment of 5-cent and one-cent coins of the United States shall not apply to coins exported, melted, or treated incidental to the recycling of other materials so long as—

(1) Such 5-cent and one-cent coins were not added to the other materials for their metallurgical value;

(2) The volumes of the 5-cent coins and one-cent coins, relative to the volumes of the other materials recycled, makes it clear that the presence of such coins is merely incidental; and

(3) The separation of the 5-cent and one-cent coins from the other materials would be impracticable or cost prohibitive.

(d) The prohibition contained in § 82.1 against the exportation, melting, or treatment of 5-cent coins shall not apply to 5-cent coins inscribed with the years 1942, 1943, 1944, or 1945 that are composed of an alloy comprising copper, silver and manganese.

(e) The prohibition contained in § 82.1 against the exportation of 5-cent coins and one-cent coins shall not apply to 5-cent coins and one-cent coins exported by a Federal Reserve Bank or a domestic depository institution, or to
a foreign central bank, when the exportation of such 5-cent coins and one-cent coins is for use as circulating money.


Edmund C. Moy,
Director, United States Mint.

[FR Doc. E7–7088 Filed 4–13–07; 8:45 am]