the public because the Treasury Department requires frank and full advice from representatives of the financial community prior to making its final decisions on major financing operations. Historically, this advice has been offered by debt management advisory committees established by the several major segments of the financial community. When so utilized, such a committee is recognized to be an advisory committee under 5 U.S.C. App. 2, § 3.

Although the Treasury's final announcement of financing plans may not reflect the recommendations provided in reports of the Committee, premature disclosure of the Committee's deliberations and reports would be likely to lead to significant financial speculation in the securities market. Thus, this meeting falls within the exemption covered by 5 U.S.C. 552b(c)(9)(A).

Treasury staff will provide a technical briefing to the press on the day before the Committee meeting, following the release of a statement of economic conditions and financing estimates. This briefing will give the press an opportunity to ask questions about financing projections. The day after the Committee meeting, Treasury will release the minutes of the meeting, any charts that were discussed at the meeting, and the Committee's report to the Secretary.

The Office of Debt Management is responsible for maintaining records of debt management advisory committee meetings and for providing annual reports setting forth a summary of Committee activities and such other matters as may be informative to the public consistent with the policy of 5 U.S.C. 552(b). The Designated Federal Officer or other responsible agency official who may be contacted for additional information is Fred Pietrangeli, Deputy Director for Office of Debt Management (202) 622–1876.

Dated: July 2, 2010.

Mary Miller,

Assistant Secretary, (Financial Markets).

[FR Doc. 2010–16750 Filed 7–9–10; 8:45 am]

BILLING CODE 4810–25–M

DEPARTMENT OF THE TREASURY

Tribal Economic Development Bonds

AGENCY: Department of the Treasury, Departmental Offices.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury ("Treasury") seeks comments from Indian Tribal Governments regarding the Tribal Economic Development Bond provision in Section 7871(f) of the Internal Revenue Code. The purpose of this solicitation of comments is to assist Treasury in developing recommendations regarding this bond provision for a Congressionally-directed study under the American Recovery and Reinvestment Act of 2009. This solicitation of comments is in furtherance of the objectives of Executive Order 13175 under which Treasury consults with tribal officials in the development of Federal policies that have tribal implications, to reinforce the United States government-to-government relationships with Indian tribes, and to reduce the imposition of unfunded mandates upon Indian tribes. Additional comments from the general public related to this matter are also welcome.

DATES: Please submit comments on or before September 10, 2010.

FOR FURTHER INFORMATION CONTACT: John J. Cross III, Office of Tax Policy, at (202) 622–1322.

SUPPLEMENTARY INFORMATION:

Introduction and Background

Section 1402 of Title I of Division B of the American Recovery and Reinvestment Act of 2009, Public Law No. 111–5, 123 Stat. 115 (2009) ("ARRA"), added a $2 billion bond authorization for a new temporary category of tax-exempt bonds with lower borrowing costs for Indian tribal governments, known as "Tribal Economic Development Bonds," under Section 7871(f) of the Internal Revenue Code ("Code") to promote economic development on tribal lands. (Except as noted, section references in this Notice are to the Code.) Section 1402(b) of ARRA directs the Secretary of the Treasury or the Secretary's delegate to conduct a study of the Tribal Economic Development Bond provision and to report back to Congress with recommendations regarding this provision. In a summary of this ARRA provision, the House Ways and Means Committee and the Senate Finance Committee indicated that, in particular, Treasury should study whether to repeal on a permanent basis the existing more restrictive "essential governmental function" standard for tax-exempt governmental bond financing by Indian tribal governments under Section 7871(c). *See http://waysandmeans.house.gov/media/pdf/111/arra.pdf.*

The more restrictive existing standard under Section 7871(c) generally limits the use of tax-exempt bonds by Indian tribal governments to the financing of certain activities that constitute "essential governmental functions" customarily performed by State and local governments with general taxing powers and certain manufacturing facilities. The essential governmental function standard under Section 7871(c) was enacted originally in 1982 as part of the Indian Tribal Government Tax Status Act, Public Law No. 97–473 (1983), 96 Stat. 2605 ("Tribal Tax Act"). The legislative history to the Tribal Tax Act indicated that essential governmental functions for this purpose included activities such as schools, streets, or sewers, but did not include activities financed with private activity bonds or other commercial or industrial activities. *See* H.R. Rep. No. 97–982, 97th Cong. 2d Sess. 17 (1982) and S. Rep. No. 97–646, 97th Cong. 2d. Sess. at 13–14 (1982).

In 1987, Section 7871(e) was added to the Code to limit the essential governmental functions standard further to provide that an essential governmental function does not include any function which is not customarily performed by State and local governments with general taxing powers. *See* The Omnibus Budget Reconciliation Act of 1987, Public Law No. 100–203, 101 Stat. 1330, § 10632(a) (1987). Further, in the legislative history to this provision, the House Ways and Means Committee criticized 1984 Temporary Treasury Regulations under section 7871(c) for treating certain commercial and industrial activities eligible for Federal funding as essential governmental functions and indicated that these regulations were invalid to that extent. H.R. Rep. No. 100–391, 100th Cong. 1st Sess. at 1139 (1987). However, in 1987, Section 7871(c)(3) was added to the Code to allow Indian tribal governments to use tax-exempt bond financing for manufacturing facilities under certain parameters.

The custom-based essential governmental function standard under Section 7871(e) has proven to be a difficult administrative standard and has led to audit disputes, based on difficulties in determining customs, the evolving nature of the functions customarily performed by State and local governments, and increasing involvement of State and local governments in quasi-commercial activities.

In 2006, Treasury and the Internal Revenue Service ("IRS") promulgated an Advance Notice of Proposed Rulemaking regarding the essential governmental function standard for the issuance of tax-exempt bonds by Indian

tribal governments under Section 7871. *See* 71 FR 45474 (August 9, 2006) (the "2006 Advance Notice"). In the 2006 Advance Notice, Treasury and the IRS indicated that proposed regulations will treat an activity as an essential governmental function that is customarily performed by State and local governments under Section 7871(c) and Section 7871(e) if: (1) There are numerous State and local governments with general taxing powers that have been conducting the activity and financing it with tax-exempt governmental bonds, (2) State and local governments with general taxing powers have been conducting the activity and financing it with tax-exempt governmental bonds for many years, and (3) the activity is not a commercial or industrial activity. The 2006 Advance Notice further indicated that examples of activities customarily performed by State and local governments will include, but will not be limited to, public works projects such as roads, schools, and government buildings.

In general, new Section 7871(f) regarding Tribal Economic Development Bonds gives Indian tribal governments greater flexibility to use tax-exempt bonds to finance economic development projects than is allowable under the existing standard of Section 7871(c). The more flexible standard under new Section 7871(f) generally allows Indian tribal governments to use tax-exempt bonds under a new $2 billion volume cap to finance economic development projects (excluding certain gaming facilities and excluding projects located outside of Indian reservations under Section 7871(f)(3)(B)) or other activities under comparable standards for which State or local governments are eligible to use tax-exempt bonds under Section 103.

State and local governments generally can use tax-exempt "governmental" bonds (as contrasted with "private activity bonds," as further described herein) to finance an unspecified broad range of projects and activities so long as private involvement is limited sufficiently to avoid classification as private activity bonds. Bonds are classified as private activity bonds if private involvement exceeds both of the following thresholds: (1) More than 10 percent of the bond proceeds are used for private business use; and (2) the debt service on more than 10 percent of bond proceeds is payable or secured from payments or property used for private business use. Thus, under this general standard for State and local governments, bonds qualify as tax-exempt governmental bonds if the bond proceeds are used predominantly for State or local governmental use. Special rules under Sections 141(b)(3) and 141(c) further limit the use of tax-exempt governmental bonds in certain circumstances involving disproportionate or unrelated private business use and private loans.

By contrast, private business use generally arises from private business ownership, leasing, or certain other arrangements involving private business use of bond-financed facilities. Certain safe harbors allow private businesses to manage governmental facilities under management contracts with prescribed compensation arrangements without resulting in private business use. *See* Rev. Proc. 97–13, 1997–1 C.B. 632.

Bonds also qualify as tax-exempt governmental bonds if, despite private business use, the bonds are payable predominantly from State or local governmental sources of payment, such as generally applicable taxes.

State and local governments also are eligible to use tax-exempt qualified private activity bonds under Section 141(e) and related provisions without regard to private business use or the level of private involvement to finance certain specified types of projects and activities, including the following: (1) Airports, (2) docks and wharves, (3) mass commuting facilities, (4) facilities for the furnishing of water, (5) sewage facilities, (6) solid waste disposal facilities, (7) qualified low-income residential rental multifamily housing projects, (8) facilities for the local furnishing of electric energy or gas, (9) local district heating or cooling facilities, (10) qualified hazardous waste facilities, (11) high-speed intercity rail facilities, (12) environmental enhancements of hydroelectric generating facilities, (13) qualified public educational facilities, (14) qualified green buildings and sustainable design projects, (15) qualified highway or surface freight transfer facilities, (16) qualified mortgage bonds or qualified veterans mortgage bonds for certain single-family housing mortgage loans, (17) qualified small issue bonds for certain manufacturing facilities, (18) qualified student loan bonds, (19) qualified redevelopment bonds, and (20) qualified 501(c)(3) bonds for exempt charitable and educational activities of Section 501(c)(3) nonprofit organizations.

Subject to certain exceptions, most types of tax-exempt qualified private activity bonds are subject to annual State bond volume caps based on State populations, with adjustments for inflation and minimum allocations for smaller States, and with three-year carryforward periods for unused allocations. For 2010, each State's private activity bond volume cap is equal to the greater of: (1) $90 multiplied by the State population; or (2) $273,775,000. Exceptions to the State private activity bond volume caps apply to certain governmentally-owned projects (including airports, docks and wharves, environmental enhancements of hydroelectric generating facilities, high-speed intercity rail facilities, and solid waste disposal facilities), qualified veterans mortgage bonds, and qualified 501(c)(3) bonds.

In general, the new $2 billion bond authorization for Tribal Economic Development Bonds under Section 7871(f) allows Indian tribal governments to use tax-exempt bonds to finance an unspecified broad range of governmentally-used projects, including hotels or convention centers, as well as projects involving certain qualified private activities, to the same extent and subject to the same limitations imposed on State and local governments under Section 103. In addition, Tribal Economic Development Bonds may be issued as Build America Bonds under Section 54AA upon satisfaction of the additional eligibility requirements for Build America Bonds. See IRS Chief Counsel Advice No. AM 2009–14 (October 26, 2009).

Section 7871(f)(3)(B) includes certain limitations on Tribal Economic Development Bonds that prohibit the use of any proceeds of these bonds to finance either of the following: (1) Any portion of a building in which class II or class III gaming (as defined in section 4 of the Indian Gaming Regulatory Act) is conducted or housed or any other property actually used in the conduct of such gaming; or (2) any facility located outside the Indian reservation (as defined in Section 168(j)(6)).

Section 7871(f)(1) requires Treasury to allocate the $2 billion national volume cap for Tribal Economic Development Bonds among Indian tribal governments in such manner as Treasury, in consultation with the Secretary of the Interior, determines to be appropriate.

Pursuant to Notice 2009–51, 2009–28 IRB 128 (July 13, 2009), Treasury and the IRS solicited applications for allocation of the $2 billion in bond volume cap of Tribal Economic Development Bonds and provided guidance on the application procedures, deadlines, forms, and methodology for allocating this bond volume cap. Generally, Treasury employed a pro rata allocation method to allocate this bond volume cap in two separate $1 billion phases, subject to specified maximum allocations for any particular Indian tribal government. Treasury and the IRS

announced the results of the two phases of Tribal Economic Development Bond allocations in IRS News Release 2009–81 (September 15, 2009) and IRS News Release 2010–20 (February 11, 2010). For further information regarding these bond allocations, *see http://www.irs.gov* under the heading "Tax-exempt Bond Community" and subheading "IRS Announces Tribal Economic Development Bond Allocations."

Request for Comment on Particular Questions

In order to assist Treasury in developing recommendations for its study of the Tribal Economic Development Bond provision, Treasury seeks public comment on the following particular questions.

Whether the State or Local Governmental Standard for Tax-Exempt Governmental Bond Status Should Replace the Essential Governmental Function Standard

A State or local governmental bond is treated as a tax-exempt governmental bond (rather than a private activity bond) under Section 141 if either 90 percent or more of the bond proceeds are used for governmental use (*i.e.,* not private business use) or 90 percent or more of the debt service on the bonds is payable or secured from governmental payments or property, as previously described herein. In treating Indian tribal government use of facilities financed with Tribal Economic Development Bonds as governmental use under Section 141, the Tribal Economic Development Bond provision effectively applies this standard.

1. In general, should consideration be given to changing the law permanently to apply the standard described above, applicable to State and local governments under Section 141, with respect to tax-exempt bond financing for Indian tribal governments (rather than the existing essential governmental function standard under Section 7871(c))?

2. Would focusing on Indian tribal governmental use of bond-financed facilities (rather than essential governmental functions) under the standard applicable to State and local governments provide Indian tribal governments with a sufficiently workable and flexible standard for tax-exempt governmental bond financing?

3. In determining qualified governmental sources of payment for tax-exempt governmental bonds for Indian tribal governments, should special consideration be given to any unique sources of revenue for Indian tribal governments, including (i) income derived from tribal lands held in trust by the Department of the Interior, (ii) state and local government revenues from oil, gas, or other natural resources on Indian tribal government lands, or (iii) revenue derived from gaming or other tribally owned corporate interests, in comparison to the general tax-based sources of revenue for State and local governments?

Types of Projects and Activities Eligible for Financing With Private Activity Bonds

For State and local governments, Section 141 provides that certain specific types of projects and activities may be financed with qualified tax-exempt private activity bonds, as described previously herein.

4. Should consideration be given to changing the law permanently to authorize Indian tribal governments to use qualified tax-exempt private activity bonds for the same types of projects and activities as are allowed for State and local governments?

5. Are there any specific additional types of projects or activities beyond those allowed for State and local governments for which Indian tribal governments should be authorized (or not authorized) to use qualified tax-exempt private activity bonds (*i.e.,* in which private business ownership, leasing, or other private business use of the bond-financed projects would be permitted) in light of their special needs or unique circumstances? For example, would federal corporations chartered under Section 17 of the Indian Reorganization Act of 1934 (25 U.S.C. 477) require special provisions to use qualified tax-exempt private activity bonds?

Private Activity Bond Volume Cap Considerations

In the case of State and local governments, an annual State bond volume cap applies to qualified tax-exempt private activity bonds based on State populations. For 2010, each State's private activity bond volume cap is equal to the greater of: (1) $90 multiplied by the State population; or (2) $273,775,000. In the case of Indian tribal governments, the new Tribal Economic Development Bond provision under Section 7871(f) included a $2 billion total national bond volume cap on these bonds.

6. If Congress were to determine that it was necessary to impose some form of bond volume cap on the use of qualified tax-exempt private activity bonds by Indian tribal governments similar to that imposed on State and local governments, how specifically should such a bond volume cap be structured to best promote fair, effective, and workable use? One option would be to allocate the private activity bond volume cap among Indian tribal governments based on population, coupled with some minimum allocation for small Indian tribal governments. Another option, similar to that used for the $2 billion Tribal Economic Development Bond authorization, would be for Treasury (or another Federal agency, such as the Department of the Interior's Bureau of Indian Affairs) to allocate the volume cap using some prescribed method, such as a population-based allocation method that incorporates an adjustment factor to take into account holdings of land and other natural resources in the case of tribes with small populations. Suggestions for other alternative allocation methods are welcome.

Considerations Regarding the Restriction Against Financing Projects Located Outside of Indian Reservations

Section 7871(f)(3)(B)(ii) includes a restriction that limits the use of Tribal Economic Development Bonds to the financing of projects that are located on Indian reservations (as defined in Section 168(j)(6)). Section 168(j)(6) provides that the term "Indian reservation" means a reservation as defined in § 3(d) of the Indian Financing Act of 1974, 25 U.S.C. 1452(d), applied by treating the term "Indian reservations in Oklahoma" as including only lands that are within the jurisdictional area of an Oklahoma Indian tribe (as determined by the Secretary of the Interior) and which are recognized by the Secretary of the Interior as eligible for trust land status under 25 CFR part 151 (as in effect on August 5, 1997 or a reservation defined in § 4(10) of the Indian Child Welfare Act of 1978, 25 U.S.C. 1903(10).

7. Should the limitation on use of Tribal Economic Development Bonds to finance projects that are located outside of Indian reservations be modified to address special needs or unique circumstances of Indian tribal governments? For example, should consideration be given to allowing the use of Tribal Economic Development Bonds to finance projects within some prescribed reasonable proximity to Indian reservations or projects located on land owned by Indian tribal governments which has not formally been designated in trust as part of an Indian reservation?

Considerations Regarding the Restriction Against Financing Gaming Facilities

Section 7871(f)(3)(B)(i) prohibits the use of Tribal Economic Development Bonds to finance any portion of a building in which class II or class III gaming (as defined in section 4 of the Indian Gaming Regulatory Act) is conducted or housed or any other property actually used in the conduct of such gaming.

8. Should the prohibition on the use of Tribal Economic Development Bonds to finance gaming facilities be modified to address special needs or unique circumstances of Indian tribal governments?

Additional General Comments on Special Needs or Unique Circumstances of Indian Tribal Governments

9. Are there additional factors that should be considered in refining the statutory scope of tax-exempt bond financing for Indian tribal governments to better address the special needs or unique circumstances of Indian tribal governments? Such factors might include, for example, special sources of revenue, priority government-like activities, geographic distribution and legal status of land associated with Indian tribal governments, or credit market access considerations.

Certain Identifying Information

When submitting comments, please include your name, affiliation, address, e-mail address, and telephone number.

Comments are Public Information

All comments received, including attachments and other supporting materials, are part of the public record and are subject to public disclosure. Commentators should submit only information that they wish to make available publicly.

ADDRESSES: Please submit comments electronically through *Tribal.Consult@do.treas.gov*. Alternatively, comments may be mailed to: Tribal Economic Development Bond Comments, Department of the Treasury, 1500 Pennsylvania Avenue, NW., Room 3454, Washington, DC 20220.

Dated: July 6, 2010.

Michael F. Mundaca,

Assistant Secretary for Tax Policy, U.S. Department of the Treasury.

[FR Doc. 2010–16881 Filed 7–9–10; 8:45 am]

BILLING CODE 4810–25–P

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

Proposed Information Collections; Comment Request

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Notice and request for comments.

SUMMARY: As part of our continuing effort to reduce paperwork and respondent burden, and as required by the Paperwork Reduction Act of 1995, we invite comments on the proposed or continuing information collections listed below in this notice.

DATES: We must receive your written comments on or before September 10, 2010 .

ADDRESSES: You may send comments to Mary A. Wood, Alcohol and Tobacco Tax and Trade Bureau, at any of these addresses:

- P.O. Box 14412, Washington, DC 20044–4412;
- 202–453–2686 (facsimile); or
- *formcomments@ttb.gov* (e-mail).

Please send separate comments for each specific information collection listed below. You must reference the information collection's title, form or recordkeeping requirement number, and OMB number (if any) in your comment. If you submit your comment via facsimile, send no more than five 8.5 × 11 inch pages in order to ensure electronic access to our equipment.

FOR FURTHER INFORMATION CONTACT: To obtain additional information, copies of the information collection and its instructions, or copies of any comments received, contact Mary A. Wood, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 14412, Washington, DC 20044–4412; or telephone 202–453–2265.

SUPPLEMENTARY INFORMATION:

Request for Comments

The Department of the Treasury and its Alcohol and Tobacco Tax and Trade Bureau (TTB), as part of their continuing effort to reduce paperwork and respondent burden, invite the general public and other Federal agencies to comment on the proposed or continuing information collections listed below in this notice, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Comments submitted in response to this notice will be included or summarized in our request for Office of Management and Budget (OMB) approval of the relevant information collection. All comments are part of the public record and subject to disclosure. Please do not include any confidential or inappropriate material in your comments.

We invite comments on: (a) Whether this information collection is necessary for the proper performance of the agency's functions, including whether the information has practical utility; (b) the accuracy of the agency's estimate of the information collection's burden; (c) ways to enhance the quality, utility, and clarity of the information collected; (d) ways to minimize the information collection's burden on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide the requested information.

Information Collections Open for Comment

Currently, we are seeking comments on the following forms and recordkeeping requirements:

Title: Brewer's Report of Operations and Brewpub Report of Operations.

OMB Control Number: 1513–0007.

TTB Form Numbers: 5130.9 and 5130.26.

Abstract: Brewers periodically file these reports of their operations to account for activity relating to taxable commodities. TTB uses this information primarily for revenue protection, for audit purposes, and to determine whether an activity is in compliance with the requirements of law. We also use this information to publish periodical statistical releases of use and interest to the industry.

Current Actions: We are submitting this information collection as a revision. We are correcting the number of respondents and burden hours; however, the information collection instruments remain unchanged.

Type of Review: Revision of a currently approved collection.

Affected Public: Business or other for-profit.

Estimated Number of Respondents: 2,026.

Estimated Total Annual Burden Hours: 12,152.

Title: Brewer's Bond; Brewer's Bond Continuation Certificate; Brewer's Collateral Bond; and Brewer's Collateral Bond Continuation Certificate.

OMB Control Number: 1513–0015.

TTB Form Numbers: 5130.22, 5130.23, 5130.25, and 5130.27, respectively.

Abstract: The Internal Revenue Code requires brewers to give a bond to