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	U· S· DEPARTMENT OF THE INTERIOR OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT DIRECTIVES SYSTEM	Subject Number: INE-33-1 Transmittal Number: 727 Date: 6/12/92

Subject: 510 (c) Permit Review Procedures for Federal Permit Applications

Approval: [signature] **Title:** Director

Directive INE-33, Transmittal Number 636, dated September 18, 1990, addressing ownership and control is amended to allow the dilution of ownership and control percentages with regard to the relationship between successive ascending or descending levels of corporate structure and percentage of ownership of an entity.

Accordingly, paragraphs 3.b.(2)(e) and 3.c., respectively, are changed to read:

(e) Based on the instruments of ownership or the voting securities of a corporate entity, owning of record 10 through 50 percent of the entity, except in situations involving two or more levels of ownership of an entity, the percentages of ownership at the various levels shall be multiplied to determine the percentage of ownership which any remote owner has in the entity. For example, a 45 percent owner of a 20 percent owner will be considered to own 9 percent; or

c. Transfer, Assignment, or Sale of Permit Rights (permit transfer) is a change in ownership or other,effective control over the right to conduct surface coal mining operations under a permit issued by OSM. This definition is based on the common understanding of the terms to include any effective shift in control over rights, in addition to technical changes in ownership. (See 30 CFR 701.5 and 44 FR 15106, March 13, 1979.) The term includes, for example, changes such as a new officer, director, as well as the addition of a new operator (not listed in the original permit) who actually performs surface coal mining operations, or owner of 10 percent or more of any class of voting stock, except in situations involving two or more levels of ownership of an entity, the percentages of ownership at the various levels shall be multiplied to determine the percentage of ownership which any remote owner has in the entity. For example, a 45 percent owner of a 20 percent owner will be considered to own 9 percent.

CHANGE NOTICE