with their comments, suggestions and objections within 60 days. Then the Council will take all communications received into consideration in making up its mind upon the proposal that will be sent to the President for his approval.

Thank you, Mr. Chairman, for this opportunity to appear before the Joint Economic Committee. I hope that this hearing will help clarify and define the best public interest solution with respect to this important problem. I trust that it will broaden the range of interest that is taken within our society in these matters.

Thank you.

Representative MOORHEAD. Thank you, Mr. Caulfield. We appreciate your testimony.

(The attachments to Mr. Caulfield's statement follow:)

TITLE 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter VI—Water Resources Council

DISCOUNT RATE FOR USE IN PLAN FORMULATION AND EVALUATION

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Water Resources Council proposes to establish, under the procedure prescribed in section 103 of the Water Resources Planning Act (79 Stat. 244; U.S.C. 1962) a new formula for the determination of the discount rates for use each year in the formulation and evaluation of plans for use and development of water and related land resources, by issuing the regulation set forth below.

The proposed new formula would modify that established by section V. G. 2 of the interagency agreement dated May 15, 1962, approved by the President on May 15, 1962, entitled "Policies, Standards, and Procedures in the Formulation, Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources", and published on May 29, 1962, as Senate Document No. 97, 87th Congress, 2d Session.

The discount rate for fiscal year 1969, computed as proposed in the regulation set forth below, would be 4⅝ percent. In following years the rate for any year would not be changed more than ¼ percentage point from that used during the previous year. The current discount rate computed on the basis of the present formula is 3¼ percent. Interested persons are invited to submit written comments, suggestions or objections regarding the proposed regulation to the Executive Director, Water Resources Council, 1025 Vermont Avenue, N.W., Washington, D.C. 20005, within 60 days after the date of publication of this notice in the Federal Register.

HENRY P. CAULFIELD, Jr.,
Executive Director.

Dated July 22, 1968.

TITLE 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter VI—Water Resources Council

[18 CFR Part 704]

PART 704—PLAN FORMULATION STANDARDS AND PROCEDURES

Subparts A to D [Reserved].
Subpart E—Standards for Plan Formulation and Evaluation.
704.1 to 704.38 [Reserved].
704.39 *Discount Rate.*

(a) The interest rate to be used in plan formulation and evaluation for discounting future benefits and computing costs, or otherwise converting benefits and costs to a common time basis, shall be based upon the average yield during the preceding fiscal year on interest-bearing marketable securities of the United States which, at the time the computation is made, have terms of 15 years or more remaining to maturity: Provided, however, that in no event shall the rate