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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 93–ANE–21]

Alteration of VOR Federal Airway V–229; CT

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action modifies Federal Airway V–229 located in Connecticut. This action is necessary to accommodate airspace users, reduce air traffic control (ATC) coordination and improve operations. The description for V–229 is also being changed to eliminate the exclusionary language regarding R–5002A, R–5002E, V–139 and V–308. In addition, this action will correct an inadvertent error in the airway description that reversed the Hartford true and magnetic radials.

EFFECTIVE DATE: 0901 u.t.c., August 18, 1994.

FOR FURTHER INFORMATION CONTACT: Patricia P. Crawford, Airspace and Obstruction Evaluation Branch (ATP–240), Airspace—Rules and Aeronautical Information Division, Air Traffic Rules and Procedures Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267–9255.

SUPPLEMENTARY INFORMATION:

History

On November 1, 1993, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to modify V–229 between the Hartford, CT, Very High Frequency Omnidirectional Range/Tactical Air Navigation (VORTAC) facility and the Gardner, MA, VORTAC. It also proposed to eliminate the exclusionary language regarding R–5002A, R–5002E, V–139 and V–308 (58 FR 58312). Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received. Except for editorial changes and the correction to the Hartford 040° radial, this amendment is the same as that proposed in the notice. Domestic VOR Federal airways are published in paragraph 6010(a) of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The airway listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of the Federal Aviation Regulations modifies V–229 between the Hartford, CT, VORTAC and the Gardner, MA, VORTAC. Realigning the airway will accommodate the airspace users, reduce ATC coordination, and improve operations.

The airspace designation for V–229 presently excludes R–5002A, R–5002E, V–139 and V–308. These exclusions are being removed because the airspace boundaries of the restricted areas and the airways do not overlap the airspace of V–229. In addition, the Hartford true and magnetic radials used to define an intersection on V–229 were reversed. This action corrects the description to read "INT Hartford 040°T(053°M)."

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6010(a)—Domestic VOR Federal Airways

* * * * *

V–229 [Revised]

From Patuxent, MD; INT Patuxent 036° and Atlantic City, NJ, 236° radials; Atlantic City; INT Atlantic City 055° and Colts Neck, NJ, 181° radials; INT Colts Neck 181° and Kennedy, NY, 209° radials; Kennedy; INT Kennedy 053° and Bridgeport, CT, 200° radials; Bridgeport; Hartford, CT; INT Hartford 040° and Gardner, MA, 195° radials; Gardner; Keene, NH; INT Keene 336° and Burlington, VT, 160° radials; to Burlington. The airspace within R–5002B is excluded during times of use. The airspace below 2,000 feet MSL outside the United States is excluded.

* * * * *

Issued in Washington, DC, on May 27, 1994.

Harold W. Becker,

Manager, Airspace–Rules and Aeronautical Information Division.

[FR Doc. 94–14192 Filed 6–9–94; 8:45 am]

Billing Code 4910–13–P

14 CFR Part 71

[Airspace Docket No. 94–ANM–2]

Modification of Class D Airspace; Pasco, WA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action modifies the Pasco, Washington, Tri-cities Airport, Class D airspace by excluding additional airspace overlying the Vista Field Airport, Kennewick, Washington. This action will allow operations to and from the Vista Field Airport without radio communication with the Pasco Airport Traffic Control Tower.

EFFECTIVE DATE: 0901 u.t.c., August 18, 1994.

FOR FURTHER INFORMATION CONTACT: James Riley, ANM–537, Federal Aviation Administration, Docket No. 94–ANM–2, 1601 Lind Avenue SW., Renton, Washington, 98055–4056; telephone number: (206) 227–2537.

SUPPLEMENTARY INFORMATION:

History

On April 4, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) by modifying the Class D airspace for Tri-Cities Airport, Pasco, Washington (59 FR 15668). Airspace within a .9-mile radius of Vista Field Airport is presently excluded from the Pasco Class D airspace. Recent construction at the Vista Field airport has resulted in closure of the east-west runway, requiring aircraft operating to runway 02/20 to fly over the Columbia River outside the present airspace exclusion. Interested parties were invited to participate in the rulemaking proceeding by submitting written comments on the proposal. No comments were received. The coordinates for this airspace docket are based on North American Datum 83. Class D airspace is published in Paragraph 5000 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class D airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of Federal Aviation Regulations amends Class D airspace at Pasco, Washington by excluding additional airspace overlying the Vista Field Airport Kennewick, Washington. The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the FAA amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 5000 General

* * * * *

ANM WA D Pasco, WA [Revised]

Pasco, Tri-Cities Airport, WA
(Lat. 46°15'52" N, Long, 119°07'08" W)
Vista Airport, Kennewick, WA
(Lat. 46°13'14" N, Long, 119°12'19" W)

That airspace extending upward from the surface to and including 2,900 feet MSL within a 4.3-mile radius of the Tri-Cities Airport, excluding that airspace within a 2-mile radius of the Vista Airport. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

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Issued in Seattle, Washington, on May 25, 1994.

Temple H. Johnson, Jr.,

Manager, Air Traffic Division, Northwest Mountain Region.

[FR Doc. 94–14133 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

14 CFR Part 71

[Airspace Docket No. 94–ANM–35]

Modification of Class D Airspace; Mountain Home, ID

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: This action modifies the Class D airspace area at Mountain Home AFB, Idaho, by amending the area's effective hours to coincide with the associated control tower's hours of operation. The intended effect of this action is to clarify when two-way radio communication with the air traffic control tower is required.

DATES: Effective date—0901 u.t.c., August 18, 1994.

Comment date: Comments must be received on or before August 11, 1994.

ADDRESSES: Send comments on the rule in triplicate to: Manager, System Management Branch, Air Traffic Division, ANM–530, Federal Aviation Administration, Docket No. 94–ANM–35, 1601 Lind Avenue SW., Renton, Washington, 98055–4056.

The official docket may be examined in the Office of the Assistant Chief Counsel for the Northwest Mountain Region, suite 570, 1601 Lind Avenue SW., Renton, Washington, 98055–4056.

An informal docket may also be examined during normal business hours at the address listed above.

FOR FURTHER INFORMATION CONTACT: James E. Riley, Airspace and Procedures Section, System Management Branch, Air Traffic Division, ANM–530, Federal Aviation Administration, 1601 Lind Avenue SW., Renton, Washington, 98055–4056; telephone: (206) 227–2537.

SUPPLEMENTARY INFORMATION:

Request for Comments on the Rule

Although this action is a final rule, and was not preceded by notice and public procedure, comments are invited on the rule. This rule will become effective on the date specified in the **DATES** section. However, after the review of any comments, and, if the FAA finds that further changes are appropriate, it will initiate rulemaking proceedings to extend the effective date of the rule or to amend the regulation.

Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in evaluating the effects of the rule, and in determining whether additional rulemaking is required. Comments are specifically invited on the overall regulatory, aeronautical,

economic, environmental, and energy-related aspects of the rule which might suggest the need to modify the rule.

The Rule

This amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) modifies the Class D airspace area at Mountain Home AFB, Idaho, by amending the area's effective hours to coincide with the associated control tower's hours of operation. Prior to Airspace Reclassification, an airport traffic area (ATA) and a control zone (CZ) existed at this airport. However, Airspace Reclassification, effective September 16, 1993, discontinued the use of the term "airport traffic area" and "control zone," replacing them with the designation "Class D airspace." The former CZ was continuous, while the former ATA was contingent upon the operation of the air traffic control tower. The consolidation of the ATA and CZ into a single Class D airspace designation makes it necessary to modify the effective hours of the Class D airspace to coincide with the control tower's hours of operation. The intended effect of this action is to clarify when two-way radio communication with this air traffic control tower is required.

The coordinates for this airspace docket are based on North American Datum 83. Class D airspace designations are published in Paragraphs 5000 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class D airspace designation listed in this document will be published subsequently in the Order. Under the circumstances presented, the FAA concludes that there is an immediate need to modify this Class D airspace area in order to promote the safe and efficient handling of air traffic in this area. Therefore, I find that notice and public procedures under 5 U.S.C. 553(b) are impracticable and contrary to the public interest.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of The Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR 1959–1968 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 5000—General

* * * * *

ANM ID D Mountain Home, ID [Revised]

Mountain Home AFB, ID
(Lat. 43°02'37" N., Long. 115°52'21" W.)

That airspace extending upward from the surface to and include 5,500 feet MSL within a 5.9-mile radius of the Mountain Home AFB. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

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Issued in Seattle, Washington on May 26, 1994.

Temple H. Johnson,

Manager, Air Traffic Division, Northwest Mountain Region.

[FR Doc. 94–14132 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 93–ANE–19]

Update of Class D and Class E Airspace in the New England Region

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; technical amendment.

SUMMARY: This action amends certain Class D and Class E airspace published in a final rule in the **Federal Register** on March 11, 1994. That final rule updated Class D and Class E airspace areas in the New England Region based on a region-wide review of Class D and Class E airspace for conformity with the requirements of the United States Standards for Terminal Procedures (TERPS). This action amends technical errors in the classification and description of certain airspace areas contained in FAA Order 7400.9A, Airspace Designations and Reporting Points.

EFFECTIVE DATE: 0901 u.t.c., June 23, 1994.

FOR FURTHER INFORMATION CONTACT: Karl D. Anderson, System Management Specialist, System Management Branch, ANE–530, Federal Aviation Administration, 12 New England Executive Park, Burlington, MA 01803–5299; Telephone: (617) 238–7530; Facsimile: (617) 238–7560.

SUPPLEMENTARY INFORMATION:

History

On July 26, 1993, the FAA published a Notice of Proposed Rulemaking (NPRM) to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to update certain control zones and transition areas in the New England Region (58 FR 39693). That NPRM was prompted by a region-wide review of control zones and transition areas for conformity with the United States Standards for Terminal Procedures (TERPS). That review revealed a need to make revisions to many of those airspace areas in the New England region.

After publication of that NPRM, all airspace areas in the United States were reclassified according to the standards adopted by the International Civil Aviation Organization (ICAO). (See, Airspace Reclassification final rule, 56 FR 65638.) Airspace Reclassification, effective on September 16, 1993, discontinued the use of the terms "control zone" and "transition area," and reclassified those areas respectively as either Class D or Class E airspace.

The FAA published the final rule to revise airspace areas in the vicinity of airports in the New England region on March 11, 1994 (59 FR 11535). That final rule contained airspace descriptions of the former "control zones" and "transition areas" translated into Class D and Class E classifications.

The Amendment

The final rule, however, contained minor errors introduced during the process of translating the descriptions into Class D and Class E classifications. Specifically, three airspace areas with

no operating airport traffic control tower (ATCT) were listed Class D instead of Class E: Augusta, ME, Houlton, ME and Presque Isle, ME. One area was listed as Class D instead of as a Class E extension to a Class D area; Brunswick, ME. Two Class E areas, listed as extensions to Class D areas, require correction because of the changes made to those Class D areas; Hartford, CT, Portsmouth, NH.

In addition, this action makes three general revisions to the descriptions of certain airspace areas, which delete language introduced into the descriptions during the translation process. Some descriptions of former transition areas, now Class E airspace, contained language that excluded from those areas airspace defined as higher class airspace. This language is no longer needed because of the general rule of airspace classification under the ICAO standards that higher class airspace always takes precedence. Further, when modified to fit the new airspace classifications and to meet the TERPS requirements, certain descriptions no longer used some airway facilities, therefore, the definition and location of those unused facilities is no longer needed in the airspace description. Lastly, this action corrects the description of Class E airspace defined as extensions to higher class airspace by deleting altitude limits, not needed because of the general rule that Class E airspace extends upward to the base of the overlying airspace. Finally, this action makes minor typographical changes.

This document reprints the entire airspace description for those areas needing correction. This action is necessary to correct errors in the descriptions of certain Class D and Class E airspace areas in the New England region.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

This action clarifies the existing rule and does not place any new restriction or requirements on the public. Furthermore, the FAA finds that this amendment does not involve a change in the dimensions or operating requirements of the airspace listings incorporated by reference in part 71. These errors are insignificant in nature and impact and inconsequential to the industry and public. Therefore, notice and public procedure under 5 U.S.C. 553(b) are unnecessary. Additionally, in consideration of the immediate need to advise pilots of the corrections to the classification and description of certain airspace areas, the FAA finds good cause, pursuant to 5 U.S.C. 553(d), for making this amendment effective in less than 30 days in order to promote the safe operation of aircraft in this area.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (Air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends part 71 (14 CFR part 71) as follows:

PART 71—[AMENDED]

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Subpart D—Class D Airspace

Paragraph 5000 General

* * * * *

ANE MA D Beverly, MA [Revised]

Beverly Municipal Airport, MA
(Lat. 42°35'03" N, Long. 70°55'01" W)

That airspace extending upward from the surface to and including 2,600 feet MSL within a 4.5-mile radius of Beverly Municipal Airport; excluding that airspace within the Boston Class B Airspace. This Class D airspace is effective during the specific dates and times established in advance by a Notice to Airmen (NOTAM). The effective dates and times will thereafter be continuously published in the Airport/Facility Directory.

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ANE MA D Westfield, MA [Revised]

Westfield, Barnes Municipal Airport, MA
(Lat. 42°09'28" N, Long. 72°42'56" W)

That airspace extending from the surface to and including 2,800 feet MSL within a 4.3-mile radius of Barnes Municipal Airport from the Barnes Municipal Airport 341° bearing clockwise to the Barnes Municipal Airport 288° bearing, and within a 7.5 mile radius from the Barnes Municipal Airport 288° bearing clockwise to the Barnes Municipal Airport 341° bearing, and within 1.6 miles on each side of the Barnes Municipal Airport 009° bearing extending from the 4.3-mile radius to 4.9 miles north of the Barnes Municipal Airport, and within 2.5 miles on each side of the Barnes Municipal Airport 175° bearing extending from the 4.3-mile radius to 5.8 miles south of the Barnes Municipal Airport; excluding that airspace within the Springfield/Chicopee, MA Class D Airspace during the dates and times it is effective, and that airspace within the Windsor Locks Class C Airspace. This Class D airspace is effective during the specific dates and times established in advance by a Notice to Airmen (NOTAM). The effective dates and times will thereafter be published in the Airport/Facility Directory.

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ANE ME D Brunswick, ME [Revised]

Brunswick NAS, ME
(Lat. 43°53'32" N, Long. 69°56'19" W)

That airspace extending upward from the surface to and including 2,600 feet MSL within a 4.3-mile radius of Brunswick NAS.

* * * * *

ANE NH D Lebanon, NH [Revised]

Lebanon Municipal Airport, NH
(Lat. 43°37'35" N, Long. 72°18'15" W)

That airspace extending upward from the surface to and including 3,100 feet MSL within a 6.7-mile radius of Lebanon Municipal Airport. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

ANE NH D Nashua, NH [Revised]

Nashua, Boire Field, NH
(Lat. 42°46'54" N, Long. 71°30'53" W)
Manchester VORTAC
(Lat. 42°52'06" N, Long. 71°22'10" W)
Lawrence VOR/DME
(Lat. 42°44'25" N, Long. 71°05'41" W)
Sports Center Airport, Pepperell
(Lat. 42°41'45" N, Long. 71°33'03" W)

That airspace extending upward from the surface to and including 2,700 feet MSL within a 6-mile radius of Boire Field, and that airspace extending upward from the surface within 1.1 miles on each side of the Manchester VORTAC 231° radial extending from the 6-mile radius to 1.3 miles southwest of the Manchester VORTAC, and within 3.7 miles on each side of the Lawrence VOR/DME 277° radial extending from the 6-mile radius to 6.9 miles east of Boire Field; excluding that airspace within a 2-mile radius of Sports Center Airport, Pepperell, and that airspace within the Manchester

Class C Airspace. This Class D airspace is effective during the specific dates and times established in advance by a Notice to Airmen (NOTAM). The effective dates and times will thereafter be continuously published in the Airport/Facility Directory.

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Subpart E—Class E Airspace

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Paragraph 6002 Class E airspace areas designated as a surface area for an airport

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ANE ME E2 Augusta, ME [Revised]

Augusta State Airport, ME
(Lat. 44°19'14" N, Long. 69°47'50" W)
Dunns LOM
(Lat. 44°24'39" N, Long. 69°51'39" W)
Augusta VORTAC
(Lat. 44°19'12" N, Long. 69°47'48" W)

Within a 4.1-mile radius of Augusta State Airport, and within 3.5 miles on each side of the Augusta State Airport 333° bearing extending from the 4.1-mile radius to 10 miles northwest of the Dunns LOM, and within 2.5 miles on each side of the Augusta State Airport 156° bearing extending from the 4.1-mile radius to 7 miles southeast of the Augusta VORTAC.

ANE ME E2 Houlton, ME [Revised]

Houlton International Airport, ME
(Lat. 46°07'25" N, Long. 67°47'32" W)

That airspace extending upward from the surface within a 6.5-mile radius of Houlton International Airport excluding the airspace outside of the United States.

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ANE ME E2 Presque Isle, ME [Revised]

Northern Maine Regional Airport at Presque Isle, ME
(Lat. 46°41'20" N, Long. 68°02'41" W)
EXCAL LOM
(Lat. 46°36'37" N, Long. 68°01'08" W)
Rogers Airport
(Lat. 46°37'30" N, Long. 67°56'10" W)

That airspace extending upward from the surface within a 6.8-mile radius of Northern Maine Regional Airport at Presque Isle, and within 2.5 miles on each side of the Northern Maine Regional Airport at Presque Isle 165° bearing extending from the 6.8-mile radius to 8.2 miles southeast of the EXCAL LOM; excluding that airspace within a 1-mile radius of the Rogers Airport. This Class E airspace is effective during the specific dates and times established in advance by a Notice to Airmen (NOTAM). The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

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Paragraph 6003 Class E airspace areas designated as an extension to a Class C surface area.

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ANE CT E3 Windsor Locks, CT [Revised]

Windsor Locks, Bradley International, CT
(Lat. 41°56'20" N, Long. 72°40'59" W)
Bradley VORTAC
(Lat. 41°56'27" N, Long. 72°41'19" W)

That airspace extending upward from the surface within 2.2 miles on each side of the Bradley VORTAC 314° radial extending from a 5-mile radius of Bradley International Airport to 6.4 miles northwest of the Bradley VORTAC, and within 2.2 miles on each side of the Bradley VORTAC 218° radial extending from the 5-mile radius to 5.0 miles southwest of the Bradley VORTAC.

ANE ME E3 Bangor, ME [Revised]

Bangor International Airport, ME
(Lat. 44°48'27" N, Long. 68°49'41" W)
Bangor VORTAC
(Lat. 44°50'30" N, Long. 68°52'26" W)

That airspace extending upward from the surface within 1.5 miles on each side of the Bangor VORTAC 135° radial extending from a 5-mile radius of Bangor International Airport to 9.4 miles southeast of the Bangor VORTAC, and within 3.1 miles on each side of the Bangor VORTAC 318° radial extending from the 5-mile radius to 7.2 miles northwest of the Bangor VORTAC.

ANE NH E3 Manchester, NH [Revised]

Manchester Airport, NH
(Lat. 42°56'00" N, Long. 71°26'16" W)
Manchester VORTAC
(Lat. 42°52'07" N, Long. 71°22'10" W)

That airspace extending upward from the surface within 1.1 miles on each side of the Manchester VORTAC 325° radial extending from a 5-mile radius of the Manchester Airport to 5.6 miles northwest of the Manchester Airport. This Class E airspace is effective during the specific dates and times established in advance by a Notice to Airmen (NOTAM). The effective dates and times will thereafter be continuously published in the Airport/Facility Directory.

ANE RI E3 Providence, RI [Revised]

Providence, Theodore Francis Green State Airport, RI
(Lat. 41°43'30" N, Long. 71°25'40" W)
Providence VORTAC
(Lat. 41°43'28" N, Long. 71°25'47" W)

That airspace extending upward from the surface within 3.3 miles on each side of the Providence VORTAC 132° radial extending from a 5-mile radius of Providence, Theodore Francis Green State Airport, to 8.4 miles southeast of the Providence VORTAC, and within 3.8 miles on each side of the Theodore Francis Green State Airport 211° bearing extending from the 5-mile radius to 15 miles southwest of the Theodore Francis Green State Airport; excluding that airspace within the North Kingstown Class D airspace during the dates and times that it is effective.

ANE VT E3 Burlington, VT [Revised]

Burlington International Airport, VT
(Lat. 44°28'17" N, Long. 73°09'10" W)
Burlington VORTAC
(Lat. 44°23'50" N, Long. 73°10'57" W)

That airspace extending upward from the surface within 2.4 miles on each side of the Burlington VORTAC 201° radial extending from a 5-mile radius of the Burlington International Airport to 7 miles southwest of the Burlington VORTAC, and that airspace extending upward from the surface within 1.8 miles on each side of the Burlington International Airport 302° bearing extending from the 5-mile radius to 5.4 miles northwest of the Burlington International Airport.

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Paragraph 6004 Class E airspace areas designated as an extension to a Class D surface area

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ANE CT E4 Hartford, CT [Removed]

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ANE MA E4 Beverly, MA [Revised]

Beverly Municipal Airport, MA
(Lat. 42°35'03" N, Long. 70°55'01" W)
Topsfield NDB
(Lat. 42°37'10" N, Long. 70°57'25" W)

That airspace extending upward from the surface within 3.2 miles on each side of the Topsfield NDB 317° bearing, extending from a 4.5-mile radius of Beverly Municipal Airport to 7 miles northwest of the Topsfield NDB. This Class E airspace is effective during the specific dates and times established in advance by a Notice to Airmen (NOTAM). The effective dates and times will thereafter be continuously published in the Airport/Facility Directory.

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ANE ME E4 Brunswick, ME [Revised]

Brunswick NAS, ME
(Lat. 43°53'32" N, Long. 69°56'19" W)
Brunswick Navy TACAN
(Lat. 43°54'09" N, Long. 69°56'43" W)

That airspace extending upward from the surface within 1.8 miles on each side of the Brunswick Navy TACAN 166° radial extending from a 4.3-mile radius of Brunswick NAS to 7 miles southeast of the Brunswick Navy TACAN and within 1.8 miles on each side of the Brunswick Navy TACAN 015° radial extending from the 4.3-mile radius to 8.6 miles northeast of the Brunswick Navy TACAN.

* * * * *

ANE NH E4 Lebanon, NH [Revised]

Lebanon Municipal Airport, NH
(Lat. 43°37'35" N, Long. 72°18'15" W)
BURGR OM
(Lat. 43°43'57" N, Long. 72°20'00" W)
Hanover NDB
(Lat. 43°42'08" N, Long. 72°10'39" W)

That airspace extending upward from the surface within 3.3 miles on each side of the BURGR OM 352° bearing extending from a 6.7-mile radius of Lebanon Municipal Airport to 8 miles north of the BURGR OM, and within 2.4 miles on each side of the Hanover NDB 051° bearing extending from the 6.7-mile radius to 7 miles northeast of Hanover NDB.

ANE NH E4 Nashua, NH [Revised]

Nashua, Boire Field, NH
(Lat. 42°46'54" N, Long. 71°30'53" W)
CHERN NDB
(Lat. 42°49'24" N, Long. 71°36'08" W)

That airspace extending upward from the surface within 2.6 miles on each side of the CHERN NDB 303° bearing extending from a 6-mile radius of Boire Field to 7 miles northwest of the CHERN NDB. This Class E

airspace is effective during the specific dates and times established in advance by a Notice to Airmen (NOTAM). The effective dates and times will thereafter be continuously published in the Airport/Facility Directory.

ANE NH E4 Portsmouth, NH [Revised]

Portsmouth, Pease International Tradeport, NH
(Lat. 43°04'40" N, Long. 70°49'24" W)
Pease VORTAC
(Lat. 43°05'04" N, Long. 70°49'55" W)

That airspace extending upward from the surface within 1.8 miles on each side of the extended centerline of Runway 16 at Portsmouth, Pease International Tradeport (Pease) extending from a 4.5-mile radius of Pease to 6.4 miles southeast of Pease, and within 1.8 miles on each side of the Pease VORTAC 146° radial extending from a 4.5-mile radius of Pease to 7 miles southeast of the Pease VORTAC, and within 1.8 miles on each side of the Pease VORTAC 338° radial extending from a 4.5-mile radius of Pease to 7 miles northwest of the Pease VORTAC.

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Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth

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ANE CT E5 Bridgeport, CT [Revised]

Bridgeport, Igor I. Sikorsky Memorial Airport, CT
(Lat. 41°09'48" N, Long. 73°07'34" W)
Stratford, Sikorsky Heliport, CT
(Lat. 41°14'57" N, Long. 73°05'48" W)
Bridgeport VOR
(Lat. 41°09'39" N, Long. 73°07'28" W)

That airspace extending upward from 700 feet above the surface within a 10-mile radius of the Igor I. Sikorsky Memorial Airport from the Sikorsky Airport 245° bearing clockwise to the Sikorsky Airport 070° bearing, and within a 6.5-mile radius from the Sikorsky Airport 070° bearing clockwise to the Sikorsky Airport 245° bearing, and within 4 miles on each side of the Bridgeport VOR 041° radial extending from the 10-mile radius to 14.8 miles northeast of Bridgeport VOR, and within a 8.5-mile radius of the Sikorsky Heliport.

ANE CT E5 Chester, CT [Revised]

Chester Airport, CT
(Lat. 41°23'02" N, Long. 72°30'21" W)

That airspace extending upward from 700 feet above the surface within a 9.3-mile radius of Chester Airport, and within 4 miles west and 5.4 miles east of the Chester Airport 339° bearing extending from the 9.3-mile radius to 17.3 miles northwest of Chester Airport.

* * * * *

ANE CT E5 Danbury, CT [Revised]

Danbury Municipal Airport, CT
(Lat. 41°22'17" N, Long. 73°28'56" W)
Carmel VORTAC
(Lat. 41°16'48" N, Long. 73°34'53" W)

That airspace extending upward from 700 feet above the surface within a 11.5-mile radius of Danbury Municipal Airport from the Danbury Airport 320° bearing clockwise to the Danbury Airport 010° bearing, and within a 10-mile radius from the Danbury Airport 010° bearing clockwise to the Danbury Airport 320° bearing, and within 3 miles on each side of the Carmel VORTAC 218° radial extending from the 10-mile radius to 10 miles southwest of the Carmel VORTAC, and within 4 miles north and 5.5 miles south of the Danbury Airport 255° bearing extending from the 10-mile radius to 16 miles west of the Danbury Airport; excluding that airspace within the White Plains, NY, and Poughkeepsie, NY, Class E Airspace.

* * * * *

ANE CT E5 Groton, CT [Revised]

Groton-New London Airport, CT
(Lat. 41°19'48" N, Long. 72°02'42" W)
Groton VOR
(Lat. 41°19'49" N, Long. 72°03'07" W)

That airspace extending upward from 700 feet above the surface within a 7.5-mile radius of Groton-New London Airport, and within 1.3 miles on each side of the Groton VOR 048° radial extending from the 7.5-mile radius to 15.6 miles northeast of the GROTON VOR; excluding that airspace within the Westerly, RI Class E Airspace.

ANE CT E5 Hartford, CT [Revised]

Hartford-Brainard Airport, CT
(Lat. 41°44'10" N, Long. 72°39'00" W)
East Hartford, Rentschler Airport, CT
(Lat. 41°45'15" N, Long. 72°37'28" W)

That airspace extending upward from 700 feet above the surface within a 11.5-mile radius of Hartford-Brainard Airport, and within a 11.9-mile radius of the Rentschler Airport; excluding that airspace within the Windsor Locks, CT and Chester, CT, Class E Airspace.

* * * * *

ANE CT E5 Meriden, CT [Revised]

Meriden Markham Municipal Airport, CT
(Lat. 41°30'31" N, Long. 72°49'46" W)
Madison VOR/DME
(Lat. 41°18'50" N, Long. 72°41'32" W)

That airspace extending upward from 700 feet above the surface within a 10.8-mile radius of Meriden Markham Municipal Airport, and within 4 miles on each side of the Madison VOR/DME 332° radial extending from the 10.8-mile radius to 0.6 miles northwest of the Madison VOR/DME; excluding that airspace within the Bridgeport, CT, Madison, CT, Chester, CT, and Hartford, CT, Class E Airspace.

ANE CT E5 New Haven, CT [Revised]

New Haven, Tweed-New Haven Airport, CT
(Lat. 41°15'49" N, Long. 72°53'12" W)

That airspace extending upward from 700 feet above the surface within a 9-mile radius of Tweed-New Haven Airport; excluding that airspace within the Bridgeport, CT, Meriden, CT, Chester, CT, and Madison, CT, Class E Airspace.

* * * * *

ANE CT E5 Windsor Locks, CT [Revised]

Windsor Locks, Bradley International Airport
(Lat. 41°56'20" N, Long. 72°40'59" W)
Bradley VORTAC
(Lat. 41°56'27" N, Long. 72°41'19" W)

That airspace extending upward from 700 feet above the surface within a 10.9 mile radius of Bradley International Airport.

ANE MA E5 Boston, MA [Revised]

Boston, General Edward Lawrence Logan International Airport
(Lat. 42°21'51" N, Long. 71°00'18" W)

That airspace extending upward from 700 feet above the surface within that area bounded by a line beginning at Lat. 42°30'00" N, Long. 70°47'58" W and running to Lat. 42°43'00" N, Long. 70°39'28" W, then to Lat. 42°55'00" N, Long. 70°57'58" W, then to Lat. 42°56'00" N, Long. 71°15'28" W, then to Lat. 42°42'00" N, Long. 71°17'58" W, then to Lat. 42°32'00" N, Long. 71°40'58" W, then to Lat. 42°21'00" N, Long. 71°41'58" W, then to Lat. 42°20'00" N, Long. 71°24'28" W, then to Lat. 42°05'00" N, Long. 71°22'30" W, then to Lat. 42°04'00" N, Long. 71°11'58" W, then to Lat. 41°56'00" N, Long. 71°06'58" W, then to Lat. 41°59'00" N, Long. 70°56'28" W, then to Lat. 42°12'00" N, Long. 70°36'28" W, then to the point of beginning.

ANE MA E5 Fall River, MA [Revised]

Fall River Municipal, MA
(Lat. 41°45'18" N, Long. 71°06'36" W)

That airspace extending upward from 700 feet above the surface within a 7.4-mile radius of Fall River Municipal Airport; excluding that airspace within the New Bedford, MA, Providence, RI, and North Kingstown, RI, Class E Airspace.

ANE MA E5 Falmouth, MA [Revised]

Falmouth, Otis ANGB, MA
(Lat. 41°39'30" N Long. 70°31'17" W)
Barnstable Municipal Airport-Boardman/Polando Field
(Lat 41°40'09" N, Long. 70°16'49" W)
Chatham Municipal Airport
(Lat. 41°41'18" N, Long. 69°59'22" W)
Martha's Vineyard Municipal Airport
(Lat. 41°23'35" N, Long. 70°36'52" W)
Martha's Vineyard VOR/DME
(Lat. 41°23'46" N, Long. 70°36'46" W)
BOGEY LOM
(Lat. 41°42'58" W, Long. 70°12'11" W)

That airspace extending upward from 700 feet above the surface within a 12.2-mile radius of Otis ANGB, and within a 6.7-mile radius of Barnstable Municipal Airport, and within 3 miles on each side of the BOGEY LOM 050° bearing extending from the 6.7-mile radius to 10 miles northeast of the BOGEY LOM, and within a 6.3-mile radius of the Chatham Municipal Airport, and within a 6.5-mile radius of Martha's Vineyard Municipal Airport, and within 5.1 miles on each side of the 052° radial of the Martha's Vineyard VOR/DME extending from the 6.5-mile radius to 14 miles northeast of Martha's Vineyard VOR/DME.

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ANE MA E5 Hopedale, MA [Revised]

Hopedale Industrial Park Airport, MA
(Lat. 42°06'23" N, Long. 71°30'36" W)
Putnam VOR/DME
(Lat. 41°57'20" N, Long. 71°50'39" W)

That airspace extending upward from 700 feet above the surface within a 7.3-mile

radius of Hopedale Industrial Park Airport, and within 4 miles on each side of the Putnam VOR/DME 059° radial extending from the 7.3-mile radius to the Putnam VOR/DME; excluding that airspace within the Boston, MA, Danielson, CT, and Pawtucket, RI, Class E Airspace.

ANE MA E5 Mansfield, MA [Revised]

Mansfield Municipal Airport, MA
(Lat. 42°00'00" N, Long. 71°11'48" W)

That airspace extending upward from 700 feet above the surface within a 8.3-mile radius of Mansfield Municipal Airport; excluding that airspace within the Boston, MA, Hopedale, MA, Fall River, MA, North Kingstown, RI, and Pawtucket, RI, Class E Airspace.

* * * * *

ANE MA E5 Northampton, MA [Revised]

Northampton Airport, MA
(Lat. 42°19'41" N, Long. 72°36'41" W)

That airspace extending upward from 700 feet above the surface within a 13.3-mile radius of Northampton Airport; excluding that airspace within the Springfield/Chicopee, MA, Keene, NH, and Windsor Locks, CT, Class E Airspace.

ANE MA E5 Palmer, MA [Revised]

Palmer, Metropolitan Airport, MA
(Lat. 42°13'24" N, Long. 72°18'41" W)
Palmer NDB
(Lat. 42°13'34" N, Long. 72°18'41" W)

That airspace extending upward from 700 feet above the surface within a 6.3-mile radius of Metropolitan Airport, and within 3.9 miles on each side of the Palmer NDB 201° bearing extending from the 6.3-mile radius to 13.3 miles southwest of the Palmer NDB; excluding that airspace within the Springfield/Chicopee, MA, Northampton, MA, and Windsor Locks, CT, Class E Airspace.

* * * * *

ANE MA E5 Springfield/Chicopee, MA [Revised]

Springfield/Chicopee, Westover ARB/Metropolitan Airport, MA
(Lat. 42°11'52" N, Long. 72°31'48" W)

That airspace extending upward from 700 feet above the surface within a 7.4-mile radius of Westover ARB; excluding that airspace within the Westfield, MA Class E Airspace.

ANE MA E5 Taunton, MA [Revised]

Taunton Municipal Airport, MA
(Lat. 41°52'28" N, Long. 71°01'01" W)

That airspace extending upward from 700 feet above the surface within a 7.3-mile radius of Taunton Municipal Airport; excluding that airspace within the Boston, MA, Fall River, MA, New Bedford, MA, and Mansfield, MA, Class E Airspace.

ANE MA E5 Westfield, MA [Revised]

Westfield, Barnes Municipal Airport, MA
(Lat. 42°09'28" N, Long. 72°42'56" W)

That airspace extending upward from 700 feet above the surface within a 12.8-mile radius of Barnes Municipal Airport; excluding that airspace within the Northampton, MA, Palmer, MA, and Windsor Locks, CT, Class E Airspace.

* * * * *

ANE ME E5 Bangor, ME [Revised]

Bangor International Airport, ME
(Lat. 44°48'27" N, Long. 68°49'41" W)
Bangor VORTAC
(Lat. 44°50'30" N, Long. 68°52'26" W)

That airspace extending upward from 700 feet above the surface within a 10-mile radius of Bangor International Airport, and that airspace within 6.5 miles south and 4 miles north of the Bangor International Airport 136° bearing extending from the 10-mile radius to 16.7 miles southeast of the Bangor International Airport, and that airspace within 3.7 miles on each side of the Bangor VORTAC 318° radial extending from the 10-mile radius to 8.8 miles northwest of the Bangor VORTAC.

* * * * *

ANE ME E5 Brunswick, ME [Revised]

Brunswick NAS, ME
(Lat. 43°53'32" N, Long. 69°56'19" W)
Brunswick Navy TACAN
(Lat. 43°54'09" N, Long. 69°56'43" W)
Wiscasset Airport, ME
(Lat. 43°57'40" N, Long. 69°42'48" W)

That airspace extending upward from 700 feet above the surface within a 7.8-mile radius of Brunswick NAS, and within 1.8 miles on each side of the Brunswick Navy TACAN 166° radial extending from the 7.8-mile radius to 10.4 miles south of the Brunswick Navy TACAN, and within a 8.4-mile radius of Wiscasset Airport, and within 4 miles south and 6 miles north of the Navy Brunswick TACAN 070° radial extending from the 8.4-mile radius to 25.5 miles east of the Navy Brunswick TACAN.

* * * * *

ANE ME E5 Fryeburg, ME [Revised]

Fryeburg, Eastern Slopes Regional Airport, ME
(Lat. 43°59'26" N, Long. 70°56'49" W)

That airspace extending upward from 700 feet above the surface within a 2.3-mile radius of Eastern Slopes Regional Airport from the Eastern Slopes Airport 197° bearing clockwise to the Eastern Slopes Airport 295° bearing, and that airspace within a 10.3-mile radius of Eastern Slopes Regional Airport from the Eastern Slopes Airport 295° bearing clockwise to the Eastern Slopes Regional Airport 197° bearing.

* * * * *

ANE ME E5 Machias, ME [Revised]

Machias Valley Airport, ME
(Lat. 44°42'11" N, Long. 67°28'41" W)

That airspace extending upward from 700 feet above the surface within a 8.3-mile radius of Machias Valley Airport.

* * * * *

ANE ME E5 Old Town, ME [Revised]

Old Town, Dewitt Field, Old Town Municipal Airport, ME
(Lat. 44°57'10" N, Long. 68°40'25" W)
Bangor VORTAC
(Lat. 44°50'30" N, Long. 68°52'26" W)
Old Town NDB
(Lat. 45°00'24" N, Long. 68°38'00" W)

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Dewitt Field, Old Town Municipal Airport, and within 2.8 miles on each side of the Old Town NDB 029° bearing extending from the 7-mile radius to 9 miles northeast of the Old Town NDB, and within 4 miles on each side of the Bangor VORTAC 050° radial extending from the 7-mile radius to 25 miles northeast of the Bangor VORTAC; excluding that airspace within the Bangor, ME Class E Airspace.

* * * * *

ANE ME E5 Portland, ME [Revised]

Portland International Jetport, ME
(Lat. 43°38'46" N, Long. 70°18'31" W)
ORHAM LOM
(Lat. 43°39'09" N, Long. 70°26'28" W)

That airspace extending upward from 700 feet above the surface within a 8.7-mile radius of the Portland International Jetport, and within 3 miles on each side of the ORHAM LOM 275° bearing extending from the 8.7-mile radius to 10 miles west of the ORHAM LOM; excluding that airspace within the Biddeford, ME Class E Airspace.

ANE ME E5 Presque Isle, ME [Revised]

Northern Maine Regional Airport at Presque Isle, ME
(Lat. 46°41'20" N, Long. 68°02'41" W)
Presque Isle VORTAC
(Lat. 46°46'27" N, Long. 68°05'40" W)
EXCAL LOM
(Lat. 46°36'37" N, Long. 68°01'08" W)
Caribou Municipal Airport, ME
(Lat. 46°52'17" N, Long. 68°01'04" W)
Loring Air Force Base
(Lat. 46°57'01" N, Long. 67°53'08" W)

That airspace extending upward from 700 feet above the surface within an 11-mile radius of Northern Maine Regional Airport at Presque Isle, and within 3 miles on each side of the EXCAL LOM 165° bearing extending from the 11-mile radius to 9.2 miles south of the EXCAL LOM, and within 4 miles east and 8 miles west of the Presque Isle VORTAC 340° radial extending from the 11-mile radius to 16 miles northwest of the VORTAC, and within a 8.5-mile radius of Caribou Municipal Airport, and within an 8.5-mile radius of Loring Air Force Base; excluding that airspace outside of the United States.

* * * * *

ANE ME E5 Sanford, ME [Revised]

Sanford Municipal, ME
(Lat. 43°23'38" N, Long. 70°42'29" W)
Kennebunk VORTAC
(Lat. 43°25'33" N, Long. 70°36'49" W)
SANFD LOM
(Lat. 43°20'04" N, Long. 70°50'04" W)

That airspace extending upward from 700 feet above the surface within 10.7 miles of Sanford Municipal Airport from the Sanford Airport 253° bearing clockwise to the Sanford Airport 073° bearing, and within 6.7 miles of the Sanford Municipal Airport from the Sanford Airport 073° bearing clockwise to the Sanford Airport 253° bearing, and within 4 miles north and 5 miles south of the SANFD LOM 238° bearing extending from the 6.7-mile radius to 10 miles southwest of the

SANFD LOM, and within 4 miles north and 5 miles south of the Kennebunk VORTAC 064° radial extending from 6.7-mile radius to 9 miles northeast of the Kennebunk VORTAC; excluding that airspace within the Portsmouth, NH, Kennebunkport, ME, and Biddeford, ME, Class E Airspace.

* * * * *

ANE NH E5 Concord, NH [Revised]

Concord Municipal Airport, NH
(Lat. 43°12'12" N, Long. 71°30'07" W)
EPSOM NDB
(Lat. 43°07'07" N, Long. 71°27'09" W)
Concord VORTAC
(Lat. 43°13'11" N, Long. 71°34'31" W)

That airspace extending upward from 700 feet above the surface within a 12-mile radius of Concord Municipal Airport, and within 4 miles on each side of the EPSOM NDB 156° bearing extending from the 12-mile radius to 9.6 miles south of the EPSOM NDB, and within 8 miles south and 15 miles north of the Concord VORTAC 300° radial extending from the 12-mile radius to 20 miles northwest of the Concord VORTAC.

* * * * *

ANE NH E5 Manchester, NH [Revised]

Manchester Airport, NH
(Lat. 42°56'00" N, Long. 71°26'16" W)

That airspace extending upward from 700 feet above the surface within a 23-mile radius of the Manchester Airport; excluding that airspace within the Boston, MA, and Keene, NH, Concord, NH, Portsmouth, NH, Nashua, NH, Newburyport, MA, Class E Airspace.

ANE NH E5 Nashua, NH [Revised]

Nashua, Boire Field, NH
(Lat. 42°46'54" N, Long. 71°30'53" W)
CHERN NDB
(Lat. 42°49'24" N, Long. 71°36'08" W)

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Boire Field, and within that area bounded by a line beginning at Lat. 42°53'54" N, Long. 71°30'47" W then to Lat. 43°02'25" N, Long. 71°13'28" W, then to Lat. 42°55'15" N, Long. 71°06'58" W, then to Lat. 42°38'30" N, Long. 71°21'48" W, then to Lat. 42°40'30", Long. 71°27'03", and within 4 miles on each side of the CHERN NDB 303° bearing extending from the 7-mile radius to 10 miles northwest of the CHERN NDB; excluding that airspace within the Portsmouth, NH, Fort Devens, MA, and Boston, MA, Class E Airspace.

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ANE NH E5 Portsmouth, NH [Revised]

Portsmouth, Pease International Tradeport, NH
(Lat. 43°04'40" N., Long. 70°49'24" W.)

That airspace extending upward from 700 feet above the surface within that area bounded by a line beginning at Lat. 43°25'00" N., Long. 71°13'00" W. and running to Lat. 43°27'00" N., Long. 70°56'00" W., then to Lat. 43°25'00" N., Long. 70°48'00" W., then to Lat. 43°14'00" N., Long. 70°36'00" W., then to Lat. 43°00'00" N., Long. 70°36'00" W., then to Lat. 42°54'00" N., Long. 70°52'00" W., then to Lat. 42°49'00" N., Long. 71°09'00" W., then to Lat. 42°53'00" N., Long. 71°12'00" W., then to Lat. 43°03'00" N., Long. 71°05'00" W., then to the point of beginning; excluding that airspace within the Newburyport, MA, and Boston, MA, Class E Airspace.

* * * * *

ANE RI E5 Newport, RI [Revised]

Newport State, RI
(Lat. 41°31'56" N., Long. 71°16'53" W.)
Providence VORTAC
(Lat. 41°43'28" N., Long. 71°25'47" W.)

That airspace extending upward from 700 feet above the surface within a 6.3-mile radius of Newport State Airport, and within 2.2 miles on each side of the Providence VORTAC 150° radial extending from the 6.3-mile radius to 5.6 miles southeast of the Providence VORTAC, and within 4 miles northwest to 6 miles southeast of Newport State Airport 025° bearing extending from the 6.3-mile radius to 16.2 miles northeast of the Newport State Airport; excluding that airspace within the New Bedford, MA, and Fall River, MA, Class E Airspace.

ANE RI E5 North Kingstown, RI [Revised]

North Kingstown, Quonset State Airport, RI
(Lat. 41°35'48" N., Long. 71°24'43" W.)
Providence VORTAC
(Lat. 41°43'28" N., Long. 71°25'47" W.)

That airspace extending upward from 700 feet above the surface within a 9.3-mile radius of Quonset State Airport, and within 6.5 miles east to 4.5 miles west of the Quonset State Airport 145° bearing extending from the 9.3-mile radius to 16.3 miles southeast of the Quonset State Airport, and within 5 miles east to 8 miles west of the Providence VORTAC 355° radial extending from the 9.3-mile radius to 14.5 miles north of the Providence VORTAC; excluding that airspace within the Newport, RI, and New Bedford, MA, Class E Airspace.

ANE RI E5 Pawtucket, RI [Revised]

Pawtucket, North Central State, RI
(Lat. 41°55'14" N., Long. 71°29'29" W.)
Providence VORTAC
(Lat. 41°43'28" N., Long. 71°25'47" W.)
Putnam VOR/DME
(Lat. 41°57'20" N., Long. 71°50'39" W.)

That airspace extending upward from 700 feet above the surface within a 6.6-mile radius of North Central State Airport, and within 2 miles on each side of the North Central State Airport 032° bearing extending from the 6.6-mile radius to 13.4 miles northeast of the North Central State Airport, and within 4.5 miles east and 6.5 miles west of the North Central State Airport 212° bearing extending from the 6.6-mile radius to 16 miles southwest of the North Central State Airport, and within 3.6 miles on each side of the Putnam VOR/DME 097° radial extending from the 6.6-mile radius to 6.8 miles east of the Putnam VOR/DME, and within 3.8 miles on each side of the Providence VORTAC 347° radial extending from the 6.6-mile radius to 0.8 mile north of the Providence VORTAC; excluding that airspace within the North Kingstown, RI, Danielson, CT, and Boston, MA, Class E Airspace.

ANE RI E5 Providence, RI [Revised]

Providence, Theodore Francis Green State Airport, RI
(Lat. 41°43'25" N., Long. 71°25'36" W.)
Providence VORTAC
(Lat. 41°43'28" N., Long. 71°25'47" W.)

That airspace extending upward from 700 feet above the surface within an 8.8-mile radius of Theodore Francis Green State Airport, and within 4 miles northwest to 4.5 miles southeast of the Providence VORTAC 211° radial extending from the 8.8-mile radius to 16.7 miles southwest of the Providence VORTAC, and within 4 miles on each side of the VORTAC 330° radial extending from the 8.8-mile radius to 15.4 miles northwest of the Providence VORTAC, and within 2.9 miles on each side of the Providence VORTAC 132° radial extending from the 8.8-mile radius to 9.6 miles southeast of the Providence VORTAC, excluding that airspace within the North Kingstown, RI, Pawtucket, RI, Newport, RI, and Fall River, MA, Class E Airspace.

* * * * *

ANE RI E5 Westerly, RI [Revised]

Westerly State Airport, RI
(Lat. 41°20'58" N., Long. 71°48'12" W.)
Westerly NDB
(Lat. 41°20'40" N., Long. 71°48'52" W.)

That airspace extending upward from 700 feet above the surface within an 8.5-mile radius of Westerly State Airport, and within 2.9 miles on each side of the Westerly NDB 222° bearing extending from the 8.5-mile radius to 9.4 miles southwest of Westerly NDB; excluding that airspace within the Block Island, RI, Class E Airspace.

* * * * *

ANE VT E5 Burlington, VT [Revised]

Burlington International Airport, VT
(Lat. 44°28'17" N., Long. 73°09'10" W.)

That airspace extending upward from 700 feet above the surface within a 23-mile radius of Burlington International Airport; excluding that airspace within the Plattsburgh, NY, Class E Airspace.

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Issued in Burlington, Massachusetts, on June 1, 1994.

Francis J. Johns,

Manager, Air Traffic Division, New England Region.

[FR Doc. 94-14134 Filed 6-9-94; 8:45 am]

BILLING CODE 4910-13-P

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14 CFR Part 71

[Airspace Docket No. 94-AWP-4]

Establishment of Class E Airspace; South Lake Tahoe, CA

AGENCY: Federal Aviation Administration (FAA), DOT

ACTION: Final rule.

SUMMARY: This action establishes Class E airspace at South Lake Tahoe, CA. A Localizer Type Directional Aid (LDA)/Distance Measuring Equipment (DME) standard instrument approach procedure (SIAP) has been developed

for the South Lake Tahoe Municipal Airport. Controlled airspace extending upward from the surface is needed for aircraft executing the approach. The establishment of Class E airspace will provide adequate airspace for instrument flight rules (IFR) operations at South Lake Tahoe Municipal Airport. The area will be depicted on aeronautical charts to provide a reference for pilots operating in the area.

EFFECTIVE DATE: 0901 u.t.c., December 8, 1994.

FOR FURTHER INFORMATION CONTACT: Scott Speer, System Management Branch, AWP–530, Air Traffic Division, Western-Pacific Region, Federal Aviation Administration, 15000 Aviation Boulevard, Lawndale, California, 90261; telephone (310) 297–0697.

SUPPLEMENTARY INFORMATION:

History

On March 15, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to establish a Class E Airspace area at South Lake Tahoe, CA. (59 FR 14804). An SIAP was being developed for the South Lake Tahoe Municipal Airport at South Lake Tahoe, CA. This will add controlled airspace extending from the surface for IFR operations at South Lake Tahoe Municipal Airport. Interested parties were invited to participate in this rulemaking proceedings by submitting written comments on the proposal to the FAA. No objections were received concerning this proposal. The coordinates in the proposal were based on North American Datum 83. Class E airspace designations for airspace areas extending upward from the surface designated as an extension to a Class D surface area are published in Paragraph 6004 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class E airspace designation listed in this document will be published subsequently in this Order.

The Rule

This amendment to part 71 of the Federal Aviation Regulation establishes Class E airspace at South Lake Tahoe, CA. This action will provide adequate Class E airspace for IFR operators executing the LDA/DME–1/2 approaches at South Lake Tahoe, CA.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (1) is not "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6004 Class E airspace areas designated as an extension to a Class D surface area

* * * * *

AWP CA E4 South Lake Tahoe, CA [New]

Lake Tahoe Airport, CA
(Lat. 38°53'38" N, Long. 119°59'43" W)

That airspace extending upward from the surface within 1.8 miles each side of the South Lake Tahoe LDA/DME south course extending from the 4.3-mile radius of South Lake Tahoe Airport to 9.8-miles north of the airport. This Class E airspace is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory

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Issued in Los Angeles, California, on May 20, 1994.

Richard R. Lien,

Manager, Air Traffic Division, Western-Pacific Region.

[FR Doc. 94–14135 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

14 CFR Part 71

[Airspace Docket No. 93–ANM–46]

Amendment of Class E Airspace; Idaho Falls, ID

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the Idaho Falls, Idaho, Class E airspace. Controlled airspace extending from 700 feet above ground level (AGL) is necessary to accommodate an amendment to an instrument approach procedure for the Fanning Field Airport, Idaho Falls, Idaho. Airspace reclassification, in effect as of September 16, 1993, has discontinued the use of the term "transition area," replacing it with the designation "Class E airspace." The airspace will be depicted on aeronautical charts for pilot reference.

EFFECTIVE DATE: 0901 u.t.c., August 18, 1994.

FOR FURTHER INFORMATION CONTACT: James E. Riley, ANM–537, Federal Aviation Administration, Docket No. 93–ANM–46, 1601 Lind Avenue SW., Renton, Washington 98055–4056; Telephone: (206) 227–2537.

SUPPLEMENTARY INFORMATION:

History

On April 11, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) by amending the Idaho Falls, Idaho, Class E airspace (59 FR 17055). Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments were received.

Airspace reclassification, in effect as of September 16, 1993, has discontinued the use of the term "transition area," and certain airspace areas extending upward from 700 feet or more above the surface of the earth are now Class E airspace areas. Class E airspace designations for airspace areas extending 700 feet or more above the surface of the earth are published in Paragraph 6005 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of the Federal Aviation Regulations amends

the Class E airspace at Idaho Falls, Idaho. This action is necessary to accommodate an amendment to an instrument approach procedure for the Fanning Field Airport, Idaho Falls, Idaho.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth

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ANM ID E5 Idaho Falls, ID [Revised]

Idaho Falls, Fanning Field, ID
(Lat. 43°30'52" N, Long. 112°04'13" W
Pocaatello VORTAC
(Lat. 42°52'13" N, Long. 112°39'08" W
Burley VORTAC
(Lat. 42°34'49" N, Long. 113°51'57" W
Idaho Falls VOR/DME
(Lat. 43°31'08" N, Long. 112°03'50" W

That airspace extending upward from 700 feet above the surface within 10.2 miles northwest and 4.3 miles southeast of the Idaho Falls VOR/DME 036° and 216° radials extending from 27.2 miles northeast to 16.1 miles southwest of the VOR/DME, and within 7.9 miles southeast and 5.3 miles northwest of the 029° radial of the Pocatello VORTAC extending from 20.1 to 40.9 miles northeast of the VORTAC; that airspace extending upward from 1200 feet above the surface bounded by a line beginning at the intersection of Long. 112°30'03" W, and the south edge of V–298, extending east along V–298 to the west edge of V–465, southwest on V–465 to the intersection of V–465 and Long. 112°00'00" W, south along 112°00'00" W to the north edge of V–4 west on V–4 to the 24.4 mile radius of the Burley VORTAC, thence counter-clockwise via the 24.4 mile radius to the south edge of V–269, then east along the south edge of V–269 to the 25.3 mile radius of the Pocatello VORTAC, thence clockwise via the 25.3 mile radius to Lat. 43°05'46" N, Long. 113°08'15" W; to Lat. 43°20'30" N, Long. 112°45'33" W; to Lat. 43°32'00" N, Long. 112°35'03" W; to Lat. 43°50'20" N, Long 112°30'03" W, then direct to the point of beginning; excluding that airspace within Federal Airways, the Jackson Hole Airport, Wyoming, and the Rexburg/Madison County Airport, Idaho, Class E airspace areas

* * * * *

Issued in Seattle, Washington, on May 25 1994

Temple H Johnson, Jr.,

Manager, Air Traffic Division, Northwest Mountain Region

[FR Doc. 94–14136 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 94–ANM–9]

Establishment of Class E Airspace; Sandpoint, ID

AGENCY: Federal Aviation Administration (FAA), DOT

ACTION: Final rule.

SUMMARY: This action establishes the Sandpoint, Idaho, Class E airspace. This action is necessary to accommodate arrival/departure aircraft transitioning between the enroute and terminal areas in western Idaho. The area will be depicted on aeronautical charts.

EFFECTIVE DATE: 0901 u.t.c., August 18, 1994.

FOR FURTHER INFORMATION CONTACT: James Riley, ANM–537, Federal Aviation Administration, Docket No. 94–ANM–9, 1601 Lind Avenue SW., Renton, Washington 98055–4056; telephone number: (206) 227–2537

SUPPLEMENTARY INFORMATION:

History

On April 4, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to establish the Sandpoint, Idaho, Class E airspace area (59 FR 15669). This action is necessary to accommodate arrival/departure aircraft transitioning between the enroute and terminal areas in western Idaho. The area will be depicted on aeronautical charts for pilot reference. Interested parties were invited to participate in the rulemaking proceeding by submitting written comments on the proposal. No comments were received. This action is the same as the proposal except for a typographical error discovered (and corrected herein) in the coordinates of the airspace description for Fairchild AFB, Washington. The coordinates for this airspace docket are based on North American Datum 83. Class E airspace is published in Paragraph 6006 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of Federal Aviation Regulations establishes Class E airspace at Sandpoint, Idaho. The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the FAA amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6006 Enroute domestic airspace areas

* * * * *

ANM ID E6 Sandpoint, ID [New]

Fairchild AFB, WA
(Lat. 47°36'54" N., Long. 117°39'29" W.)

That airspace extending upward from 6,500 feet MSL bounded on the north by Lat. 48°30'00" N., on the east by the Idaho/Montana state boundary, on the south by the north edge of V–120, on the west by the 45.3-mile radius of Fairchild AFB and the east edge of V–112; excluding Federal airways and that airspace below 1,200 feet AGL.

* * * * *

Issued in Seattle, Washington, on May 25, 1994.

Temple H. Johnson, Jr.,

Manager, Air Traffic Division, Northwest Mountain Region.

[FR Doc. 94–14137 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 94–AGL–3]

Modification of Class E Airspace; Warroad, MN

AGENCY: Federal Aviation Administration (FAA), DOT

ACTION: Final rule.

SUMMARY: This action modifies Class E airspace at Warroad International-Swede Carlson Field, Warroad, MN, to accommodate an Instrument Landing System (ILS) Runway 31, and Nondirectional Beacon (NDB) Runway 31 Standard Instrument Approach (SIAP). Controlled airspace extending upward from 700 to 1200 feet above ground level (AGL) is needed for aircraft executing the approach. The intended effect of this action is to provide segregation of aircraft using instrument approach procedures in instrument conditions from other aircraft operating in visual weather conditions.

EFFECTIVE DATE: 0901 u.t.c., August 18, 1994.

FOR FURTHER INFORMATION CONTACT: Robert J. Woodford, Air Traffic Division, System Management Branch, AGL–530, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (708) 294–7568.

SUPPLEMENTARY INFORMATION:

History

On Tuesday, March 29, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to modify Class E airspace at Warroad International-Swede Carlson Field, Warroad, MN (59 FR 14574). The proposal was to modify Class E airspace to accommodate Instrument Landing System (ILS) Runway 31, and Nondirectional Beacon (NDB) Runway 31 Standard Instrument Approach (SIAP). Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received.

The coordinates for this airspace docket are based on North American Datum 83. Class E airspace designations are published in Paragraph 6005 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of the Federal Aviation Regulations to modify Class E airspace at Warroad International-Swede Carlson Field, Warroad, MN, to accommodate Instrument Landing System (ILS) Runway 31, and Nondirectional Beacon (NDB) Runway 31 Standard Instrument Approach (SIAP). Controlled airspace extending from 700 to 1200 feet AGL is needed to contain aircraft executing the approach.

Aeronautical maps and charts will reflect the defined area which will enable pilots to circumnavigate the area in order to comply with applicable visual flight rule requirements.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6005 Class E airspace areas listed below extend upward from 700 feet or more above the surface of the earth.

* * * * *

AGL MN E5 Warroad, MN [Revised]

Warroad International-Swede Carlson Field
(Lat. 48°56'26" N, Long. 95°20'48" W)

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Warroad International-Swede Carlson Field, excluding that area north of Lat. 49°00'00" N (Canadian-US boundary).

* * * * *

Issued in Des Plaines, Illinois on May 26, 1994.

Roger Wall,

Manager, Air Traffic Division.

[FR Doc. 94–14138 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 71

[Airspace Docket No. 94–ANM–8]

Amendment of Class E Airspace; La Grande, OR

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the La Grande, Oregon, Class E airspace. This action is necessary to accommodate arrival/departure aircraft transitioning between the en route and terminal areas in southeastern Oregon. The area will be depicted on aeronautical charts.

EFFECTIVE DATE: 0901 u.t.c., August 18, 1994.

FOR FURTHER INFORMATION CONTACT:
James Riley, ANM–537, Federal Aviation Administration, Docket No. 94–ANM–8, 1601 Lind Avenue SW., Renton, Washington 98055–4056; telephone number: (206) 227–2537

SUPPLEMENTARY INFORMATION:

History

On April 4, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to provide additional airspace to accommodate arrival/departure aircraft transitioning between the en route and terminal areas in southeastern Oregon (59 FR 15670). Airspace reclassification, in effect as of September 16, 1993, has discontinued the use of the term "transition area," and certain airspace areas extending upward from 700 feet or more above the surface of the earth are now Class E airspace areas. The area will be depicted on aeronautical charts for pilot reference. Interested parties were invited to participate in the rulemaking proceeding by submitting written comments on the proposal. No comments were received. This action is the same as the proposal except for a typographical error discovered and corrected herein in the coordinates for La Grande/Union County Airport. The coordinates for this airspace docket are based on North American Datum 83. Class E airspace is published in Paragraph 6005 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of Federal Aviation Regulations amends Class E airspace at La Grande, Oregon. The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the FAA amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth

* * * * *

ANM OR E5 La Grande, OR [Revised]

La Grande/Union County Airport, OR
(Lat. 45°17'25" N., Long. 118°00'26" W.)

That airspace extending upward from 700 feet above the surface bounded on the north by a line beginning at Lat. 45°38'59" N., Long. 118°02'04" W., extending eastwardly to Lat. 45°37'00" N., Long. 117°44'34" W., on the east by a line extending to Lat. 45°15'29" N., Long. 117°49'04" W., on the south by a line extending to Lat. 45°17'29" N., Long. 118°07'04" W., on the west by a line extending to the point of beginning, and within a 4.3-mile radius of the La Grande/Union County Airport; that airspace extending upward from 1,200 feet above the surface bounded by a line beginning at Lat. 45°38'59" N., Long. 118°02'04" W., extending northwest along V–357 to the Walla Walla VOR/DME 16.6-mile radius; thence north along the Walla Walla VOR/DME 16.6-mile radius until intercepting Lat. 46°00'00" N., thence eastward along Lat. 46°00'00" N., to Long. 117°02'00" W.; thence south along Long. 117°02'00" W., until intercepting V–298; thence westward along V–298 to Lat. 45°23'30" N., Long. 117°47'10" W.; to Lat. 45°37'00" N., Long. 117°44'34" W.; thence to the point of beginning, excluding that airspace within Federal Airways.

* * * * *

Issued in Seattle, Washington, on May 25, 1994.

Temple H. Johnson, Jr.,

Manager, Air Traffic Division, Northwest Mountain Region.

[FR Doc. 94–14139 Filed 6–9–94; 8:45 am]
BILLING CODE 4910–13–M

14 CFR Part 71

[Airspace Docket No. 94–ANM–5]

Establishment of Class E Airspace; Cascade Range, WA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes the Cascade Range, Washington, Class E airspace. This action is necessary to accommodate arrival/departure aircraft transitioning between the en route and terminal areas east of Seattle, Washington. The area will be depicted on aeronautical charts.

EFFECTIVE DATE: 0901 UTC, August 18, 1994.

FOR FURTHER INFORMATION CONTACT:
James Riley, ANM–537, Federal Aviation Administration, Docket No. 94–ANM–5, 1601 Lind Avenue SW., Renton, Washington, 98055–4056; telephone number: (206) 227–2537

SUPPLEMENTARY INFORMATION:

History

On April 4, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to establish the Cascade Range, Washington, Class E airspace area (59 FR 15671). This action is necessary to accommodate arrival/departure aircraft transitioning between the en route and terminal area east of Seattle, Washington. The area will be depicted on aeronautical charts for pilot reference. Interested parties were invited to participate in the rulemaking proceeding by submitting written comments on the proposal. No comments were received. This action is the same as the proposal except for a typographical error discovered and offered herein in the coordinates of the airspace description. The coordinates for this airspace docket are based on North American Datum 83. Class E airspace is published in Paragraph 6006 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of Federal Aviation Regulations established Class E airspace at Cascade Range, Washington. The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally

current. It, therefore, (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the FAA amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6006 Enroute domestic airspace areas

* * * * *

ANM WA E6 Cascade Range, WA [New]

That airspace extending upward from 1,200 feet AGL bounded on the north by the south edge of V–420, on the east by Long. 120°00'00" W., on the south by the north edge of V–204, and on the west by Long. 121°35'04" W., excluding Federal airways, Wenatchee, Ellensburg, and Yakima Class E airspace areas.

* * * * *

Issued in Seattle, Washington, on May 25, 1994.

Temple H. Johnson, Jr.,

Manager, Air Traffic Division, Northwest Mountain Region.

[FR Doc. 94–14141 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

14 CFR Part 71

[Airspace Docket No. 94–ANM–7]

Amendment to Class E Airspace; Kalispell, MT

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the Kalispell, Montana, Class E airspace. This action is necessary to accommodate arrival/departure aircraft transitioning between the en route and terminal areas in western Montana. Airspace reclassification, in effect as of September 16, 1993, has discontinued the use of the term "transition area," replacing it with the designation "Class E airspace." The area will be depicted on aeronautical charts.

EFFECTIVE DATE: 0901 UTC, August 18, 1994.

FOR FURTHER INFORMATION CONTACT: James Riley, ANM–537, Federal Aviation Administration, Docket No. 94–ANM–7, 1601 Lind Avenue, SW., Renton, Washington, 98055–4056; telephone number: (206) 227–2537.

SUPPLEMENTARY INFORMATION:

History

On March 21, 1994, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to amend the Kalispell, Montana, Class E airspace area (59 FR 13263). This action is necessary to accommodate arrival/departure aircraft transitioning between the en route and terminal area in western Montana. The area will be depicted on aeronautical charts for pilot reference. Interested parties were invited to participate in the rulemaking proceeding by submitting written comments on the proposal. No comments were received. Airspace reclassification, in effect as of September 16, 1993, has discontinued the use of the term "transition area," and certain airspace areas extending upward from 700 feet or more above the surface of the earth are now Class E airspace areas. The coordinates for this airspace docket are based on North American Datum 83. Class E airspace is published in Paragraph 6005 of FAA Order 7400.9A dated June 17, 1993, and effective September 16, 1993, which is incorporated by reference in 14 CFR 71.1 (58 FR 36298; July 6, 1993). The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to part 71 of the Federal Aviation Regulations amends Class E airspace at Kalispell, Montana. The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the FAA amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9A, Airspace Designations and Reporting Points, dated June 17, 1993, and effective September 16, 1993, is amended as follows:

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth

* * * * *

ANM MT E5 Kalispell, MT [Revised]

Kalispell, Glacier Park International Airport, MT
(Lat. 48°16'43" N, Long. 114°15'18" W)
Smith Lake NDB
(Lat. 48°06'30" N, Long. 114°27'40" W)

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Glacier Park International Airport, and within 4.8 miles each side of the 035° and 215° bearing from the Smith Lake NDB extending from the 7-mile radius to 10.5 miles southwest of the NDB; that airspace extending upward from 1,200 feet AGL bounded by a line beginning at Lat. 47°30'00" N., Long. 113°30'03" W.; to Lat. 48°30'00" N., Long. 113°30'03" W.; west along Lat. 48°30'00" N., to the Montana/Idaho state

boundary, south along the Montana/Idaho state boundary until intersecting Lat. 47°30'00" N., then to the point of beginning; excluding Federal airways.

* * * * *

Issued in Seattle, Washington, on May 25, 1994.

Temple H. Johnson, Jr.,

Manager, Air Traffic Division, Northwest Mountain Region.

[FR Doc. 94–14140 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Parts 16 and 1270

[Docket No. 93N–0453]

Public Workshop on Human Tissue Intended for Transplantation

AGENCY: Food and Drug Administration, HHS.

ACTION: Interim rule; notification of public workshop.

SUMMARY: The Food and Drug Administration (FDA), Center for Biologics Evaluation and Research (CBER), is holding a public workshop to discuss specific topics relating to an interim rule on human tissue intended for transplantation that appeared in the Federal Register of December 14, 1993.

DATES: The public workshop will be held on Monday, June 20, 1994, 8:30 to 5 p.m. Submit comments and information on issues addressed at the workshop by August 20, 1994.

ADDRESSES: The public workshop will be held at the Holiday Inn Gaithersburg, 2 Montgomery Village Ave., Gaithersburg, MD. To register for the workshop, contact April Wells, KRA Corp., 1010 Wayne Ave., suite 850, Silver Spring, MD 20910, 301–495–1591; or FAX 301–495–9410. Registration will also be accepted at the workshop.

Submit written comments regarding the workshop to the Dockets Management Branch (HFA–305), Food and Drug Administration, rm. 1–23, 12420 Parklawn Dr., Rockville, MD 10857.

FOR FURTHER INFORMATION CONTACT: Joseph Wilczek, Center for Biologics Evaluation and Research (HFM–300), Food and Drug Administration, 1401 Rockville Pike, suite 200N, Rockville, MD 20852–1448, 301–594–6700.

SUPPLEMENTARY INFORMATION: In the Federal Register of December 14, 1993 (58 FR 65514), FDA published an interim rule on human tissue intended for transplantation. This interim rule requires certain infectious disease testing, donor screening, and recordkeeping to help prevent the transmission of acquired immunodeficiency syndrome (AIDS) and hepatitis through human tissue used in transplantation. The regulations set forth in the interim rule became effective upon publication. Interested persons were given until March 14, 1994, to comment on the interim rule.

The objective of this public workshop is to discuss practical concerns expressed in received public comments relating to the implementation of the interim rule. The following topics will be discussed:

1. Experience with the interim rule;

2. Management of testing relative to hemodilution;

3. Experience with test kit performance on cadaveric blood samples; and

4. Management of current inventories in regard to testing for human immunodeficiency virus (HIV) and hepatitis C virus (HCV).

Discussion of these topics will be considered by FDA in the development of any future rulemaking.

FDA is reopening the comment period to the interim rule so that interested persons may submit comments on the workshop. Persons who wish to provide additional materials for consideration should file these materials with the Dockets Management Branch (address above).

Interested persons may, on or before August 20, 1994, submit to the Dockets Management Branch (address above), written comments regarding this document. Two copies of any comments are to be submitted, except that individuals may submit one copy. Comments are to be identified with the docket number found in brackets in the heading of this document. Received comments may be seen in the office above between 9 a.m. and 4 p.m., Monday through Friday.

Dated: June 6, 1994.

Michael R. Taylor,

Deputy Commissioner for Policy.

[FR Doc. 94–14212 Filed 6–7–94; 4:36 pm]

BILLING CODE 4160–01–F

DEPARTMENT OF STATE

Bureau of Political-Military Affairs

[Public Notice 2018]

22 CFR Parts 123, 124, and 126

Amendment to the International Traffic in Arms Regulations (ITAR)

AGENCY: Department of State.

ACTION: Final rule.

SUMMARY: On July 22, 1993, the Department published a major revision to the International Traffic in Arms Regulations (ITAR) (58 FR 39280). After being in use by government agencies and industry for several months, certain issues were identified which required revision. The revisions made in this final rule are viewed by the Department of State as beneficial for U.S. persons and industry.

EFFECTIVE DATE: June 10, 1994.

FOR FURTHER INFORMATION CONTACT: Information regarding this notice may be obtained from Department of State, Office of Defense Trade Controls. Rose Marie Biancaniello, Deputy Director for Licensing, or Glenn Smith, Licensing Officer, may be reached by phone at 703 875–6643 or fax at 703 875–6647.

SUPPLEMENTARY INFORMATION: On July 22, 1993, the Department published a major revision to the International Traffic in Arms Regulations (ITAR) (58 FR 39280). After several months of implementation and various training seminars with other government agencies and with industry, several issues have been identified which merit regulatory or procedural changes. This final rule is being published to address three (3) of the issues. Section 123.16(a) is revised to exclude significant military equipment from the exemption stated in § 123.16. This change was deemed necessary in order to ensure compliance with the Department's congressional notification requirements and the ITAR requirement for nontransfer and use certification for defense articles which are defined in part 120 of the ITAR as "significant military equipment". In addition, § 124.10 is amended by removing the requirement that a signed DSP–83 be submitted with proposed agreements. Compliance with this requirement has proven to be difficult, and of insufficient benefit to the Department to merit continuation of the requirement. Finally, § 126.5 is amended by deleting the exception to the Canadian exemption which requires a license for the export to Canada of unclassified technical data directly related to a classified defense article.

The Department of State views these changes as beneficial for U.S. persons and industry and has decided to implement them immediately by publication of a final rule. Notwithstanding this final rule, public comment is welcomed.

This amendment involves a foreign affairs function of the United States. It is exempt from review under E.O. 12866 and has been reviewed internally by the Department of State to ensure consistency with the purposes thereof. It is also excluded from the procedures of 5 U.S.C. 553 and 554.

List of Subjects

22 CFR Part 123

Arms and munitions, Exports.

22 CFR Part 124

Arms and munitions, Exports, Technical assistance.

22 CFR Part 126

Arms and munitions, Exports.

Accordingly, for the reasons set forth in the preamble, 22 CFR subchapter M, parts 123, 124 and 126 are amended as follows:

PART 123—LICENSES FOR THE EXPORT OF DEFENSE ARTICLES

1. The authority citation for 22 CFR part 123 continues to read as follows:

Authority: Secs. 2 and 38, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778); E.O. 11958, 42 FR 4311, 3 CFR 1977 Comp. 79; 22 U.S.C. 2658.

2. Section 123.16 is amended by revising paragraph (a) to read as follows:

§ 123.16 Exemptions of general applicability.

(a) The following exemptions apply to exports of unclassified defense articles for which no approval is needed from the Office of Defense Trade Controls. These exemptions do not apply to: Proscribed destinations under § 126.1 of this subchapter; exports for which Congressional notification is required (see § 123.15 of this subchapter); MTCR articles; Significant Military Equipment (SME); and may not be used by persons who are generally ineligible as described in § 120.1(c) of this subchapter. All shipments of defense articles, including those to and from Canada, require a Shipper's Export Declaration (SED) or notification letter. If the export of a defense article is exempt from licensing, the SED must cite the exemption. Refer to § 123.22 for Shipper's Export Declaration and letter notification requirements.

* * * * *

PART 124—AGREEMENTS, OFF-SHORE PROCUREMENT AND OTHER DEFENSE SERVICES

3. The authority citation for 22 CFR part 124 continues to read as follows:

Authority: Secs. 2, 38, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2797); E.O. 11958, 42 FR 4311; 3 CFR 1977 Comp. p. 79; 22 U.S.C. 2658.

4. Section 124.10 is revised to read as follows:

§ 124.10 Nontransfer and use assurances.

(a) *Types of agreements requiring assurances.* With respect to any manufacturing license agreement or technical assistance agreement which relates to significant military equipment or classified defense articles, including classified technical data, a Nontransfer and Use Certificate (Form DSP–83) (see § 123.10 of this subchapter) signed by the applicant and the foreign party must be submitted to the Office of Defense Trade Controls. With respect to all agreements involving classified articles, including classified technical data, an authorized representative of the foreign government must sign the DSP–83 (or provide the same assurances in the form of a diplomatic note), unless the Office of Defense Trade Controls has granted an exception to this requirement. The Office of Defense Trade controls may require that a DSP–83 be provided in conjunction with an agreement that does not relate to significant military equipment or classified defense articles. The Office of Defense Trade Controls may also require with respect to any agreement that an appropriate authority of the foreign party's government also sign the DSP–83 (or provide the same assurances in the form of a diplomatic note).

(b) *Timing of submission of assurances.* Submission of a Form DSP–83 and/or diplomatic note must occur as follows:

(1) Agreements which have been signed by all parties before being submitted to the Office of Defense Trade Controls may only be submitted along with any required DSP–83 and/or diplomatic note.

(2) If an agreement has not been signed by all parties before being submitted, the required DSP–83 and/or diplomatic note must be submitted along with the signed agreement.

Note: In no case may a transfer occur before a required DSP–83 and/or diplomatic note has been submitted to the Office of Defense Trade Controls.

PART 126—GENERAL POLICIES AND PROVISIONS

5. The authority citation for 22 CFR part 126 continues to read as follows:

Authority: Secs. 2, 38, 40, 42, and 71, Arms Export Control Act, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2780, 2791 and 2797); E.O. 11958, 42 FR 4311, E.O. 11322, 32 FR 119; 22 U.S.C. 2658.

6. Section 126.5 is revised to read as follows:

§ 126.5 Canadian exemptions.

(a) District Directors of Customs and postmasters shall permit the permanent or temporary export or temporary import without a license of any unclassified equipment or unclassified technical data to Canada for end use in Canada by Canadian citizens or return to the United States, or from Canada for end use in the United States or return to a Canadian citizen in Canada, with the exception of the defense articles, defense services or related technical data.

(b) *Exceptions.* The exemptions of this section do not apply to the following defense articles, defense services, or related technical data:

(1) Fully automatic firearms and components and parts therefor in Category I(a) which are not for end use by the Federal Government, or a Provincial or Municipal Government of Canada;

(2) Nuclear weapons strategic delivery systems and all components, parts, accessories, attachments specifically designed for such systems and associated equipment;

(3) Nuclear weapon design and test equipment listed in Category XVI;

(4) Naval nuclear propulsion equipment listed in Category VI(e);

(5) Aircraft listed in Category VIII(a);

(6) Submersible and oceanographic vessels and related articles listed in Category XX (a) through (d).

(7) Defense articles, defense services, or related technical data for use by a foreign national other than a Canadian.

(c) *Related requirements.* The foregoing exemption from obtaining an export license does not exempt an exporter from complying with the requirements set forth in § 123.15 of this subchapter or from filing the Shipper's Export Declaration or notification letter required by § 123.22 of this subchapter.

(d) *Part 124 agreements.* The requirements of part 124 of this subchapter must be complied with in the situations contemplated in that part. For example, the exemptions of this section may not be used for the provision of defense services except pursuant to an approved manufacturing

license agreement or technical assistance agreement.

Dated: May 13, 1994.

Lynn E. Davis,

Under Secretary of State for International Security Affairs.

[FR Doc. 94–13944 Filed 6–9–94; 8:45 am]

BILLING CODE 4710-25-M

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 367

[DoD Directive 5136.1]

Assistant Secretary of Defense for Health Affairs

AGENCY: Office of the Secretary, DoD.

ACTION: Final rule.

SUMMARY: This document revises the responsibilities, functions, relationships, and authorities of the Assistant Secretary of Defense for Health Affairs ASD(HA). The principal revision, the assignment of the Health Affairs functions under the Under Secretary of Defense for Personnel and Readiness is consistent with Section 903 of the FY 1994 Defense Authorization Act.

EFFECTIVE DATE: May 27, 1994.

FOR FURTHER INFORMATION CONTACT: G. Meiners, (703) 697–1142.

SUPPLEMENTARY INFORMATION:

List of Subjects in 32 CFR Part 367

Organization and functions (Government agencies).

Accordingly, 32 CFR part 367 is revised to read as follows:

PART 367—ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS

Sec.

367.1 Purpose.
367.2 Applicability.
367.3 Responsibilities and functions.
367.4 Relationships.
367.5 Authorities.

Authority: 10 U.S.C. 113 and 138.

§ 367.1 Purpose.

Pursuant to the authority vested in the Secretary of Defense by 10 U.S.C. 113 and 138, this part updates the responsibilities, functions, relationships, and authorities of the ASD(HA), as prescribed herein.

§ 367.2 Applicability.

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components").

§ 367.3 Responsibilities and functions.

The Assistant Secretary of Defense for Health Affairs, as the principal staff assistant and advisor to the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) and the Secretary and Deputy Secretary of Defense for all DoD health policies, programs, and activities, shall effectively execute the Department's medical mission, which is to provide, and to maintain readiness to provide, medical services and support to members of the Armed Forces during military operations, and to provide medical services and support to members of the Armed Forces, their dependents, and others entitled to DoD medical care.

(a) In carrying out these responsibilities, the ASD(HA) shall exercise authority, direction, and control over the medical personnel, facilities, programs, funding, and other resources within the Department of Defense, including, but not limited to:

(1) Establishing policies, procedures, and standards that shall govern DoD medical programs.

(2) Serving as program manager for all DoD health and medical resources. Preparing and submitting in the Department's planning, programming, and budgeting system (PPBS) a unified medical program and budget to provide resources for all medical activities within the Department of Defense. Consistent with applicable law, all funding for the DoD medical program, including operation and maintenance, procurement, and the Civilian Health and Medical Program of the Uniformed Services, but excluding funds for active and reserve medical military personnel, shall be accounted for in a single defense medical appropriations account. Funds for medical facility military construction shall be in a separate, single appropriations account.

(3) Presenting and justifying the unified medical program and budget throughout the PPBS process, including representations before the Congress.

(4) Co-chairing with the Director, Defense Research and Engineering, the Armed Services Biomedical Research Evaluation and Management Committee, which facilities consideration of DoD biomedical research.

(5) Performing such other functions as the USD(P&R) and the Secretary of Defense may prescribe.

(b) The ASD(HA) may not direct a change in the structure of the chain of command within a Military Department with respect to medical personnel and may not direct a change in the structure of the chain of command with respect to medical personnel assigned to that command.

§ 367.4 Relationships.

(a) In the performance of assigned responsibilities and functions, the ASD(HA) shall serve under the authority, direction, and control of the USD(P&R) and shall:

(1) Report directly to the USD(P&R).

(2) Exercise authority, direction, and control over:

(i) The Director, Office of Civilian Health and Medical Program of the Uniformed Services.

(ii) The Director, Defense Medical Programs Activity.

(iii) The Director, Armed Forces Institute of Pathology.

(iv) The President, Uniformed Services University of the Health Sciences (USUHS), pursuant to the authority vested in the Secretary of Defense by 10 U.S.C. Chapter 104, except that the authority to appoint the President of the USUHS is reserved to the Secretary of Defense.

(v) Such other subordinate officials as may be assigned.

(3) Consult, as appropriate, with the Comptroller of the Department of Defense (C, DoD) and the Director, Program Analysis and Evaluation, to ensure that medical planning, programming, and budgeting activities are integrated with the DoD PPBS. The C, DoD, shall allocate and reallocate the funds in the Defense Health Program account and the medical facility military construction account among the DoD Components in accordance with ASD(HA) instructions, as coordinated with the USD(P&R), and applicable law.

(4) Obtain through the Chairman of the Joint Chiefs of Staff, submissions of the operational and other needs of the Commanders of the Unified Combatant Commands, and obtain submissions from the Secretaries of the Military Departments of their proposed elements of the medical unified program and budget, and integrate those submissions as appropriate.

(5) Coordinate and exchange information with other OSD officials and the Heads of DoD Components having collateral or related functions.

(6) Use existing facilities and services of the Department of Defense and other Federal and non-Federal Agencies, whenever practicable, to achieve maximum efficiency and economy.

(b) Other OSD officials and the Heads of the DoD Components shall coordinate with the ASD(HA) on all matters related

to the responsibilities and functions in § 367.3.

§ 367.5 Authorities.

The ASD(HA) is hereby delegated authority to:

(a) Issue DoD Instructions, DoD publications, and one-time directive-type memoranda, consistent with DoD 5025.1–M [1], that implement policy approved by the Secretary of Defense in assigned fields of responsibility. Instructions to the Military Departments shall be issued through the Secretaries of those Departments. Instructions to Unified Combatant Commands shall be communicated through the Chairman of the Joint Chiefs of Staff.

(b) Obtain reports, information, advice, and assistance, consistent with DoD Directive 8910.1 [2] as necessary to carry out assigned functions.

(c) Communicate directly with the Heads of the DoD Components. Communications to the Commanders of the Unified Combatant Commands shall be coordinated through the Chairman of the Joint Chiefs of Staff.

(d) Make determinations on the uniform implementation of laws on separation from the Military Departments due to physical disability as prescribed in DoD Directive 1332.18 [3].

(e) Develop, issue, and maintain regulations, with the coordination of the Military Departments, as necessary and appropriate to fulfill the Secretary of Defense's responsibility to administer 10 U.S.C. Chapter 55.

(f) Establish arrangements for DoD participation in nondefense governmental programs for which the ASD(HA) has been assigned primary cognizance.

(g) Communicate with other Government officials, representatives of the legislative branch, members of the public, and representatives of foreign governments, as appropriate, in carrying out assigned functions.

Dated: June 6, 1994.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 94–14085 Filed 6–9–94; 8:45 am]

BILLING CODE 5000–04–M

[1] Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

[2] See footnote 1 to § 367.5(a).

[3] See footnote 1 to § 367.5(a).

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[IN31–1–5934; FRL–4888–2]

Approval and Promulgation of Implementation Plan; Indiana

AGENCY: Environmental Protection Agency.

ACTION: Final rule.

SUMMARY: The United States Environmental Protection Agency (USEPA) is approving the State Implementation Plan (SIP) revision request adopted by the Indiana Pollution Control Board on July 21, 1993, and formally submitted by the state of Indiana on January 6, 1994, for the purpose of implementing an emission statement program for stationary sources within the ozone nonattainment counties of Clark, Elkhart, Floyd, Lake, Marion, Porter, St. Joseph, and Vanderburgh. The implementation plan was submitted by the state to satisfy the Federal requirements for an emission statement program as part of the SIP for Indiana.

EFFECTIVE DATE: This final rule will be effective August 9, 1994 unless notice is received by July 11, 1994 that someone wishes to submit adverse comments. If the effective date is delayed, timely notice will be published in the **Federal Register.**

ADDRESSES: Comments on this action should be addressed to: J. Elmer Bortzer, Chief, Regulation Development Section, Regulation Development Branch (AR–18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604.

Copies of the requested SIP revision, technical support documents and public comments received are available at the following address: U.S. Environmental Protection Agency, Region 5, Air and Radiation Division, 77 West Jackson Boulevard (AR–18J), Chicago, Illinois 60604.

FOR FURTHER INFORMATION CONTACT: Hattie Geisler, Regulation Development Section (AR–18), Regulation Development Branch, U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 886–3199. Anyone wishing to come to Region 5 offices should contact Hattie Geisler first. Reference File IN31–1–5934.

A copy of this revision to the Indiana SIP is available for inspection at: Office of Air and Radiation (OAR), Docket and Information Center (Air Docket 6102), room M1500, U.S. Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460, (202) 260–7548.

SUPPLEMENTARY INFORMATION:

I. Summary of State Submittal

On July 21, 1993, the Indiana Pollution Control Board adopted and on January 6, 1994, the Indiana Department of Environmental Management (IDEM) formally submitted to the USEPA a request to approve the July 21, 1993, adopted emission statement regulations, codified as 326 IAC 2–6. This submission addresses the emission statement requirements which are found in section 182(a)(3)(B) of the Clean Air Act (Act), as amended (1990 Amendments).

Section 182(a)(3)(B) of the Act states that, within 2 years after the enactment of the Act, states with ozone nonattainment areas (classified as marginal or worse) must submit revisions to their SIPs to require the owners or operators of stationary sources of Volatile Organic Compounds (VOC) or Oxides of Nitrogen (NO_X) to provide the states with statements, in a form acceptable to the USEPA, showing actual emissions of NO_X and/or VOC from the sources. The first emission statements must be submitted within 3 years of the enactment of the Act. Subsequent statements are to be submitted annually thereafter. These statements must contain certifications of accuracy.

Section 182(a)(3)(B)(ii) of the Act specifies that the states may waive the requirements for emission statements for any class or category of sources which emit less than 25 tons per year if the states, through the submission of base year emission inventories or periodic emission inventories (required to be submitted to the USEPA every three years), provide for the reporting of the emissions from the exempted source classes or categories and emissions are determined using emission factors acceptable to the USEPA.

II. Analysis of State Submittal

The criteria used to review the submitted SIP revisions are found in USEPA's draft Guidance on the Implementation of an Emission Statement Program, (July 1992). It should be noted that this guideline has not been finalized, but does provide current USEPA guidance on the contents of emission statements and on the states' use of emission statements. For this reason, the July 1992 draft guidance has been used for the technical review of this submission. It should be noted that the USEPA intends to incorporate the guidelines contained in

the July 1992 guidance into the Code of Federal Regulations in the near future.

The July 1992 guidance describes the following requirements for emission statement SIP revisions:

1. Regardless of what minimum emission reporting level is established, if either VOC or NO_X is emitted at or above the established minimum reporting level, the emissions of both VOC and NO_X should be reported;

2. The emission statements should, at minimum, include the following data:

a. Certification of data accuracy; to be made by an officer of the reporting company who will take legal responsibility for the accuracy of the reported data;

b. Source identification information;

c. Operating schedules;

d. Emissions information, including both annual and typical ozone season daily emissions;

e. Control equipment information; and

f. Process data.

3. States must incorporate the emission statement data into an annual point source emissions submittal to the USEPA. This annual emissions submittal is first due to the USEPA by July 1, 1993;

4. In addition to the submittal of emission statements and the annual point source emissions report, the USEPA is also requesting that states submit an Emissions Statement Status Report (ESSR) beginning by July 1, 1993. The ESSR is to be submitted quarterly each year until all applicable sources have submitted emission statements. The ESSR should individually list the source facilities that are delinquent in submitting emission statements. The ESSR should also include the total annual and typical ozone season day emissions from all source facilities submitting emission statements prior to the ESSR submittal;

5. States are required to use the data collected through the emission statement program to annually update the facility-specific data contained in the Aerometric Information Retrieval System (AIRS) by July 1st of each year; and

6. States must commit to retain emission statement data and submittals for a period of at least three years.

Indiana's submittal contains the adopted regulations that will apply to source facilities and that specify what data are to be submitted. The remainder of this technical review will be dedicated to reviewing the contents and technical merits of the state's adopted regulations and the accompanying state commitments.

As noted above, the emission statement regulations are codified as 326 IAC 2–6. The provisions of the regulations are outlined as follows:

Applicability

The emission statement regulations are applicable to all sources of VOC or NO_X with the potential to emit 10 tons per year or more of VOC or NO_X in the Counties of: Clark, Elkhart, Floyd, Lake, Marion, Porter, St. Joseph, and Vanderburgh. The regulations are also applicable to sources of Carbon Monoxide (CO), VOC, NO_X, Particulate Matter (PM), and Sulfur Dioxide (SO_2) which have the potential to emit 100 tons per year or more and to sources of Lead (Pb) which have the potential to emit 5 tons per year or more in the State of Indiana. If the emissions from a facility surpass the emission cutoff for any of these pollutants, the emissions of all the named pollutants must be addressed in the submitted emission statement.

Definitions

The definitions in 326 IAC 2–6 applicable to the emission statement regulations and of greatest relevance to the emission statement regulations are summarized here.

Actual emissions means the actual rate of emissions of a pollutant from an emissions unit for the calendar year or seasonal period.

Annual process rate means the actual or estimated annual fuel, process, or solid waste operating rate in an emission statement operating year.

Certifying individual means the individual responsible for the completion and certification of the emission statement, such as an officer of the company or an employee, who will take legal responsibility for the accuracy of the emission statement.

Control efficiency means the actual emission control efficiency achieved by the applicable emission control device(s) during the emission statement operating year. The control efficiency must reflect control equipment downtime, operation with diminished effectiveness, and any other malfunctions that occurred while the emission source(s) were in operation. If the actual control efficiency during the emission statement operating year is unknown or cannot reasonably be predicted from available data, then the efficiency designed by the manufacturer may be used. When the actual control efficiency is unknown, it should be clearly indicated that the design efficiency, and not the actual efficiency, is being reported.

Control equipment identification code means the AIRS or AIRS Facility Subsystem (AFS) code which defines the equipment used to reduce by destruction or removal the amount of air pollutant in an air stream prior to discharge to the ambient air.

Downtime means the period of time when the control device is not operational during the corresponding period of the process.

Emission factor means an estimate of the rate at which a pollutant is released to the atmosphere as the result of some activity, divided by the rate of that activity, such as production rate or throughput.

Emission statement operating year means the 12 consecutive month time period starting December 1 and ending November 30 for those sources located in Clark, Elkhart, Floyd, Lake, Marion, Porter, St. Joseph, or Vanderburgh Counties with the potential to emit VOC or NO_X into the ambient air at levels equal to or greater than 10 tons per year, or the 12 consecutive month time period starting January 1 and ending December 31 for all other sources to which the emission statement regulations apply (see the discussion of applicability above).

Estimated emissions method code means a one position (one character) AIRS or AFS code which identifies the estimation technique used in the calculation of estimated emissions.

Fugitive emission means releases to the air that are not emitted through stacks, vents, ducts, pipes, or any other confined air stream. Fugitive emissions include equipment leaks, evaporative losses from surface impoundments, and releases from building ventilation systems.

Peak ozone season means the contiguous three-month period of the year from June through August.

Percentage annual throughput means:

1. The weighted percent of yearly activity for those sources located in Clark, Elkhart, Floyd, Lake, Marion, Porter, St. Joseph, or Vanderburgh Counties with the potential to emit VOC or NO_X into the ambient air at levels equal to or greater than 10 tons per year and for the following periods:

a. December through February;

b. March through May;

c. June through August; and

d. September through November.

2. The weighted percent of yearly activity for all other sources to which the emission statement regulations apply for the following periods:

a. January through March;

b. April through June;

c. July through September; and

d. October through December.

Plant means the total facilities available for production or service.

Point means a physical emission point or process, such as a distinct building or a portion of a building, within a plant that results in pollutant emissions.

Process rate means a quantity per unit of time of any raw material or process intermediate consumed, or product generated through the use of any equipment, source operation, or process. For a stationary internal combustion unit or any other fuel burning equipment, this term means the quantity of fuel burned per unit time.

Segment means components of an emissions point or process, at the level that emissions are calculated.

SIC code means the standard industrial classification code.

Stack means a (smoke) stack or vent within a plant where emissions are introduced into the atmosphere.

Stationary source means any building, structure, facility, or installation which emits, or may emit, any air pollutant subject to regulation under Indiana Code 13–1–1 (IC 13–1–1).

Typical ozone season day means a day typical of that period of the year during the peak ozone season.

Compliance Schedule

The owner or operator of any source facility located in Clark, Elkhart, Floyd, Lake, Marion, Porter, St. Joseph, or Vanderburgh Counties with the potential to emit VOC or NO_X into the ambient air at levels equal to or greater than 10 tons per year must annually submit an emission statement to the Commissioner (of IDEM) by April 15. The owners or operators of other sources to which the emission statement regulations apply must annually submit an emission statement to the Commissioner by July 1. The submittals must cover the time periods covered under the definition of "emission statement operating year."

Requirements

The emission statement submitted by each applicable facility must contain the following information:

1. Certification that the information contained in the emission statement is accurate to the best knowledge of the individual certifying the emission statement. The certification must include the full name, title, signature, date of signature, and telephone number of the certifying individual. The certifying individual shall be employed by the company and shall take legal responsibility for the accuracy of the emission statement;

2. Source identification information including: (a) The full name, physical location, and mailing address of the facility; (b) source latitude and longitude; and (c) SIC code(s);

3. Operating data, to include the following:

a. Percent annual throughput by quarter:

i. For those sources of VOC or NO_X with the potential to emit equal to or more than 10 tons per year of VOC or NO_X in the Counties of: Clark; Elkhart; Floyd; Lake; Marion; Porter; St. Joseph; and Vanderburgh, the quarters are defined as follows:

(AA) December through February;
(BB) March through May;
(CC) June through August;
(DD) September through November;

ii. For all other sources subject to the emission statement rule, the quarters are defined as follows:

(AA) January through March;
(BB) April through June;
(CC) July through September;
(DD) October through December;

b. For those sources of VOC or NO_X with the potential to emit equal to or greater than 10 tons per year of VOC or NO_X in the Counties of: Clark; Elkhart; Floyd; Lake; Marion; Porter; St. Joseph; and Vanderburgh, the days per week on both the normal operating schedule and on a typical ozone season week, if different from the normal operating schedule. The peak ozone season for Indiana is June through August;

c. For all other sources (other than those in (b) above) subject to the emission statement rule, the days per week of the normal operating schedule;

d. Hours per day during the normal operating schedule;

e. Hours per year during the normal operating schedule;

f. For those sources of VOC or NO_X with the potential to emit equal to or greater than 10 tons per year of VOC or NO_X in the Counties of: Clark; Elkhart; Floyd; Lake; Marion; Porter; St. Joseph; and Vanderburgh, the weeks of operation during the peak ozone season;

g. Annual fuel or process weight and units used;

4. Emissions information including:

a. For those sources of VOC or NO_X with the potential to emit equal to or greater than 10 tons per year of VOC or NO_X in the Counties of: Clark; Elkhart; Floyd; Lake; Marion; Porter; St. Joseph; and Vanderburgh, the estimated actual VOC and NO_X emissions at the segment level, in tons per year for an annual emission rate and pounds per day for a typical ozone season day. Actual emission estimates must include upsets, downtime, and fugitive emissions;

b. For all other sources (other than those in (a) above) subject to the emission statement rule, the estimated actual VOC, NO_X, CO, SO2, Pb, or PM emissions at the segment level, in tons per year for an annual emission rate. Actual emission estimates must include upsets, downtime, and fugitive emissions;

c. AIRS facility subsystem estimated emissions method code;

d. Calendar year for the emissions;

e. Emission factor if used. If the emissions were calculated using an emission factor, the emission factor must:

i. Be one established in AP–42, "Compilation of Air Pollutant Emission Factors", Volume 1, Fourth Edition, September 1985; or

ii. In the alternative, the source may substitute site specific values for those listed in AP–42 if these site specific values are accepted by the IDEM and the USEPA;

f. Source Classification Code number;

5. Control equipment information including: (a) Current primary and secondary AFS control equipment identification codes; and (b) current control equipment efficiencies reflecting the total control efficiencies from all control equipment and including the effects of downtime and maintenance degradation. If the control efficiency is unavailable, the design control efficiency or the control efficiency limit imposed by a permit must be specified;

6. Process rate data (in units prescribed in the AIRS facility subsystem source classification code table) including:

a. Annual process rates; and

b. For those sources of VOC or NO_X with the potential to emit equal to or greater than 10 tons per year of VOC or NO_X in the Counties of: Clark; Elkhart; Floyd; Lake; Marion; Porter; St. Joseph; and Vanderburgh, peak ozone season daily process rates.

In addition to the requirements of the emission statement regulations, the emission statement SIP revision submittal also contains IDEM commitments to the following:

1. IDEM will update the AIRS facility subsystem using the annual emissions report data. The data required by the Act will be entered into AIRS by July 1st each year. The data required by 40 CFR part 51 will be updated into AIRS by September 1 of each year.

2. IDEM will retain the annual emission reports on file for at least 3 years.

3. IDEM will develop and submit to the USEPA a status report that outlines the degree of compliance with the emission statement program. IDEM will report quarterly to the USEPA, the total number of sources affected by the

emission statement regulations, the number of sources that have complied with the emission statement regulations, and the number of sources that have not. The status report will also include the total annual and typical ozone season day emissions from all reporting VOC and NO_X sources located in Clark, Elkhart, Floyd, Lake, Marion, Porter, St. Joseph, and Vanderburgh Counties, both corrected and non-corrected for rule effectiveness. Sources that are delinquent in submitting their emission statements will be individually listed if they emit 500 tons per year or more of VOC or 2,500 tons per year or more of NO_X. The quarterly status reports will be submitted July 1, October 1, January 1, and April 1 of each year.

III. Final Action

IDEM's adopted annual emissions reporting regulations submitted on January 6, 1994, are acceptable under section 182(a)(3)(B) of the Act and USEPA's draft guidelines.

Because USEPA considers today's action noncontroversial and routine, we are approving it today without prior proposal. The action will become effective on August 9, 1994. However, if we receive notice by July 11, 1994 that someone wishes to submit adverse comments, then USEPA will publish: (1) A document that withdraws the action; and (2) a document that begins a new action by proposing the action and establishing a comment period.

Nothing in this action should be construed as permitting, allowing or establishing a precedent for any future request for revision to any SIP. USEPA shall consider each request for revision to the SIP in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements.

This has been classified as a Table 2 action by the Regional Administrator under procedures published in the **Federal Register** on January 19, 1989, (54 FR 2214–2225), as revised by an October 4, 1993, memorandum from Michael H. Shapiro, Acting Assistant Administrator for Air and Radiation. A future document will inform the general public of these tables. On January 6, 1989, the Office of Management and Budget (OMB) waived Table 2 and Table 3 SIP revisions (54 FR 2222) from the requirements of section 3 of Executive Order 12291 for 2 years. The USEPA has submitted a request for a permanent waiver for Table 2 and Table 3 SIP revisions. The OMB has agreed to continue the waiver until such time as it rules on USEPA's request. This request continues in effect under Executive Order 12866 which superseded Executive Order 12291 on September 30, 1993.

Under the Regulatory Flexibility Act, 5 U.S.C. 600 *et seq.*, USEPA must prepare a regulatory flexibility analysis assessing the impact of any proposed or final rule on small entities. (5 U.S.C. 603 and 604.) Alternatively, USEPA may certify that the rule will not have a significant impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and government entities with jurisdiction over populations of less than 50,000.

SIP approvals under section 110 and subchapter I, part D of the Act do not create any new requirements, but simply approve requirements that the State is already imposing. Therefore, because the Federal SIP approval does not impose any new requirements, I certify that it does not have a significant impact on any small entities affected. Moreover, due to the nature of the Federal-State relationship under the Act, preparation of a regulatory flexibility analysis would constitute Federal inquiry into the economic reasonableness of State action. The Act forbids the USEPA to base its actions concerning SIPs on such grounds. *Union Electric Co.* v. *USEPA* 427 U.S. 246, 256–66 (S.Ct. 1976); 42 U.S.C. 7410(a) (2).

Under section 307(b)(1) of the Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by August 9, 1994. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this rule 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. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2))

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Carbon monoxide, Volatile organic compounds, Particulate matter, Sulfur dioxide.

Dated: April 26, 1994.

Robert Springer,

Acting Regional Administrator.

For the reasons stated in the preamble, chapter I, title I of the Code of Federal Regulations is amended as follows:

PART 52—[AMENDED]

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

Authority: 42 U.S.C. 7401–7671q.

Subpart P—Indiana

2. Section 52.770 is amended by adding paragraph (c)(91) to read as follows:

§ 52.770 Identification of plan.

* * * * *

(c) * * *

(91) On January 6, 1994, the State of Indiana submitted a requested revision to the Indiana State Implementation Plan (SIP) intended to satisfy the requirements of section 182(a)(3)(B) of the Clean Air Act as amended in 1990. Included were State rules establishing procedures for the annual reporting of emissions of volatile organic material (VOM) and oxides of nitrogen (NOx) as well as other regulated air pollutants by stationary sources in ozone nonattainment areas.

(i) Incorporation by reference.

(A) Title 326 of the Indiana Administrative Code (326IAC) 2–6 which was adopted by the Indiana Air Pollution Control Board, effective December 13, 1993.

[FR Doc. 94–14078 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–P

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40 CFR Part 52

[DE10–1–6433; FRL–4893–1]

Approval and Promulgation of Air Quality Implementation Plans; State of Delaware; Stage II Vapor Recovery Regulations for Gasoline Dispensing Facilities

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: EPA is approving a State Implementation Plan (SIP) revision submitted by the State of Delaware. This revision establishes and requires Stage II Vapor Recovery Regulations for Gasoline Dispensing Facilities throughout the State of Delaware. The intended effect of this action is to approve these regulations to satisfy the requirements of the Clean Air Act (the Act).

EFFECTIVE DATE: This final rule will become effective on July 11, 1994.

ADDRESSES: Copies of the documents relevant to this action are available for public inspection during normal business hours at the Air, Radiation, and Toxics Division, U.S.

Environmental Protection Agency, Region III, 841 Chestnut Building, Philadelphia, Pennsylvania 19107; the Air and Radiation Docket and Information Center, U.S. Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460; and Delaware Department of Natural Resources & Environmental Control, 89 Kings Highway, P.O. Box 1401, Dover, Delaware 19903.

FOR FURTHER INFORMATION CONTACT: Catherine L. Magliocchetti, (215) 597–6863.

SUPPLEMENTARY INFORMATION: On February 11, 1994 (59 FR 6608), EPA published a notice of proposed rulemaking (NPR) for the State of Delaware. The NPR proposed approval of the addition of section 36 and appendix J to Regulation No. 24, Stage II Vapor Recovery Regulations, into Delaware's ozone SIP. Delaware formally submitted section 36 and appendix J of Regulation No. 24 to EPA as a SIP revision on January 11, 1993, to comply with the Stage II vapor recovery requirements of section 182(b)(3) of the Act.

This rulemaking action is approving the addition of section 36 and appendix J into the Delaware ozone SIP. Section 36 and appendix J requires Stage II vapor recovery at gasoline dispensing facilities which dispense 10,000 gallons per month (gpm) or more. Further discussion of the applicability of this regulation, as well as the compliance schedule for Delaware's three counties are outlined in the NPR.

Other specific requirements of the Stage II Vapor Recovery Regulations for Gasoline Dispensing Facilities and the rationale for EPA's proposed action are explained in the NPR and will not be restated here. No public comments were received on the NPR.

Final Action

EPA is approving the SIP revision to add Section 36–Stage II Vapor Recovery and Appendix J, *Procedures for Implementation of Regulations Covering Stage II Vapor Recovery Systems for Gasoline Dispensing Facilities* to Regulation No. 24, "Control of Volatile Organic Compound Emissions" submitted by the State of Delaware on January 11, 1993.

Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future request for revision to any state implementation plan. Each request for revision to the state implementation plan shall be considered separately in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements.

This action had been classified as a Table 2 action for signature by the Regional Administrator under the procedures published in the **Federal Register** on January 19, 1989 (54 FR 2214–2225). However, in an October 4, 1993 memo, the Acting Assistant Administrator for Air and Radiation, Michael H. Shapiro, revised these SIP tables so that Table 2 final actions on which no adverse comments were received on the proposed rule may be delegated to Table 3 actions. No comments were received concerning this action, therefore, under the new guidelines this final action may be classified as a Table 3 action. On January 6, 1989, the Office of Management and Budget (OMB) waived Table 2 and Table 3 SIP revisions from the requirements of section 3 of Executive Order 12291 for a period of two years. The EPA has submitted a request for a permanent waiver for Table 2 and 3 SIP revisions. The OMB has agreed to continue the waiver until such time as it rules on EPA's request. This request is still applicable under Executive Order 12866, which superseded Executive Order 12291 on September 30, 1993.

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this approval of Stage II Vapor Recovery Regulations for Gasoline Dispensing Facilities in the State of Delaware must be filed in the United States Court of Appeals for the appropriate circuit by August 9, 1994. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this rule 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. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

List of Subjects in 40 CFR Part 52

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

Dated: May 25, 1994.

Stanley L. Laskowski,

Acting Regional Administrator, Region III.

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. 7401–7671q.

Subpart I—Delaware

2. Section 52.420 is amended by adding paragraph (c)(50) to read as follows:

§ 52.420 Identification of plan.

* * * * *

(c) * * *

(50) Revisions to the Delaware State Implementation Plan submitted on January 11, 1993 by the Delaware Department of Natural Resources & Environmental Control:

(i) Incorporation by reference.

(A) Letter of January 11, 1993 from the Delaware Department of Natural Resources & Environmental Control submitting and requesting approval of Stage II Vapor Recovery Regulations for Gasoline Dispensing Facilities.

(B) Addition of Section 36–Stage II Vapor Recovery and Appendix J–*Procedures for Implementation of Regulations Covering Stage II Vapor Recovery Systems for Gasoline Dispensing Facilities* to Regulation No. 24, "Control of Volatile Organic Compound Emissions." Section 36 and Appendix J have an effective date of January 11, 1993.

(ii) Additional materials.

(A) Delaware Secretary's Order No. 93–00078, issued January 11, 1993, adopting Stage II Vapor Recovery Regulations in the State.

(B) Remainder of the January 11, 1993 State submittal pertaining to Section 36 and Appendix J of Regulation No. 24, Stage II Vapor Recovery at Gasoline Dispensing Facilities.

[FR Doc. 94–14068 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–F

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40 CFR Part 52

[MD–21–1–6265; FRL–4888–3]

Approval and Promulgation of Air Quality Implementation Plans; State of Maryland–Oxygenated Gasoline Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: EPA is approving a State Implementation Plan (SIP) revision submitted by the State of Maryland. This revision establishes and requires the implementation of an Oxygenated Gasoline Program in three control areas as follows: the Northeast Oxygenated Gasoline Control Area—comprised of Cecil County which is part of the Philadelphia Consolidated Metropolitan

Statistical Area (CMSA); the Baltimore Oxygenate Gasoline Control Area—comprised of Baltimore City and the counties of Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's, all of which are included in the Baltimore Metropolitan Statistical Area (MSA); and the Washington Oxygenated Gasoline Control Area—comprised of the counties of Calvert, Charles, Frederick, Montgomery, and Prince George's, which comprise the Maryland portion of the Washington, DC MSA. The intended effect of this action is to approve these regulations to satisfy the requirements of the Clean Air Act as amended by the Clean Air Act Amendments of 1990 (the Act). This action is being taken under section 110 of the Clean Air Act.

EFFECTIVE DATE: This final rule will become effective on July 11, 1994.

ADDRESSES: Copies of the documents relevant to this action are available for public inspection during normal business hours at the Air, Radiation, and Toxics Division, U.S. Environmental Protection Agency, Region III, 841 Chestnut Building, Philadelphia, Pennsylvania 19107; Air and Radiation Docket (6102), U.S. Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460; and the Maryland Department of the Environment, 2500 Broening Highway, Baltimore, Maryland 21224.

FOR FURTHER INFORMATION CONTACT: Catherine L. Magliocchetti, (215) 597–6863 at the EPA address indicated in the **ADDRESSES** section.

SUPPLEMENTARY INFORMATION: On December 14, 1993, (58 FR 65309), EPA published a notice of proposed rulemaking (NPR) for the State of Maryland. The NPR proposed approval of an Oxygenated Gasoline Program in the State of Maryland. A formal SIP revision was submitted by the State of Maryland on November 13, 1992.

Specific requirements of the Oxygenated Gasoline Program and the rationale for EPA's proposed action are explained in the NPR and will not be restated here. No comments were received on the NPR.

Final Action

EPA is approving the SIP revision submitted by the State of Maryland on November 13, 1992, which implements an Oxygenated Gasoline Program in the State. The SIP revision consists of revisions to Code of Maryland Regulations (COMAR) 03.03.05, and COMAR 26.11.13 and new regulations codified at COMAR 03.03.06 and COMAR 26.11.20. Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future request for revision to any state implementation plan. Each request for revision to the state implementation plan shall be considered separately in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements.

This action was originally classified as a Table 2 action for signature by the Acting Regional Administrator under the procedures published in the **Federal Register** on January 19, 1989 (54 FR 2214–2225). However, in an October 4, 1993 memorandum, the Acting Assistant Administrator for Air and Radiation, Michael H. Shapiro, revised these SIP tables so that Table 2 final actions on which no adverse comments were received on the proposed rule may be delegated to Table 3 actions. No comments were received concerning this action; therefore, under the new guidelines, this final action may be classified as a Table 3 action. On January 6, 1989, the Office of Management and Budget (OMB) waived Table 2 and Table 3 SIP revisions from the requirements of section 3 of Executive Order 12291 for a period of two years. The USEPA has submitted a request for a permanent waiver for Table 2 and 3 SIP revisions. The OMB has agreed to continue the waiver until such time as it rules on USEPA's request. This request is still applicable under Executive Order 12866, which superseded Executive Order 12291 on September 30, 1993.

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action to approve Maryland's Oxygenated Gasoline Program must be filed in the United States Court of Appeals for the appropriate circuit by August 9, 1994. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this rule 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. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2) of the Clean Air Act.)

List of Subjects in 40 CFR part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Reporting and recordkeeping requirements.

Dated: May 13, 1994.

Stanley L. Laskowski,

Acting Regional Administrator, Region III.

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. 7401–7671q.

Subpart V—Maryland

2. Section 52.1070 is amended by adding paragraph (c)(101) and by removing and reserving paragraph (c)(88) to read as follows:

§ 52.1070 Identification of plan.

* * * * *

(c) * * *

(101) Revisions to the State of Maryland Regulations Oxygenated Gasoline Program regulations submitted on November 13, 1992 by the Maryland Department of the Environment. Effective date October 26, 1992.

(i) Incorporation by reference.

(A) Letter of November 13, 1992 from the Maryland Department of the Environment transmitting Oxygenated Gasoline Program regulations.

(B) The following State of Maryland regulations effective October 26, 1992:

(*1*) Amendments to COMAR 26.11.13.01 (Control of Gasoline and Volatile Organic Compound Storage and Handling).

(*2*) Deletion of Regulation .06 under COMAR 26.11.13 (Control of Gasoline and Volatile Organic Compound Storage and Handling).

(*3*) New Regulation COMAR 26.11.20.03 (Mobile Sources).

(*4*) COMAR 03.03.05.01, .01–1, .02–1, .05, .08, and .15 (Motor Fuel Inspection).

(*5*) COMAR 03.03.06.01 through .06 (Emissions Control Compliance).

(ii) The remainder of the November 13, 1992 submittal.

[FR Doc. 94–14071 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–F

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40 CFR Parts 144, 264, and 280

[FRL–4894–3]

Standards Applicable to Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities, Underground Storage Tanks, and Underground Injection Control Systems; Financial Assurance; Letter of Credit

AGENCY: Environmental Protection Agency.

ACTION: Final rule; amendment.

SUMMARY: EPA is amending the regulations related to financial assurance promulgated under Subtitles C and I of the Resource Conservation and Recovery Act (RCRA). Those regulations cite the "Uniform Customs and Practice for Documentary Credits," published by the International Chamber of Commerce. This notice inserts the words "and copyrighted" into the letter of credit instrument to clarify that the International Chamber of Commerce publication is copyrighted material. As a result of this notice, owners and operators using the letter of credit instrument to demonstrate financial assurance must include this additional language.

EFFECTIVE DATE: August 9, 1994.

FOR FURTHER INFORMATION CONTACT: Tom Gorman at (202) 260–1339, Office of General Counsel, U.S. Environmental Protection Agency, 401 M St. SW., Washington, DC 20460.

SUPPLEMENTARY INFORMATION:

I. Authority

This amendment is promulgated under the authority of Sections 2002(a), 3004, 3005, and 3006 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6912, 6924, 6925, 6926, and 6991, and under the authority of the Safe Drinking Water Act, 42 U.S.C. 300f et seq.

II. Background

Owners and operators of hazardous waste treatment, storage, and disposal facilities must demonstrate financial assurance for costs of closure, post-closure care, third-party liability and corrective action associated with their facilities. In subpart H of 40 CFR part 264, the Agency has established regulations regarding financial assurance for closure, post-closure care, and third party liability. Section 264.151 provides wording for the various financial instruments that owners and operators may use to demonstrate financial assurance. Section 264.151(d) provides wording for a letter of credit to demonstrate financial assurance for closure and post-closure care, and § 264.151(k) provides wording for a letter of credit to demonstrate financial assurance for third-party liability.

The RCRA regulations in 40 CFR part 280 impose similar requirements on owners and operators of underground storage tanks. Under those provisions, owners and operators of underground storage tanks must demonstrate financial assurance for taking corrective action and for third party liability. The regulations then establish a series of mechanisms that owners and operators can use. Section 280.99 provides the wording for a letter of credit, which is one of those allowable mechanisms.

Finally, the regulations at 40 CFR part 144, subpart F for the Underground Injection Control Program contain specific requirements for financial responsibility for Class I hazardous waste injection wells. Class I wells inject industrial and municipal wastes, including RCRA hazardous wastes, below the lowermost underground source of drinking water (USDW). 40 CFR part 144, subpart F, is directly applicable to owners and operators of all Class I hazardous waste injection wells.

III. Purpose of This Notice

The wording of the letter of credit instrument in §§ 144.70(d), 264.151 (d) and (k), and § 280.99 includes a reference to the "Uniform Customs and Practice for Documentary Credits," published by the International Chamber of Commerce. However, the language does not make it clear that the International Chamber of Commerce publication is copyrighted material.

This correction notice amends the letter of credit instrument in §§ 144.70(d), 264.151 (d) and (k), and 280.99 to clarify that the International Chamber of Commerce publication is copyrighted material by including the words "and copyrighted" in the wording of the letter of credit instrument. As a result of this change to the regulations, owners and operators who obtain a letter of credit to demonstrate financial assurance must use the revised language in § 264.151(d), 264.151(k), or 280.99(b), which includes the words "and copyrighted."

IV. Effect on State Authority To Administer Federal Programs

Since this amendment only revises the description of the document, and does not impose new duties on owners or operators that choose to rely on letters of credit, EPA will not require states to adopt this change as part of their approved UIC and UST programs or authorized RCRA programs. Therefore, owners and operators in authorized states that do not adopt this change will not be affected by this rule. However, EPA encourages states to adopt this change.

In states that adopt this change and in states without approved UIC or UST programs or states not authorized for the RCRA program, new letter of credit instruments will have to include this new language.

V. Administrative Procedures Act Requirements

Under 5 U.S.C. 553(b)(3)(B), a rule is exempt from notice and public comment requirements "when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefore in the rules issues) that notice and public procedures thereon are impractical, unnecessary, or contrary to the public interest." EPA believes that comment is unnecessary because this amendment makes only a change in the wording of the letter of credit instrument, but does not change the requirements for using the letter of credit instrument to demonstrate financial assurance. Therefore, EPA believes there is good cause to make today's rule effective on August 9, 1994.

List of Subjects

40 CFR Part 144

Environmental protection, Administrative practice and procedure, Confidential Business Information, Hazardous waste, Indian—lands, Reporting and recordkeeping requirements, Surety bonds, Water supply.

40 CFR Part 264

Environmental protection, Air pollution control, Hazardous waste, Insurance, Packaging and containers, Reporting and recordkeeping requirements, Security measures, Surety bonds.

40 CFR Part 280

Environmental protection, Hazardous substances, Insurance, Oil pollution, Reporting and recordkeeping requirements, Surety bonds, Water pollution control, Water supply.

Dated: April 15, 1994.

Elliott Laws,

Assistant Administrator, Office of Solid Waste and Emergency Response.

Dated: April 25, 1994.

Robert Perciasepe,

Assistant Administrator, Office of Water.

PART 144—UNDERGROUND INJECTION CONTROL PROGRAM

1. The authority citation for part 144 continues to read as follows:

Authority: Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*; Resource Conservation and Recovery Act, 42 U.S.C. 6901 *et seq.*

2. In § 144.70, the last sentence in paragraph (d) is revised to read as follows:

§ 144.70 Wording of the instruments.

* * * * *

(d) * * * This credit is subject to [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published and copyrighted by the International Chamber of Commerce," or "the Uniform Commercial Code"].

* * * * *

PART 264—STANDARDS FOR OWNERS AND OPERATORS OF HAZARDOUS WASTE TREATMENT, STORAGE, AND DISPOSAL FACILITIES

1. The authority citation for part 264 continues to read as follows:

Authority: 42 U.S.C. 6905, 6912(a), 6924, and 6925.

2. In § 264.151, the last sentence in paragraphs (d) and (k) is revised to read as follows:

§ 264.151 Wording of the instruments.

* * * * *

(d) * * * This credit is subject to [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published and copyrighted by the International Chamber of Commerce," or "the Uniform Commercial Code"].

* * * * *

(k) * * * This credit is subject to [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published and copyrighted by the International Chamber of Commerce," or "the Uniform Commercial Code"].

* * * * *

PART 280—TECHNICAL STANDARDS AND CORRECTIVE ACTION REQUIREMENTS FOR OWNERS AND OPERATORS OF UNDERGROUND STORAGE TANKS (UST)

1. The authority citation for part 280 continues to read as follows:

Authority: 42 U.S.C. 6912, 6991, 6991a, 6991b, 6991c, 6991d, 6991e, 6991f, and 6991h.

2. In § 280.99, the last sentence of paragraph (b) is revised to read as follows:

§ 280.99 Letter of credit.

* * * * *

(b) * * * This credit is subject to [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published and copyrighted by the International Chamber of Commerce," or "the Uniform Commercial Code"].

* * * * *

[FR Doc. 94–14171 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–P

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1801, 1802, 1804, 1805, 1807, 1809, 1815, 1822, 1823, 1825, 1839, and 1852

[NASA FAR Supplement Directive 89–15]

RIN 2700–AB36

Acquisition Regulation; Miscellaneous Amendments to NASA FAR Supplement

AGENCY: Office of Procurement, Procurement Policy Division, National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: This document amends the NASA Federal Acquisition Regulation Supplement (NFS) to reflect a number of miscellaneous changes dealing with NASA internal or administrative matters, such as redesignation of NASA offices and delegation of authority within NASA.

EFFECTIVE DATE: June 30, 1994.

FOR FURTHER INFORMATION CONTACT: Mr. David K. Beck, (202) 358–0482.

SUPPLEMENTARY INFORMATION:

Availability of NASA FAR Supplement

The NASA FAR Supplement, of which this rule is a part, is available in its entirety on a subscription basis from the Superintendent of Documents, Government Printing Office, Washington, DC 20402, telephone number (202) 783–3238. Cite GPO Subscription Stock Number 933–003–00000–1. It is not distributed to the public, either in whole or in part, directly by NASA.

Dryden Flight Research Center and Space Station Program Office

The following sections are changed as a result of the establishment of the Dryden Flight Research Center and Space Station Program Office: 1802.101, 1804.7102–4(a), 1804.7103–2, 1805.207, 1805.303–71(b)(1), 1807.7102(b), 1815.807–71, 1822.103–4, 1839.7003–5, and 1852.103.

Waiver of Certified Cost and Price Data for Canadian Commercial Corporation

An existing waiver in 1815.804 is extended. Subparagraph 1815.804–3(e)(4) is removed. It required NASA personnel to report use of the waiver to NASA Headquarters.

Delegation of Authority for Small Foreign Purchases

Changes to 1825.7003 and 1825.7004 delegate authority and describe internal procedures within NASA.

Reversion of Domestic Preference to Buy American Act

Subpart 1825.71 and clauses at 1852.225–74 and 1852.225–75 are removed because an appropriation act requirement for domestic preference was not extended beyond Fiscal Year 1991 funding. The domestic preference required by the Buy American Act, as implemented in (FAR) 48 CFR Subparts 25.1 and 25.2 and (NASA FAR Supplement) 48 CFR Subparts 1825.1 and 1825.2, remains in effect.

Additional Changes

Section 1815.805–5(b) is revised in order to complete an incomplete sentence. Section 1815.970–3(b) is revised in order to correct a cross-reference. A reference is corrected in 1822.870 regarding contractor EEO reports. A reference to Code FO is changed to Code UO and the division title is changed (section 1823.7002(c)). Section 1852.209–71 is revised in order to correct two cross-references. In addition, section references and subpart headings are revised to reflect corresponding changes in the Federal Acquisition Regulation.

Impact

NASA certifies that this regulation will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

List of Subjects in 48 CFR Parts 1801, 1802, 1804, 1805, 1807, 1809, 1815, 1822, 1823, 1825, 1839, and 1852

Government procurement.

Tom Luedtke,

Deputy Associate Administrator for Procurement.

Accordingly, 48 CFR parts 1801, 1802, 1804, 1805, 1807, 1809, 1815, 1822, 1823, 1825, 1839, and 1852 are amended as follows.

1. The authority citation for 48 CFR parts 1801, 1802, 1804, 1805, 1807, 1809, 1815, 1822, 1823, 1825, 1839, and 1852 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(1).

PART 1801—PURPOSE, AUTHORITY, ISSUANCE

2. The title of subpart 1801.6 is revised to read as follows:

Subpart 1801.6—Career Development, Contracting Authority, and Responsibilities

PART 1802—DEFINITIONS OF WORDS AND TERMS

3. In section 1802.101, the term "field installation" is revised to read as follows:

1802.101 Definitions.

* * * * *

Field installation means Ames Research Center, Dryden Flight Research Center, Goddard Space Flight Center, John F. Kennedy Space Center, Langley Research Center, Lewis Research Center, Johnson Space Center, George C. Marshall Space Flight Center, Space Station Program Office, John C. Stennis Space Center, or any other field installation established by NASA in the future.

* * * * *

PART 1804—CONTRACT REPORTING

4. Section 1804.7102–4 is amended in paragraph (a) by removing the entry for "Space Station Procurement Office" and adding the following entries in alphabetical order in the table as follows:

1804.7102–4 Assigned contract or agreement prefixes.

(a) * * *

Installation	Prefix
* * * * *	
Dryden Flight Research Center	NAS4
* * * * *	
Space Station Program Office	NAS15
* * * * *	

5. Section 1804.7103–2 is amended by removing the entry for "Space Station Procurement Office" and adding the following entries in alphabetical order in the table as follows:

1804.7103–2 Assigned purchase order or request prefixes.

* * * * *

Installation	Prefix
* * * * *	
Dryden Flight Research Center	E
* * * * *	
Space Station Program Office	K

PART 1805—PUBLICIZING CONTRACT ACTIONS

6. Section 1805.207 is amended in paragraph (a) by adding the following entries in alphabetical order in the table as follows:

1805.207 Preparation and transmittal of synopses.

(a) * * *

Dryden Flight Research Center 8022

* * * * *

Space Station Program Office 8025

* * * * *

7. Section 1805.303–71 is amended in paragraph (b) by revising the introductory text and in paragraph (b)(1) by republishing the first sentence and revising the second sentence to read as follows:

1805.303–71 Public Affairs Office notification.

(a) * * *

(b) *Definitive contracts and supplemental agreements.*

(1) This paragraph (b)(1) does not pertain to supplemental agreements covering overruns or incremental funding actions or to contracts or supplemental agreements that require approval of the Associate Administrator for Procurement pursuant to 1804.7203. It does pertain to contracts, supplemental agreements, and the execution of options that are in an amount of $10,000,000 or over for the Dryden Flight Research Center, Stennis Space Center, Headquarters Acquisition Division, and the NASA Management Office—JPL and $25,000,000 or over for Ames Research Center, Goddard Space Flight Center, Johnson Space Center, Kennedy Space Center, Langley Research Center, Lewis Research Center, Marshall Space Flight Center, and Space Station program Office. * * *

* * * * *

PART 1807—ACQUISITION PLANNING

8. Section 1807.7102 is amended by revising paragraph (b) to read as follows:

1807.7102 Applicability.

(a) * * *

(b) The following are monetary limitations under the Master Buy Plan procedures:

(1) $10,000,000

(i) Dryden Flight Research Center

(ii) John C. Stennis Space Center

(iii) NASA Management Office—JPL

For the purpose of the initial Master Buy Plan submission only, any of the above installations not having any procurements at or above the $10 million limitation shall submit the three largest procurements over $5 million.

(2) $25,000,000

(i) Ames Research Center

(ii) Goddard Space Flight Center

(iii) Headquarters Acquisition Division

(iv) Johnson Space Center

(v) Kennedy Space Center

(vi) Langley Research Center

(vii) Lewis Research Center

(viii) Marshall Space Flight Center

(ix) Space Station Program Office

* * * * *

PART 1809—CONTRACTOR QUALIFICATIONS

9. The title of subpart 1809.5 is revised to read as follows:

Subpart 1809.5—Organizational and Consultant Conflicts of Interest

PART 1815—CONTRACTING BY NEGOTIATION

10. Section 1815.804–3 is amended by revising the second sentence in paragraph (e)(3) to read as follows and removing paragraph (e)(4):

1815.804–3 Exemptions from or waiver of submission of certified cost or pricing data.

* * * * *

(e) * * *

(3) * * * Therefore, NASA has waived the requirement for certification of cost or pricing data submitted by the CCC during the period April 1, 1990 through March 31, 1996. * * *

11. Section 1815.807–71 is amended by revising the first sentence to read as follows:

1815.807–71 Installation reviews.

Each contracting activity shall establish a formal system for the prenegotiation review of any proposal over $250,000 ($100,000 at Dryden Flight Research Center, Stennis Space Center, Jet Propulsion Laboratory, Space Station Program Office, and Headquarters Acquisition Division). * * *

12. Section 1815.970–3 is amended in paragraph (b) by revising the sixth sentence to read as follows:

1815.970–3 Facilities capital cost of money.

(a) * * *

(b) * * * This total represents the estimated facilities capital cost of money amount for the contract and is the figure to be used to calculate the prenegotiation position memorandum objective cost and to reduce the profit objective in accordance with 1815.970–3(a). * * *

* * * * *

PART 1822—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

13. Section 1822.103–4 is amended by revising the fifth sentence to read as follows:

1822.103–4 Approvals.

* * * Designations to approve overtime shall be in writing and shall not be delegated under the first level of supervision below the Procurement Officer, except that delegation may be made to the head of a procurement function at geographically remote branch facilities (e.g., Wallops Flight Facility) without power of redelegation.

14. Section 1822.870 is amended in paragraph (a) by revising the second sentence to read as follows:

1822.870 Reports and other required information.

(a) * * * Such a report by the prime or subcontractor is required by 41 CFR 60–1.7 and paragraph (b)(7) of the clause, Equal Opportunity, at (FAR) 48 CFR 52.222–26.

* * * * *

PART 1823—ENVIRONMENT, CONSERVATION, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

15. Section 1823.7002 is amended by revising paragraph (c) to read as follows:

1823.7002 Responsibility.

* * * * *

(c) *Headquarters occupational health official.* At installations where medical and environmental health officers or other designated responsible officials are not available to assist with the formulation of occupational medicine and environmental health provisions of a contract, the Director, Occupational Health and Medicine Division, NASA Headquarters (Code UO), shall assume this responsibility.

* * * * *

PART 1825—FOREIGN ACQUISITION

16. Section 1825.7003 is amended by revising the first sentence to read as follows:

1825.7003 Assignment of responsibility for contract negotiation.

The Headquarters Acquisition Division (Code HW), in conjunction with the International Relations Division (Code IRD) and the Office of General Counsel, is responsible for negotiating and executing contracts exceeding $25,000 with foreign governments and private foreign organizations. * * *

17. Section 1825.7004 is amended by revising the first sentence to read as follows:

1825.7004 Procedure.

A Headquarters or field installation technical office requiring a foreign contract acquisition shall submit a properly approved procurement request (including (a) statement of work/specification, (b) budget estimate including shipping and duty charges, if applicable, (c) Justification for Other Than Full and Open Competition, (d) period of performance, and (e) delivery schedule) through channels to the Headquarters Acquisition Division (Code HW) for action. * * *

Subpart 1825.71—[Removed and Reserved]

18. Subpart 1825.71 is removed and reserved.

PART 1839—ACQUISITION OF FEDERAL INFORMATION PROCESSING RESOURCES

19. Section 1839.7003–5 is amended by revising paragraph (a)(2) to read as follows:

1839.7003–5 APR submission.

(a) * * *

(2) The cognizant IPOs for this purpose are: The Office of Space Flight (Attn: Code MIC) for Johnson Space Center, Kennedy Space Center, Marshall Space Flight Center, Stennis Space Center, and the Space Station Program Office; the Office of Aeronautics (Attn: Code RI) for Ames Research Center, Dryden Flight Research Center, Langley Research Center, and Lewis Research Center; and the Office of Space Science (Attn: Code SP) For Goddard Space Flight Center. For Headquarters acquisitions the Director, Headquarters Acquisition Division (Code HW), shall submit APR's directly to the Office of Management Systems and Facilities (Attn: Code JT) after concurrence by the SIIO in Code J.

* * * * *

PART 1852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

20. Section 1852.103 is amended in paragraph (a)(1) by revising the second sentence to read as follows:

1852.103 Identification of provisions and clauses.

(a) * * *

(1) * * * The prefix shall be an alphabetical abbreviation of the installation name (e.g., ARC, DFRC, GSFC, HW, JSC, KSC, LARC, LERC, MSFC, SSC, or SSPO). * * *

* * * * *

21. Section 1852.209–71 is amended by revising the introductory text to read as follows:

1852.209–71 Limitation of future contracting.

As prescribed in 1809.507–2, the contracting officer may insert a clause substantially as follows in solicitations and contracts, in compliance with (FAR) 48 CFR 9.507–2:

* * * * *

1852.225–74 and 1852.225–75 [Removed]

22. Sections 1852.225–74 and 1852.225–75 are removed.

[FR Doc. 94–13818 Filed 6–9–94; 8:45 am]
BILLING CODE 7510–01–M

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48 CFR Parts 1807 and 1810

RIN 2700–AB54

Acquisition Regulation; Addition of Coverage to the NASA FAR Supplement on Performance-Based Contracting

AGENCY: Office of Procurement, Procurement Policy Division, National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: This rule sets forth the policies for using performance-based contracting techniques and addressing this issue as an item in procurement plans.

EFFECTIVE DATE: June 30, 1994.

FOR FURTHER INFORMATION CONTACT: Dave Beck, Telephone: (202) 358–0482.

SUPPLEMENTARY INFORMATION:

Background

The regulation was developed to implement OMB's request that NASA make greater use of performance-based contracting techniques. It holds requiring activities responsible for stating specifications, purchase descriptions, and statements of work, on the basis of performance, where practical, so that a variety of products or services may apply. The regulation also ensures that contract files include a statement on consideration or use of performance-based contracting techniques.

Availability of NASA FAR Supplement

The NASA FAR Supplement, of which this regulation will become a part, is codified in 48 CFR, Chapter 18, and is available in its entirety on a subscription basis from the Superintendent of Documents, Government Printing Office,

Washington, DC 20402. Cite GPO Subscription Stock Number 933-003-00000-1. It is not distributed to the public, whether in whole or in part, directly by NASA.

Executive Order 12866

The Office of Information and Regulatory Affairs has determined that this rule is significant under E.O. 12866. This regulation is needed because greater use of performance-based contracting techniques will give contractors more freedom to innovate and economize, and also hold them more accountable for the end results. The regulation meets that need by requiring performance-based specifications, purchase descriptions and statements of work, where feasible, to (i) describe the work in terms of the required output; (ii) place full responsibility for quality performance on contractors with formal, measurable performance standards and surveillance plans used to assess contractor performance; and (iii) avoid relying on cumbersome and intrusive process-oriented inspection and oversight programs to assess contractor performance.

The potential costs and benefits of the regulatory action are supported by OFPP Policy Letter 91–2, Service Contracting. The regulation is NASA's internal implementation of OFPP Policy Letter 91–2. NASA has benefited using performance-oriented launch service contracts that balance the assignment of positive and negative performance incentives with a meaningful system of financial rewards and penalties. The statements of work are broad in scope and general in nature, focusing on the successful delivery of the undamaged and operational spacecraft to the proper trajectory and orbital conditions without violating mission parameters. Some of these contracts provide for (i) mission success pools that incentivize the contractor to deliver payload safely and into correct orbit and (ii) liquidated damages relative to timely and effective performance.

Regulatory Flexibility Act

NASA certifies that this rule will not have significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act (5 U.S.C. 601, et seq.).

Paperwork Reduction Act

This rule does not impose any reporting or recordkeeping requirements subject to the Paperwork Reduction Act.

List of Subjects in 48 CFR 1807 and 1810

Government procurement.

Tom Luedtke,

Deputy Associate Administrator for Procurement.

Accordingly, 48 CFR parts 1807 and 1810 are amended as follows:

1. The authority citation for 48 CFR parts 1807 and 1810 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(1).

PART 1807—ACQUISITION PLANNING

2. Part 1807 is amended as set forth below:

a. In section 1807.170–1, paragraphs (b)(1) (iv) and (v) are revised and a new paragraph (b)(1)(vi) is added to read as follows:

1807.170–1 Procurement plans requiring approval by NASA Headquarters.

* * * * *

(b) * * *

(1) * * *

(iv) An identification of any later phases if the procurement is to be a phased procurement including the estimated cost thereof;

(v) A statement as to whether the contractor will be required to comply with detailed specifications, meet performance requirements, perform a mission, or furnish a level of effort; and

(vi) A statement on consideration or use of performance-based contracting techniques.

* * * * *

b. Section 1807.170–2 is revised to read as follows:

1807.170–2 Procurement plans requiring approval at the installation level.

Procurement plans prepared for installation-level approval shall be prepared in accordance with 1807.170–1 or in the format prescribed by the installation. Installation prescribed formats shall ensure that the consideration or use of performance-based contracting techniques required at 1807.170–1(b)(1)(vi) and all contract management considerations enumerated at 1807.170–1(c) are addressed.

PART 1810—SPECIFICATIONS, STANDARDS, AND OTHER PURCHASE DESCRIPTIONS

1810.002–71 [Added]

3. Section 1810.002–71 is added to read as follows:

1810.002–71 Performance-based contracting

Use of performance-based specifications, where feasible, is the preferred method for establishing contract requirements. Requiring activities shall, to the maximum extent practicable, use performance-based specifications, purchase descriptions and statements of work in order to give contractors freedom to innovate and economize, and to hold contractors accountable for the end results.

[FR Doc. 94–13819 Filed 6–9–94; 8:45 am]
BILLING CODE 7510–01–M

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48 CFR Parts 1843 and 1852

[NASA FAR Supplement Directive 89–15]

Amendments to Interim Rules on Undefinitized Contract Action and Deviation From FAR 31.205–18

AGENCY: Office of Procurement, Procurement Policy Division, National Aeronautics and Space Administration (NASA).

ACTION: Interim rule.

SUMMARY: The section numbers for the interim rule on Undefinitized Contract Action are redesignated in order to conform to the numbering style for the Federal Acquisition Regulation System. In the interim rule on Deviation From FAR 31.205–18 a cross-reference is corrected.

EFFECTIVE DATE: June 30, 1994.

FOR FURTHER INFORMATION CONTACT: Mr. David K. Beck, (202) 358–0482.

SUPPLEMENTARY INFORMATION:

Editorial changes

This document amends two interim rules (59 FR 22521, May 2, 1994, and 59 FR 23802, May 9, 1994). Because the changes are not substantive, the deadlines for submission of comments are unchanged.

Impact

NASA certifies that this regulation will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

List of Subjects in 48 CFR Parts 1843 and 1852

Government procurement.

Tom Luedtke,

Deputy Associate Administrator for Procurement.

Accordingly, 48 CFR parts 1843 and 1852 are amended as follows.

1. The authority citation for 48 CFR parts 1843 and 1852 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(1).

PART 1843—CONTRACT MODIFICATIONS

2. Subpart 1843.1 is redesignated and retitled as follows:

SUBPART 1843.70—UNDEFINITIZED CONTRACT ACTION

1843.101 through 1843.105 [Redesignated]

3. Sections 1843.101 through 1843.105 are redesignated as follows:

Old section	New section
1843.101	1843.7001
1843.102	1843.7002
1843.103	1843.7003
1843.104	1843.7004
1843.105	1843.7005

PART 1852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

4. The introductory text of section 1852.216–89 is revised to read as follows:

1852.216–89 Allowable Cost and Payment.

As prescribed at 1816.307–70(h), insert the following clause:

* * * * *

[FR Doc. 94–13817 Filed 6–9–94; 8:45 am]
BILLING CODE 13917–M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 675

[Docket No. 931100–4043; I.D. 060694B]

Groundfish of the Bering Sea and Aleutian Islands Area

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Closure.

SUMMARY: NMFS is prohibiting directed fishing for Atka mackerel in the Central Aleutian District of the Bering Sea and Aleutian Islands Management Area (BSAI). This action is necessary to prevent exceeding the total allowable catch (TAC) of Atka mackerel specified for this District.

EFFECTIVE DATE: 12 noon, Alaska local time (A.l.t.), June 7, 1994, until 12 midnight, A.l.t., December 31, 1994.

FOR FURTHER INFORMATION CONTACT: Andrew N. Smoker, 907–586–7228.

SUPPLEMENTARY INFORMATION: The groundfish fishery in the BSAI exclusive economic zone is managed by the Secretary of Commerce according to the Fishery Management Plan for the Groundfish Fishery of the BSAI Area (FMP) prepared by the North Pacific Fishery Management Council under authority of the Magnuson Fishery Conservation and Management Act. Fishing by U.S. vessels is governed by regulations implementing the FMP at 50 CFR parts 620 and 675.

In accordance with § 675.20(a)(7)(ii), the Atka mackerel TAC for the Central Aleutian District was established by the final 1994 initial specifications of groundfish for the BSAI (59 FR 7656, February 16, 1994) as 37,846 metric tons (mt).

The Director of the Alaska Region, NMFS (Regional Director), has determined, in accordance with § 675.20(a)(8), that the Atka mackerel TAC specified for the Central Aleutian District soon will be reached. Therefore, the Regional Director has established a directed fishing allowance of 37,346 mt after determining that 500 mt will be taken as incidental catch in directed fishing for other species in the Central Aleutian District. The Regional Director has determined that the directed fishing allowance has been reached. Consequently, NMFS is prohibiting directed fishing for Atka mackerel in the Central Aleutian District, effective from 12 noon, A.l.t., June 7, 1994, until 12 midnight, A.l.t., December 31, 1994.

Directed fishing standards for applicable gear types may be found in the regulations at § 675.20(h).

Classification

This action is taken under § 675.20 and is exempt from OMB review under E.O. 12866.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: June 6, 1994.

David S. Crestin,

Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service.

[FR Doc. 94–14098 Filed 6–6–94; 4:09 pm]
BILLING CODE 3510–22–F–P

Proposed Rules

Federal Register
Vol. 59, No. 111
Friday, June 10, 1994

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

NUCLEAR REGULATORY COMMISSION

10 CFR Part 52

RIN 3150–AE 42

Combined Licenses; Conforming Amendments; Supplementary Post-Promulgation Comment Period

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule: Supplementary post-promulgation comment period.

SUMMARY: The Nuclear Regulatory Commission (Commission) is providing a supplementary post-promulgation comment opportunity on a portion of its final rule amending its regulations to conform to the provisions of Title XXVIII of Public Law 102–486, the "Energy Policy Act of 1992," signed into law on October 24, 1992. This notice is necessary to inform the public of the comment opportunity.

DATES: The final rule became effective January 22, 1993. Comments are due 30 days after the date of publication of this notice.

FOR FURTHER INFORMATION CONTACT: Grace H. Kim, Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone 301–504–3605.

SUPPLEMENTARY INFORMATION:

Background

In 1992 Congress passed, and the President signed, the Energy Policy Act of 1992 (Pub. L. 102–486, 106 Stat. 2776). Title XXVIII of that Act amended in part the nuclear power plant licensing provisions of the Atomic Energy Act to authorize explicitly the issuance of combined construction and operating licenses for nuclear power plants. The new legislation largely codified the Commission's existing regulations in 10 CFR part 52 with respect to such combined licenses, but also made several changes to the licensing process established under those regulations. On December 23, 1992, the Commission issued a final rule amending part 52 in light of the new legislation (57 FR 60975). Finding prior public comment on the part 52 amendments unnecessary because the changes were limited to incorporating the language of the Energy Policy Act into the regulations, the Commission established a 60-day post-promulgation comment period. *Id.*

On February 18, 1993, the Nuclear Information and Resource Service (NIRS), which did not submit post-promulgation comments,[1] petitioned the United States Court of Appeals for the District of Columbia Circuit for review of the Commission's final rule. DC Circuit No. 93–1164. Recently, however, the NIRS voluntarily requested dismissal of its petition for review (which the court granted) after obtaining the Commission's agreement, in the interest of judicial economy, to provide the NIRS another opportunity for post-promulgation comment on the final rule's treatment of the so-called "Sholly" procedure applicable to combined licenses. The "Sholly" procedure, which the Commission made applicable to combined licenses in the final rule in accordance with the Energy Policy Act (see 57 FR at 60976; 10 CFR 52.97(b)(2)(ii)), allows the Commission to make an amendment to a combined license immediately effective (*i.e.*, prior to a hearing) if it makes a finding that there are no significant hazards considerations.

In light of these specific circumstances, the Commission is providing another opportunity for post-promulgation comment. Any interested member of the public may submit comments on the Commission's treatment of the "Sholly" procedure in the final rule (see *id.*) within 30 days of the date of publication of this notice. Pursuant to 10 CFR 2.804(f), the Commission will publish in the **Federal Register** an evaluation of the significant comments and any revisions of the rule made as a result of the comments and their evaluation.

List of Subjects in 10 CFR Part 52

Administrative practice and procedure, Antitrust, Backfitting, Combined license, Early site permit, Emergency planning, Fees, Inspection, Limited work authorization, Nuclear power plants and reactors, Probabilistic risk assessment, Prototype, Reactor siting criteria, Redress of site, Reporting and recordkeeping requirements, Standard design, Standard design certification.

Dated at Rockville, Maryland this 6th day of June, 1994.

For the Nuclear Regulatory Commission.

John C. Hoyle,

Acting Secretary of the Commission.

[FR Doc. 94–14122 Filed 6–9–94; 8:45 am]

BILLING CODE 7590–01–P

[1] The only post-promulgation comment that the Commission received was submitted on February 22, 1993 by the Nuclear Management and Resources Council. The Commission responded to this comment in a **Federal Register** notice published on December 30, 1993 (58 FR 69220).

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Parts 304 and 327

RIN 3064–AB45

Assessments; Forms, Instructions, and Reports

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Board of Directors (Board) of the Federal Deposit Insurance Corporation (FDIC) is proposing to amend its regulation on assessments to provide for the quarterly collection of assessments by means of FDIC-originated direct debits through the Automated Clearing House (ACH) network, based on invoices prepared by the FDIC using data reported by insured institutions in their quarterly reports of condition. The FDIC believes that the proposed amendments would result in a more efficient collection process, to the benefit of the deposit insurance funds and insured institutions, and would reduce the regulatory burden on insured institutions. The Board is further proposing to amend the assessments regulation to clarify the obligation of acquiring institutions to pay assessments on deposits assumed from institutions terminating their insured status; to delete from the assessments regulation the existing references to experience factors, which are not available for use after 1994; and to include such amendments to the FDIC's regulation on forms as are necessitated by the proposed changes to the assessments regulation.

DATES: Written comments must be received by the FDIC on or before August 9, 1994.

ADDRESSES: Written comments shall be addressed to the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550—17th Street, NW., Washington, DC 20429. Comments may be hand-delivered to room F–400, 1776 F Street, NW., Washington, DC 20429, on business days between 8:30 a.m. and 5 p.m. (FAX number: (202) 898–3838). Comments will be available for inspection in room 7118, 550—17th Street, NW., Washington, DC, between 9 a.m. and 4:30 p.m. on business days.

FOR FURTHER INFORMATION CONTACT: Connie Brindle, Chief, Assessment Operations Section, Division of Finance, (703) 516–5553, or Martha Coulter, Counsel, (202) 898–7348, regarding the collection improvement proposal; William Farrell, Chief, Assessment Management Section, Division of Finance, (703) 516–5546, or Jules Bernard, Counsel, (202) 898–3731, regarding assessment obligations of acquiring institutions; Federal Deposit Insurance Corporation, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

I. Collection Improvement Proposal

A. Existing Statutory and Regulatory Provisions

Section 7(c) of the Federal Deposit Insurance Act (FDI Act), 12 U.S.C. 1817(c), requires that each insured depository institution pay a semiannual assessment to the FDIC. Payment of the assessment is to be made in the manner and at the time(s) prescribed by the Board. Each institution is to file a certified statement in such form and containing such information as the FDIC requires. An officer of the institution must certify that the statement is true, correct, and complete, and in accordance with the statute and related regulations.

At present, the FDIC's assessment regulations, which are based on a prior version of section 7 of the FDI Act, require the payment of assessments twice a year. The amount of the semiannual payment is computed by the institution. The computation, and the resulting assessment amount, is shown on the certified statement filed by the institution, which is accompanied by a check for the full amount of the assessment. The payment must be postmarked no later than January 31 for the first semiannual period of the year (January through June), and July 31 for the second semiannual period (July through December).

B. Purpose of the Proposal

The FDIC believes that the existing assessment collection process can be improved substantially by utilizing an electronic payment process, to the benefit of insured depository institutions and the federal deposit insurance funds. Because the existing process is paper-based, it is more time consuming and less efficient—both for insured institutions and for the FDIC—than an improved collection process making fuller use of advanced payment technology.

The proposed rule introduces a more efficient collection process using the Automated Clearing House (ACH) network. Funds for assessment payments would be directly debited by the FDIC from accounts designated by insured depository institutions for that purpose. This procedure would substantially improve the efficiency of the collection process, in such ways as eliminating paperwork costs and allowing the FDIC to monitor assessment receipts electronically.

In connection with this improvement in the collection process, the FDIC believes that it is highly desirable to reduce the regulatory burden imposed on insured depository institutions by shifting to the FDIC the responsibility of computing each institution's assessment. To facilitate this process, the FDIC is also proposing a move to quarterly assessment payments. The FDIC believes that this change would have other benefits as well, both for the FDIC and for insured institutions.

A quarterly-payment schedule is a straightforward means of minimizing inefficiencies in the assessment collection process that would not be addressed by other elements of the proposal. For example, it would simplify the assessment computation by basing each quarterly installment on one quarterly report of condition rather than two. It would also resolve a timing problem resulting from a statutory requirement. Under section 7(a) of the FDI Act, 12 U.S.C. 1817(a), the certified statements filed by each institution for a particular semiannual assessment period must be based on the two reports of condition [1] to be filed by the institution for the prior semiannual period. The report dates set pursuant to section 7(a) are March 31, June 30, September 30, and December 31. The June 30 and December 31 report dates precede by only one day the beginning of the semiannual assessment periods for which they provide the basis for assessment computation. As a result, the report data needed by the institution for its assessment computation are not complete until the beginning of the semiannual period, and are not required to be submitted by the institution until the end of the first month of the semiannual period. If, as under the existing collection process, the payment due date falls early within the semiannual period, it is necessary for each institution to compute its own assessment, since there is not sufficient time before the due date for the FDIC to receive the relevant report data from the institution and to prepare and edit an assessment statement based on the data. Under the existing collection process, any subsequent amendment of the reported data on which the assessment is based can potentially—and often does—necessitate recalculation of the institution's assessment.

A possible solution to this timing problem would be to move the semiannual assessment due date to a later date during the semiannual period, for example to the end of the first quarter of the period (that is, to March 31 and September 30). This would be preferable to the existing system in that it would provide the additional time necessary for the FDIC to receive the requisite data from insured institutions and to initiate a direct debit for the assessment amount due. However, it would not permit other improvements that would result from the quarterly-collection proposal, such as simplifying the assessment computation, reducing the data-refinement and billing-adjustment complications associated with semiannual collection, and eliminating the risk of nonpayment for insurance coverage provided for some portion of the assessment period in the case of an institution that fails prior to the payment due date. Thus, the FDIC believes that the quarterly-collection proposal is preferable to delayed semiannual collection.

Under the quarterly-collection proposal, institutions would be invoiced for an initial quarterly payment for the first quarter of each semiannual assessment period (for example, the period beginning January 1) approximately one month before the beginning of the period (in this example, on November 30), based on the report-of-condition data for the first quarter of the preceding semiannual period (in this example, September 30). Although the due date for this first quarterly payment (December 30) would fall approximately one month earlier

[1] For banks, the report of condition is called the Report of Income and Condition; for thrift institutions, the Thrift Financial Report; and for insured branches of foreign banks, the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks.

than the due date for the semiannual payment required under the existing regulations, the quarterly payment would be for only a portion (roughly one-half, assuming minimal changes in the rate of deposit growth across quarters) of the full semiannual assessment amount. The balance of the semiannual assessment—based on the report of condition for the last day of the second quarter of the prior semiannual period (in the above example, December 31)—would be due approximately 3 months into the semiannual period (March 30), about two months later than the existing single semiannual payment date (January 31).

Based on FDIC estimates, the proposed quarterly-payment plan should not result in a material financial loss either to the FDIC or to insured depository institutions.

It is currently anticipated that, if adopted, the proposal would be implemented for the semiannual assessment period beginning July 1, 1995.

C. Additional Description of the Proposal

1. Quarterly Invoices.

Under the proposal, the FDIC would provide to each insured depository institution a quarterly invoice based on the quarterly report of condition most recently due from the institution. In addition, the invoice would reflect adjustments from previous quarters, such as adjustments resulting from amendments to earlier reports of condition or from assessment audits by the FDIC.

The invoices would be provided no later than 30 days before the due date of the quarterly assessment payment. As the following table indicates, first-quarter invoices would be distributed by the preceding November 30 for the period beginning January 1, and by the preceding May 30 for the period beginning July 1. The respective payment dates[2] for these invoices would be December 30 and June 30. Second-quarter invoices would be distributed by February 28 for the then-current semiannual period, with a payment (debit) date of March 30, and by August 30 for the then-current semiannual period, with a payment date of September 30.

Semiannual assessment period covered	Quarter	Invoice date	Payment date	Report of condition used for preparation
Jan.–June	1	Nov. 30	Dec. 30	Sept. 30.
	2	Feb. 28	Mar. 30	Dec. 31.
July–Dec	1	May 30	June 30	Mar. 31.
	2	Aug. 30	Sept. 30	June 30.

The proposal would eliminate the existing process of averaging the two assessment bases derived from the two quarterly reports of condition for the preceding semiannual period. Instead, as indicated above, each quarterly payment would be based separately on the single most recent report of condition. For institutions whose deposits are increasing, this change could result in slightly lower payments in earlier quarters and higher payments in later quarters, while the converse would apply to an institution whose deposits are decreasing. On the whole, however, whether on an institution-by-institution or industry-wide basis, elimination of averaging is expected to simplify the assessment process without having a significant impact on the amount of assessments paid.

2. Assessment Computation Review Procedure.

The assessment-base data reflected on an institution's quarterly invoices would be copied from data reported by the institution in its reports of condition. Given the source of the data and the mechanical nature of the assessment computation, it is anticipated that there would be only limited occasion for institutions to disagree with the invoices. However, a procedure for resolving any such disagreements is included in the proposal.

The new procedure would apply only to disagreements expressly identified in § 327.3(h) of the proposed regulation, such as where the institution believes the rate multiplier applied by the FDIC is inconsistent with the assessment risk classification assigned to the institution for the semiannual period for which the payment is due. The new procedure would not apply to disputes regarding the appropriateness of the assessment risk classification assigned to the institution; such disputes would continue to be covered by the risk classification review procedure in the existing regulations.

Under the proposed new procedure, the period within which an institution could file a request for revision of an invoice would generally terminate 60 days from the date of the invoice. However, where the revision would result from an institution-initiated amendment to its report of condition, the filing deadline for the request for revision would be 60 days from the date on which such amendment is filed. Such amendment of the report of condition would not automatically trigger an assessment adjustment. Instead, institutions would need to utilize the new procedure to provide notice to the FDIC of the requested revision resulting from the amendment.

3. Certified Statements

Under the proposed rule, institutions would no longer be required to compute their assessments. However, pursuant to section 7(c) of the FDI Act, each institution would still be required to file a semiannual certified statement. For the proposed system, the FDIC would provide a certified statement form reflecting both first- and second-quarter invoice data. The form would show a semiannual assessment amount based on the two quarterly reports of condition on which, by statute, the certified statement is to be based. Each institution would be required to certify its agreement with the assessment computation shown on the form as received from the FDIC or, alternatively, its agreement with that computation as amended in a manner specified by the institution.

In connection with amendment of the assessments regulation, the certified-statement element of the proposal includes incidental amendments to part 304 of the FDIC's regulations ("Forms,

[2] Under the proposal, if a specified payment date falls on a day that is not a business day, the payment date becomes the previous business day.

Instructions, and Reports") (12 CFR part 304), for such purposes as revising the description of the certified statement forms in § 304.3.

4. Designated Deposit Account

A necessary component of the proposed direct-debit payment system is the designation by each insured institution of a deposit account to be debited by the FDIC. Under the proposal, each institution would be required to give timely notice to the FDIC of the account designated by the institution for that purpose. In addition, each institution would be required to take any action necessary to enable the FDIC to direct-debit assessment payments from the account, and to ensure that the account has sufficient funds to cover the assessment amount on the FDIC invoice. Failure on the part of the institution to take any such action or to provide sufficient funding in the designated account would be deemed to constitute nonpayment.

5. Semiannual Notice of Assessment Risk Classification

Under the proposal, the date of the notice of an institution's assessment risk classification currently described in § 327.3(e) would be changed to coincide with the date of the first-quarterly invoice. The FDIC believes that combining the notice and the invoice would result in operational efficiencies both for the FDIC and for insured depository institutions.

Comment was requested by the FDIC on a similar operational change in connection with an assessment rulemaking proceeding last year. The change on which comment was sought at that time was the consolidation of the assessment rate notice and the certified statement form in a single mailing. A consolidated mailing was supported by each of the six comment letters that addressed it. See 58 FR 34357, 34365 (June 25, 1993).

6. Payment of Interest on Overpayments and Underpayments.

Under § 327.7 of the existing assessments regulations, the FDIC pays interest to insured institutions for any timely overpayments of assessments, from the time the assessment is due until the date a refund or credit is given for the overpayment amount. Similarly, institutions are required to pay interest on underpayments from the assessment due date to the date of payment of the shortfall.

Because of inefficiencies inherent in the existing paper-based system, and in the semiannual collection procedure that allows very little time for the refinement of report-of-condition data before it is used in assessment computations, it typically takes in excess of three to five months from the assessment due date to identify, verify, and pay or collect overpayment or underpayment amounts resulting from miscomputations or similar errors.

The proposed rule contemplates a "rolling" correction process in which any necessary adjustments in the assessment amount are made on a quarterly basis. Under this proposal, the FDIC would pay or collect interest on overpayments and underpayments, respectively, on a full-quarter basis. Interest would be due for the period beginning the day after the payment date on which the institution overpaid or underpaid and ending on the payment date for the quarterly invoice reflecting the corresponding adjustment. Thus, even if an underpayment were identified early in the quarter, the FDIC would not collect the balance due until the next quarterly assessment payment date, and would impose interest for the entire quarter. The converse would apply to overpayments; that is, the amount of the overpayment, together with interest through the next assessment payment date, would be credited to the institution on the invoice for the next quarterly payment after the overpayment is discovered.

The FDIC believes that this approach would not have a detrimental impact on insured institutions. Significantly, approximately 75 percent of incorrect assessment payments result from errors made by institutions in filling out their certified statement forms. Such errors would be virtually eliminated under the proposed procedure. Moreover, it is anticipated that any remaining adjustments would be processed more quickly, and that institutions would actually pay less interest from underpayment errors—and would receive credit for overpayments more quickly—than under the existing arrangement.

7. Fail-Safe Payment Plan

Because the proposed payment procedure relies on computerized systems, it seems prudent to provide for a back-up plan to be triggered in the event of a system failure or similar but less global circumstances. The fail-safe plan incorporated into the proposed rule provides that any institution that does not receive its quarterly assessment invoice by the beginning of the month in which payment is due is to promptly notify the FDIC. It is anticipated that, in most cases, the FDIC would provide a duplicate invoice to the institution. However, in the event that could not be done, the institution would, as a preliminary matter, make its quarterly payment in the amount shown on its assessment invoice for the preceding quarter. Any necessary adjustments to that payment would be reflected on the next quarterly invoice.

II. Mergers Resulting in the Termination of Insured Status

A. Assessment Base Adjustments

Proposed § 327.6(a) sets forth the rules for computing institutions' assessment bases when one institution (a seller) transfers its deposits to one or more other institutions (buyers), and then goes out of business. Transactions of this kind (transfers) can take many forms: they include statutory mergers, consolidations, statutory assumptions, and contractual arrangements in which buyers purchase assets and assume deposits from a seller. Proposed § 327.6(a) would cover all such cases. But it would not cover cases where the seller continues to survive (such as cases in which a seller only sells some but not all of its branches). Nor would it cover cases in which buyers assume deposits from the receivership for a failed institution.

Sometimes the buyers complete a transfer (or related series of transfers) in the first quarter of a semiannual period (January through March, or July through September). In that case, the buyers assume all the seller's deposits before the end of the quarter. The buyers report the transferred deposits in their first-quarter reports of condition. Under the proposed rule, the second-quarter payments made by the buyers would be based (in part) on the transferred deposits.

But many transfers take place in the second quarter of a semiannual period (April through June, or October through December). A seller still has deposits at the end of the first quarter, and reports the deposits in its first-quarter report of condition. Under the proposed quarterly-payment schedule described herein, an institution continuing in business would make a second-quarter payment based on these deposits, and that payment would represent an installment on the assessment for the upcoming semiannual period.

However, where a seller has gone out of business before the start of the upcoming semiannual period, there may be a risk that neither the seller nor the buyers would pay any assessments on these deposits under the proposed quarterly-payment plan. The buyers would not have included these deposits in their first-quarter reports of condition, and would not have counted

the deposits in their first-quarter assessment bases. The net effect could be that neither the seller nor the buyers would compensate the FDIC for insuring these deposits.

Proposed § 327.6(a) would clarify the assessment obligation for these transfers. Section 7 of the FDI Act says the FDIC must base an institution's assessment on the probability that the appropriate deposit insurance fund will incur a loss with respect to the institution. Section 7 further specifies that the FDIC must take into account the likely amount of any such loss. 12 U.S.C. 1817(b)(1). Accordingly, proposed § 327.6(a) would call for the buyers—the institutions that would present a continuing insurance risk to the FDIC for the deposits—to pay assessments that reflect that risk.

Proposed § 327.6(a) would achieve this goal by adjusting the buyers' assessment bases upward. The proposed rule would call for each buyer's assessment base to be increased by that buyer's "pro rata share" of the seller's first-quarter assessment base: that is, by the ratio of the deposits that the buyer assumes from the seller to the seller's total quarter-end deposits. The proposed regulation would correspondingly reduce the seller's assessment base.[3]

This formula is designed to be relatively simple, and to be satisfactory for most cases. A seller generally transfers all its deposits at the same time, even when several buyers assume the deposits. In a few cases, a seller may transfer its deposits to several buyers over an interval: but even then, the interval tends to be short, and the seller tends to decline in size (if it changes in size at all). The formula would function properly under these conditions.

But the formula would not, on its own, accommodate cases in which a seller's volume of deposits increases between the end of the quarter and the date of the transfer. In that event, the buyers would assume more deposits than the seller reported in its report of condition. The formula would cause the buyers' collective assessment bases to increase by an amount greater than the seller's quarter-end assessment base.

Proposed § 327.6(a) addresses this difficulty by putting a cap on the aggregate amount by which the buyers' assessment bases could be increased. The FDIC considers that it would be justified in collecting an aggregate assessment based on the seller's quarter-end assessment base, because the seller itself would pay such an assessment if the seller remained in existence. But, by the same token, the FDIC would not be justified in collecting an aggregate assessment based on a higher amount.

Nor would the formula, on its own, accommodate more elaborate deposit-transfer arrangements. For example, a buyer may be acting merely as an intermediary, or a transfer may be only incidental to other mergers or deposit-assumptions. In such cases, the formula might not accurately reflect the likely amount of the loss that the buyer—or the other institutions—ultimately pose to their insurance funds in the upcoming period.

The FDIC does not believe it is possible to foresee all the special situations that might arise in complex cases. Proposed § 327.6(a) accordingly would give the FDIC a limited flexibility to adjust a buyer's or seller's assessment base. The proposed rule would specify that the FDIC may use this authority only to bring an institution's assessment base into line with the true magnitude of the likely amount of the loss that the institution poses for the upcoming quarter—that is, with the institution's true deposit-base at the beginning of that quarter.

It must be emphasized that proposed § 327.6(a) would only apply to institutions that participate directly in a transfer (or related series of such transactions), or that participate in transactions directly related to such a transaction (for example, an institution that assumes deposits from a buyer). Furthermore, the authority would not mean that the FDIC could consider other risk factors—ones unrelated to the volume of deposits transferred—in determining the likely amount of the loss.

B. Examples

The following examples apply the proposed rule. For the sake of convenience, amounts in the examples are rounded to the nearest million.

Example 1—Partial transfer of deposits; transferor remains in business. Institution A reported $100 million worth of deposits in its report of condition as of December 31. On January 15, Institution B agrees to acquire a branch office of Institution A that held $5 million-worth of deposits reported in Institution A's December 31 report of condition. Institution A continues to be an insured institution. Institution A's February 28 assessment invoice that will be collected on March 30 will be based on the reported $100 million worth of deposits, in accordance with normal processing.

Institution A remains responsible for the assessment liability on January 1 based on the December 31 report of condition. The February invoice represents the second installment payment of the January through June semiannual assessment period. The FDIC expects that Institutions A and B may well have dealt with any question of allocating the cost of the assessment premium. But Institution A must still make the payment to the FDIC.

Example 2—Partial transfer of deposits; transferor remains in business. Institution A reported $100 million worth of deposits in its report of condition as of September 30. On October 1, Institution B agrees to acquire a branch office of Institution A that held $10 million worth of deposits reported in Institution A's September 30 report of condition. Institution A continues to be an insured institution. Institution A's November 30 assessment invoice that will be collected on December 30 will be based on the $100 million worth of deposits, in accordance with normal processing.

Institution A remains responsible for the assessment liability established on October 1 based on the September 30 report of condition. The November invoice represents the first installment payment for the next semiannual assessment period (January through June). The FDIC expects that Institutions A and B may well have dealt with any question of allocating the assessment premium. But Institution A must still make the assessment payment to the FDIC.

Example 3—Transfer of deposits; transferor ceases to exist. Institution A reported $100 million worth of deposits in its report of condition as of September 30. Its assessment base (deposits less deductions) is $90 million. On October 15, Institution A transfers all its deposits to Institution B and goes out of business. Institution A has only $98 million in deposits at the time of the transfer. The FDIC will increase Institution B's September 30 assessment base to reflect its *pro rata* share of Institution A's assessment base. That is, Institution B's assessment base will be increased by $88 million, determined as follows: $98 million deposits acquired divided by $100 million deposits reported by Institution A on its September 30 report of condition multiplied by $90 million assessment base (98/100 × $90 million), or $88 million. Institution B would receive credit for any assessment payments attributable to the transferred deposits that have already been made by Institution A.

Institution B's payment represents the first installment for the January through June assessment period. The FDIC considers that the deposits transferred in bulk to Institution B continue to pose a risk to the insurance fund. Accordingly, it is appropriate to adjust Institution B's assessment base to reflect that risk.

Example 4—Multiple transfers of deposits, transferor ceases to exist. Institution A reported $100 million worth of deposits in its report of condition as of September 30; its assessment base is $90 million. On October 15 it transfers $33 million of its deposits in

[3] This latter provision may seem superfluous. In virtually all such cases the seller would cease to exist before the end of the transfer period. Sometimes, however, a related series of transfers could extend beyond the end of a semiannual period. In that case, the seller would still be in existence at the start of the following period. The seller would make a second-quarter payment based on its first-quarter assessment base. Absent this latter provision, the FDIC would in effect be assessing the same deposits twice.

bulk to Institution B. Institution A then shrinks in size from $67 million to $50 million, and on November 30 transfers all its remaining deposits to Institution C. The FDIC will increase the September assessment bases of Institutions B and C by $30 million and $45 million, respectively. The supporting calculation shows: Institution B—$33 million in deposits acquired by Institution B divided by $100 million deposits reported by Institution A on the September report of condition multiplied by $90 million assessment base of Institution A determined from the report of condition based on September 30 report of condition; Institution C—$50 million in deposits acquired from Institution A divided by $100 million deposits reported by Institution A's September report of condition multiplied by the $90 million assessment base of Institution A determined from its report of condition.

The FDIC believes that the *pro rata* methodology presented properly reflects the continued risk to the insurance fund presented by the deposits transferred in bulk from Institution A to Institutions B and C. The insurance fund will bear the cost of deposits that are not transferred in bulk.

Example 5—Multiple transfers of deposits; transferor ceases to exist. The circumstances presented in Example 4 remain constant for this example, except that the deposits acquired by Institutions B and C are $50 million and $60 million, respectively. In this situation, the total deposits transferred exceed the deposits reported in Institution A's September 30 report of condition. In this case, each institution's pro rata share will be determined by dividing the acquiring institution's acquired deposits by the total deposits transferred in bulk from the disappearing institution in that quarter. Thus, the September 30 assessment base of Institution B would be increased by $41 million ($50 million deposits acquired divided by $110 million total deposits transferred by Institution A during that quarter multiplied by the $90 million of Institution A's assessment base) and Institution C's September 30 assessment base will be increased by $49 million ($60 million deposits acquired divided by $110 million total deposits transferred during that quarter multiplied by the $90 million assessment base of Institution A).

Example 6—Resolution of a failed institution. Institution A reported $100 million worth of deposits in its September 30 report of condition. Institution A fails and is placed into receivership effective October 1. The resolution of Institution A on October 1 includes the transfer of all deposits to Institution B. The resolution of Institution A has presumptively taken into account the assessment amount that would have been invoiced by the FDIC on November 30 and collected on December 30. Institution B does not owe any additional assessment for the deposits acquired from Institution A.

The FDIC believes that the final resolution of the assets and liabilities of the failed Institution A included and satisfied the assessment amount to be invoiced and paid on the assessment base determined from the September 30 report of condition.

C. Reports

The existing rule requires the seller to file a final certified statement and gives the buyer the option—but does not impose the duty—of making the filing on behalf of the seller. The proposed rule would do away with final certified statements in the case of transfers, on the ground that final certified statements would not be needed in the new assessment plan. As a collateral but incidental matter, the proposed rule would formally eliminate Form 6420/11.

Under the proposed rule, in order to determine the buyer's first-quarter assessment base for use in computing its second-quarter assessment payment, the FDIC would need to know the amount of deposits that the buyer has assumed. The FDIC does not believe, however, that it is necessary to set forth a formal reporting requirement in the proposed regulation. The FDIC expects that the existing reports that buyers must make to their primary supervisors would serve this purpose.

An institution's second-quarter payment would be due—in full, and computed with reference to the institution's assessment base as determined pursuant to proposed § 327.6(a)(2)—on the regularly-scheduled payment date. An institution that underpaid this assessment would have to pay interest on the shortfall at the rate prescribed by proposed § 327.7 ("Payment of interest on assessment underpayments and overpayments"). Accordingly, a buyer might well find it convenient to estimate the deposits it planned to assume, and to relay the estimate to the FDIC. If the payment exceeded the amount properly due, the buyer would be entitled to an adjustment on its next payment for the excess amount so paid (plus interest).

If the FDIC were to receive the estimates early enough, it could use the information when preparing the invoice for the buyer's second-quarter payment. If not, the FDIC could either send out a supplemental invoice as soon as practicable reflecting the amendments to the buyer's assessment base, or could make an appropriate adjustment to the buyer's next assessment payment.

III. Deletion of References to Experience Factors

The FDIC's assessments regulations currently permit the use of "experience factors" in the computation of an institution's assessment base, for the purpose of quantifying unposted debits and credits. However, under the existing regulations, the use of experience factors will no longer be permitted for assessments due after 1994. Accordingly, the FDIC proposes to delete all references to experience factors from the regulations.

IV. Paperwork Reduction Act

The proposed rule contains a revision to an existing collection of information. The revision has been submitted to the Office of Management and Budget (OMB) for review and approval pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*). Comments regarding the accuracy of the burden estimate, and suggestions for reducing the burden, should be addressed to the Office of Management and Budget, Paperwork Reduction Project (3064–0057), Washington, DC 20503, with copies of such comments sent to Steven F. Hanft, Assistant Executive Secretary (Administration), Federal Deposit Insurance Corporation, room F–400, 550 17th St., NW., Washington, DC 20429.

At present, each insured depository institution is required to compute its own semiannual assessment. Under the proposed rule, assessments would be computed by the FDIC using information reported by the institution in its quarterly reports of condition. The institution would be required to certify its agreement with the assessment computation shown on the certified statement form as received from the FDIC or, alternatively, its agreement with that computation as amended in a manner specified by the institution. It is expected that, prior to certification, an institution would compare the information on the form with its own records—which it collects and maintains for purposes of filing its reports of condition—and, if necessary, indicate any amendments. This process should constitute a substantially smaller burden for the institution than preparing and reporting its own assessment computation. The requirements concerning the certified statement are found in § 327.2 of the proposed rule.

The estimated annual reporting burden for the collection of information requirement in this proposed rule is summarized as follows:

Approximate Number of Respondents: 13,400.

Number of Responses per Respondent: 2.

Total Approximate Annual Responses: 26,800.

Average Time per Response: 30 minutes.

Total Average Annual Burden Hours: 13,400.

V. Regulatory Flexibility Act

The Board hereby certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

Under the proposal, the FDIC would compute the assessment payments due from each depository institution, a task currently required of the institution. Thus, the proposal would reduce an existing burden. Moreover, to the extent any burden would remain, the FDIC believes that it would be proportionate to the size of the institution and, accordingly, that the proposal would not have a disparate impact of the nature contemplated by the Regulatory Flexibility Act.

VI. Request for Public Comment

The Board hereby requests comment on all aspects of the proposed rule. The Board particularly invites comment on the proposal to collect assessments by means of direct debits initiated by the FDIC and on the impact of the quarterly collection of assessments on insured depository institutions. Interested persons are invited to submit written comment during a 60-day comment period.

Comments are not requested in this proceeding as to what measure—whether total deposits or another measure—should be used as a basis for determining an institution's assessment base. The Board expects to seek public comment on that subject in the near future, in a separate proceeding.

List of Subjects

12 CFR Part 304

Bank deposit insurance, Banks, banking, Freedom of information, Reporting and recordkeeping requirements.

12 CFR Part 327

Assessments, Bank deposit insurance, Financing corporation, Savings associations.

For the reasons stated in the preamble, the Board proposes to amend 12 CFR parts 304 and 327 as follows:

PART 304—FORMS, INSTRUCTIONS AND REPORTS

1. The authority citation for part 304 continues to read as follows:

Authority: 5 U.S.C. 552; 12 U.S.C. 1817, 1818, 1819, 1820; Public Law 102–242, 105 Stat. 2251 (12 U.S.C. 1817 note).

2. Section 304.3 is revised to read as follows:

§ 304.3 Certified statements.

The certified statements required to be filed by insured depository institutions under the provisions of section 7 of the Federal Deposit Insurance Act as amended (12 U.S.C. 1817) shall be filed in accordance with part 327 of this chapter. The applicable forms are as follows:

(a) *Form 6420/07: Certified Statement.* Form 6420/07 shows the computation of the semiannual assessment due to the Corporation from an insured depository institution. As provided for in part 327 of this chapter, the form will be furnished to insured depository institutions by the Corporation twice each calendar year and the completed statement must be returned to the Corporation by each institution, except that newly insured institutions must submit their first certified statement on Form 6420/10.

(b) *Form 6420/10: First Certified Statement.* Form 6420/10 shows the computation of the semiannual assessment due to the Corporation from an institution in the first semiannual period after the semiannual period during which the institution becomes an insured depository institution, as provided for in part 327 of this chapter.

Appendix A to Part 304—[Amended]

3. Appendix A to part 304 is amended by removing the entries for FDIC 6400/01, Consolidated Statement Amending Certified Statements, and FDIC 6420/11, Final Certified Statement.

PART 327—ASSESSMENTS

1. The table of contents for part 327 is revised to read as follows:

Subpart A—In General

Sec.
327.1 Purpose and scope.
327.2 Certified statements.
327.3 Payment of semiannual assessments.
327.4 Annual assessment rate.
327.5 Assessment base.
327.6 Termination of insurance: Assessments, certified statements, and notices to depositors.
327.7 Payment of interest on assessment underpayments and overpayments.
327.8 Definitions.
327.9 Assessment rate schedules.

Subpart B—Insured Depository Institutions Participating in Section 5(d)(3) Transactions

327.31 Scope.
327.32 Computation and payment of assessment.

2. The authority citation for part 327 continues to read as follows:

Authority: 12 U.S.C. 1441, 1441b, 1817–1819.

3. Section 327.2 is revised to read as follows:

§ 327.2 Certified statements.

(a) *Required.* Each insured depository institution shall file a certified statement during each semiannual period.

(b) *Time of filing.* Certified statements for any semiannual period must be filed no later than the second-quarterly payment date specified in § 327.3(d)(2). Certified statements postmarked on or before such date are deemed to be timely filed.

(c) *Form.* The Corporation will provide to each insured depository institution a certified statement form showing the amount and computation of the institution's semiannual assessment. The president of the insured depository institution, or such other officer as the institution's board of directors or trustees may designate, shall review the information shown on the form.

(d) *Certification*—(1) *Form accepted.* If such officer agrees that to the best of his or her knowledge and belief the information shown on the certified statement form is true, correct and complete and in accordance with the Federal Deposit Insurance Act and the regulations issued thereunder, the officer shall so certify.

(2) *Form amended*—(i) *In general.* If such officer determines that to the best of his or her knowledge and belief the information shown on the certified statement form is not true, correct and complete and in accordance with the Federal Deposit Insurance Act and the regulations issued thereunder, the officer shall make such amendments to the information as he or she believes necessary. The officer shall certify that to the best of his or her knowledge and belief the information shown on the form, as so amended, is true, correct and complete and in accordance with the Federal Deposit Insurance Act and the regulations issued thereunder.

(ii) *Request for revision.* The certification and filing of an amended form under paragraph (d)(2) of this section does not constitute a request for revision by the Corporation of the information shown on the form. Any such request to the Corporation for revision of the information shown on the form shall be submitted separately from the certified statement and in accordance with the provisions of § 327.3(h).

(iii) *Rate multiplier.* The rate multiplier shown on the certified statement form shall be amended only if it is inconsistent with the assessment risk classification assigned to the institution in writing by the Corporation for the current semiannual period pursuant to § 327.4(a). Agreement with the rate multiplier shall not be deemed

to constitute agreement with the assessment risk classification assigned.

§ 327.5 [Removed]

3a. Section 327.5 is removed.

§§ 327.3 and 327.4 [Redesignated as §§ 327.4 and 327.5]

4. Sections 327.3 and 327.4 are redesignated as §§ 327.4 and 327.5, respectively, and a new § 327.3 is added to read as follows:

§ 327.3 Payment of semiannual assessments.

(a) *Required*—(1) *In general.* Except as provided in paragraph (b) of this section, each insured depository institution shall pay to the Corporation, in two quarterly payments, a semiannual assessment determined in accordance with this part 327.

(2) *Notice of designated deposit account.* For the purpose of making such payments, each insured depository institution shall designate a deposit account for direct debit by the Corporation. No later than 30 days prior to the next payment date specified in paragraphs (c)(2) and (d)(2) of this section, each institution shall provide written notice to the Corporation of the account designated, including all information and authorizations needed by the Corporation for direct debit of the account. After the initial notice of the designated account, no further notice is required unless the institution designates a different account for assessment debit by the Corporation, in which case the requirements of the preceding sentence apply.

(b) *Newly insured institutions.* A newly insured institution shall not be required to pay an assessment for the semiannual period during which it becomes an insured institution. For the semiannual period following the period during which it becomes an insured institution, it shall pay its full semiannual assessment at the time and in the manner provided for in paragraph (d) of this section, in an amount that is the product of its assessment base for the prior semiannual period, as provided for in § 327.5(c), multiplied by one-half of the annual assessment rate corresponding to the assessment risk classification assigned to the institution pursuant to § 327.4(a). For the purpose of making such payment, the institution shall provide to the Corporation no later than the payment date specified in paragraph (d)(2) of this section the notice required by paragraph (a)(2) of this section.

(c) *First-quarterly payment*—(1) *Invoice.* No later than 30 days prior to the payment date specified in paragraph (c)(2) of this section, the Corporation will provide to each insured depository institution an invoice showing the amount of the assessment payment due from the institution for the first quarter of the upcoming semiannual period, and the computation of that amount. Subject to paragraph (g) of this section and to subpart B of this part, the invoiced amount shall be the product of the following: The assessment base of the institution for the preceding September 30 (for the semiannual period beginning the following January 1) or March 31 (for the semiannual period beginning the following July 1) computed in accordance with § 327.5; multiplied by one-quarter of the annual assessment rate corresponding to the assessment risk classification assigned to the institution pursuant to § 327.4(a).

(2) *Payment date and manner.* On December 30 (for the semiannual period beginning the following January 1) and on June 30 (for the semiannual period beginning the following July 1), the Corporation will cause the amount stated in the applicable invoice to be directly debited from the deposit account designated by the insured depository institution for that purpose.

(d) *Second-quarterly payment*—(1) *Invoice.* No later than 30 days prior to the payment date specified in paragraph (d)(2) of this section, the Corporation will provide to each insured depository institution an invoice showing the amount of the assessment payment due from the institution for the second quarter of that semiannual period, and the computation of that amount. Subject to paragraph (g) of this section and to subpart B of this part, the invoiced amount shall be the product of the following: The assessment base of the institution for the preceding December 31 (for the semiannual period beginning the following January 1) or June 30 (for the semiannual period beginning the following July 1) computed in accordance with § 327.5; multiplied by one-quarter of the annual assessment rate corresponding to the assessment risk classification assigned to the institution pursuant to § 327.4(a).

(2) *Payment date and manner.* On March 30 (for the semiannual period beginning the preceding January 1) and on September 30 (for the semiannual period beginning the preceding July 1), the Corporation will cause the amount stated in the applicable invoice to be directly debited from the deposit account designated by the insured depository institution for that purpose.

(e) *Necessary action, sufficient funding by institution.* Each insured depository institution shall take all actions necessary to allow the Corporation to debit assessments from the institution's designated deposit account and, prior to each payment date indicated in paragraphs (c)(2) and (d)(2) of this section, shall ensure that funds in an amount at least equal to the invoiced amount are available in the designated account for direct debit by the Corporation. Failure to take any such action or to provide such funding of the account shall be deemed to constitute nonpayment of the assessment.

(f) *Business days.* If a payment date specified in paragraph (c) or (d) of this section falls on a day that is not a business day, the applicable date shall be the previous business day.

(g) *Payment adjustments in succeeding quarters.* The quarterly assessment invoices provided by the Corporation may reflect adjustments resulting from such factors as amendments to prior quarterly reports of condition, retroactive revision of an institution's assessment risk classification, and revisions of assessment computations for prior quarters.

(h) *Request for revision of computation of quarterly assessment payment*—(1) *In general.* An institution may submit a request for revision of the computation of the institution's quarterly assessment payment as shown on the quarterly invoice. Such revision may be requested in the following circumstances:

(i) The institution disagrees with the computation of the assessment base as stated on the invoice;

(ii) The institution determines that the rate multiplier applied by the Corporation is inconsistent with the assessment risk classification assigned to the institution in writing by the Corporation for the semiannual period for which the payment is due; or

(iii) The institution believes that the invoice does not fully or accurately reflect adjustments provided for in paragraph (g) of this section.

(2) *Inapplicability.* This paragraph (h) is not applicable to requests for review of an institution's assessment risk classification, which are covered by § 327.4(d).

(3) *Requirements.* Any such request for revision must be submitted within 60 days of the date of the quarterly assessment invoice for which revision is requested, except that requests for revision resulting from detection by the institution of an error or omission for which the institution files an amendment to its quarterly report of condition must be submitted within 60 days of the filing date of the amendment to the quarterly report of condition. The

request for revision shall be submitted to the Chief of the Assessment Operations Section, and shall provide documentation sufficient to support the revision sought by the institution. If additional information is requested by the Corporation, such information shall be provided by the institution within 21 days of the date of the Corporation's request for additional information. Any institution submitting a timely request for revision will receive written notice from the Corporation regarding the outcome of its request. Upon completion of a review, the Chief Financial Officer (or his or her designee) shall make a determination as to whether the requested revision is warranted and shall promptly notify the institution in writing of the determination.

(i) *Assessment notice not received.* Any institution that has not received an assessment invoice for any quarterly payment by the fifteenth day of the month in which the quarterly payment is due shall promptly notify the Corporation. Failure to provide prompt notice to the Corporation shall not affect the institution's obligation to make full and timely assessment payment. Unless otherwise directed by the Corporation, the institution shall preliminarily pay the amount shown on its assessment invoice for the preceding quarter, subject to subsequent correction.

5. Newly designated § 327.4 is amended by revising the section heading; removing paragraphs (a) through (c); redesignating paragraphs (d), (f), and (g) as new paragraphs (g), (c), and (d), respectively; removing the heading of paragraph (e); redesignating paragraphs (e)(1) and (e)(2) as new paragraphs (a) and (b), respectively, and revising them; revising newly designated paragraph (g); and redesignating paragraphs (h) and (i) as new paragraphs (f) and (e), respectively, to read as follows:

§ 327.4 Annual assessment rate.

(a) *Assessment risk classification.* For the purpose of determining the annual assessment rate for BIF members under § 327.9(a), and the annual assessment rate for SAIF members under § 327.9(c), each insured depository institution will be assigned an "assessment risk classification". Notice of the assessment risk classification applicable to a particular semiannual period will be provided to the institution with the first-quarterly invoice provided pursuant to § 327.3(c)(2). Each institution's assessment risk classification, which will be composed of a group and a subgroup assignment, will be based on the following capital and supervisory factors:

(1) *Capital factors.* Institutions will be assigned to one of the following three capital groups on the basis of data reported in the institution's Report of Income and Condition, Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks, or Thrift Financial Report containing the necessary capital data, for the report date that is closest to the last day of the seventh month preceding the current semiannual period.

(i) *Well capitalized.* For assessment risk classification purposes, the short-form designation for this group is "1".

(A) Except as provided in paragraph (a)(1)(i)(B) of this section, this group consists of institutions satisfying each of the following capital ratio standards: Total risk-based ratio, 10.0 percent or greater; Tier 1 risk-based ratio, 6.0 percent or greater; and Tier 1 leverage ratio, 5.0 percent or greater. New insured depository institutions coming into existence after the report date specified in paragraph (a)(1) of this section will be included in this group for the first semiannual period for which they are required to pay assessments.

(B) For purposes of assessment risk classification, an insured branch of a foreign bank will be deemed to be "well capitalized" if the insured branch maintains the pledge of assets required under 12 CFR 346.19, and maintains the eligible assets prescribed under 12 CFR 346.20 at 108 percent or more of the average book value of the insured branch's third-party liabilities for the quarter ending on the report date specified in paragraph (a)(1) of this section.

(ii) *Adequately capitalized.* For assessment risk classification purposes, the short-form designation for this group is "2".

(A) Except as provided in (a)(1)(ii)(B) of this section, this group consists of institutions that do not satisfy the standards of "well capitalized" under this paragraph but which satisfy each of the following capital ratio standards: Total risk-based ratio, 8.0 percent or greater; Tier 1 risk-based ratio, 4.0 percent or greater; and Tier 1 leverage ratio, 4.0 percent or greater.

(B) For purposes of assessment risk classification, an insured branch of a foreign bank will be deemed to be "adequately capitalized" if the insured branch:

(*1*) Maintains the pledge of assets required under 12 CFR 346.19;

(*2*) Maintains the eligible assets prescribed under 12 CFR 346.20 at 106 percent or more of the average book value of the insured branch's third-party liabilities for the quarter ending on the report date specified in paragraph (a)(1) of this section; and

(*3*) Does not meet the definition of a well capitalized insured branch of a foreign bank.

(iii) *Undercapitalized.* For assessment risk classification purposes, the short-form designation for this group is "3". This group consists of institutions that do not qualify as either "well capitalized" or "adequately capitalized" under paragraphs (a)(1) (i) and (ii) of this section.

(2) *Supervisory risk factors.* Within its capital group, each institution will be assigned to one of three subgroups based on the Corporation's consideration of supervisory evaluations provided by the institution's primary federal regulator. The supervisory evaluations include the results of examination findings by the primary federal regulator, as well as other information the primary federal regulator determines to be relevant. In addition, the Corporation will take into consideration such other information (such as state examination findings, if appropriate) as it determines to be relevant to the institution's financial condition and the risk posed to the BIF or SAIF. Authority to set dates applicable to the determination of supervisory subgroup assignments is delegated to the Corporation's Director of the Division of Supervision (or his or her designee). The three supervisory subgroups are:

(i) *Subgroup "A".* This subgroup consists of financially sound institutions with only a few minor weaknesses;

(ii) *Subgroup "B".* This subgroup consists of institutions that demonstrate weaknesses which, if not corrected, could result in significant deterioration of the institution and increased risk of loss to the BIF or SAIF; and

(iii) *Subgroup "C".* This subgroup consists of institutions that pose a substantial probability of loss to the BIF or SAIF unless effective corrective action is taken.

(b) *Payment of assessment at rate assigned.* Institutions shall make timely payment of assessments based on the assessment risk classification assigned in the notice provided to the institution pursuant to paragraph (a) of this section. Timely payment is required notwithstanding any request for review filed pursuant to paragraph (d) of this section. An institution for which the assessment risk classification cannot be determined prior to an invoice date specified in § 327.3 (c)(1) or (d)(1) shall preliminarily pay on that invoice at the

assessment rate applicable to the classification designated "2A" in the appropriate rate schedule set forth in § 327.9. If such institution is subsequently assigned for that semiannual period an assessment risk classification other than that designated as "2A", or if the classification assigned to an institution in the notice is subsequently changed, any excess assessment paid by the institution will be credited by the Corporation, with interest, and any additional assessment owed shall be paid by the institution, with interest, in the next quarterly assessment payment after such subsequent assignment or change. Interest payable under this paragraph shall be determined in accordance with § 327.7.

* * * * *

(g) *Lifeline accounts.* Notwithstanding any other provision of this part 327, the portion of an institution's assessment base that is attributable to deposits in lifeline accounts pursuant to the Bank Enterprise Act, 12 U.S.C. 1834, will be assessed at such rate as may be established by the Corporation pursuant to 12 U.S.C. 1834 and section 7(b)(2)(H) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. 1817(b)(2)(H).

6. Newly designated § 327.5 is amended by revising the section heading, removing paragraph (a), redesignating paragraphs (b) and (c) as new paragraphs (a) and (b), respectively, revising newly designated paragraph (a) introductory text, revising newly designated paragraphs (b)(1) introductory text and (b)(1)(ii), removing newly designated paragraphs (b)(1)(iii) and (b)(1)(iv), and adding a new paragraph (c), to read as follows:

§ 327.5 Assessment base.

(a) *Computation of assessment base.* Except as provided in paragraph (c) of this section, the assessment base of an insured depository institution for any date on which the institution is required to file a quarterly report of condition shall be computed by:

* * * * *

(b) *Methods of reporting unposted credits and unposted debits*—(1) *Unposted credits.* Each insured depository institution shall report unposted credits in quarterly reports of condition for addition to the assessment base in the following manner:

* * * * *

(ii) If the institution's records show the total actual amount of unposted credits but do not segregate the amount as stated in paragraph (b)(1)(i) of this section, the institution must report the total actual amount of the unposted credits for addition to time and savings deposits.

* * * * *

(c) *Newly insured institutions.* In the case of a newly insured institution, the assessment base for the last date for which insured depository institutions are required to file quarterly reports of condition within the semiannual period in which the newly insured institution became an insured institution shall be deemed to be its assessment base for that semiannual period. If the institution has not filed such a report by the due date for such reports from insured depository institutions, it shall promptly provide to the Corporation such information as the Corporation may require to prepare the certified statement form for the institution for the current semiannual period.

7. Section 327.6 is amended by revising the section heading and paragraph (a) to read as follows:

§ 327.6 Termination of insurance: Assessments, certified statements, and notices to depositors.

(a) *Deposit transfers*—(1) *Assessment base computation.* If a deposit-transfer transaction occurs at any time in the second quarter of the transfer period—

(i) Each acquiring institution's assessment base for the first quarter of the transfer period (as computed pursuant to § 327.5) shall be increased by an amount equal to such institution's *pro rata* share of the transferring institution's assessment base for such first quarter; and

(ii) The transferring institution's assessment base for such first quarter shall be reduced by an amount equal to the following product: the transferring institution's assessment base for that quarter; multiplied by the sum of the pro rata shares of all acquiring institutions participating in deposit-transfer transactions occurring during the second quarter of the transfer period.

(2) For purposes of paragraph (a)(1) of this section, the phrase "pro rata share" means a fraction the numerator of which is the deposits assumed by an acquiring institution from the transferring institution during the second quarter of the transfer period, and the denominator of which is the total deposits of the transferring institution as required to be reported in the quarterly report of condition for the first quarter of the transfer period.

(3) *Other assessment-base adjustments*—(i) *In general.* The Corporation may in its discretion make such adjustments to the assessment base of an institution participating in a deposit-transfer transaction, or in a related transaction, as may be necessary properly to reflect the likely amount of the loss presented by the institution to its insurance fund.

(ii) *Limitation on adjustments.* The total amount by which the Corporation may increase the assessment bases of acquiring or other institutions under paragraph (a)(2)(i) of this section shall not exceed, in the aggregate, the transferring institution's assessment base as reported in its quarterly report of condition for the first quarter of the transfer period.

* * * * *

8. Section 327.7 is amended by revising the section heading and paragraph (a), to read as follows:

§ 327.7 Payment of interest on assessment underpayments and overpayments.

(a) *Payment of interest*—(1) *Payment by institutions.* Each insured depository institution shall pay interest to the Corporation on any underpayment of the institution's assessment.

(2) *Payment by Corporation.* The Corporation will pay interest to an insured depository institution on any overpayment by the institution of its assessment.

(3) *Accrual of interest.* Interest shall accrue under this section from the day following the due date, as provided for in § 327.3(c) and (d), of the quarterly assessment amount that was overpaid or underpaid, through the payment date applicable to the quarterly assessment invoice on which adjustment is made by the Corporation for the underpayment or overpayment, *provided,* however, that interest shall not begin to accrue on any overpayment until the day following the date such overpayment was received by the Corporation.

* * * * *

9. Section 327.8 is amended by revising paragraph (d)(2) and by adding a new paragraph (h), to read as follows:

§ 327.8 Definitions.

* * * * *

(d) * * *

(2) *Current semiannual period.* The term *current semiannual period* means, with respect to a certified statement or an assessment, the semiannual period within which such certified statement is required to be filed or for which such assessment is required to be paid.

* * * * *

(h) As used in § 327.6, the following terms are given the following meanings:

(1) *Acquiring institution.* The term *acquiring institution* means an insured depository institution that assumes some or all of the deposits of a transferring institution in a particular deposit-transfer transaction.

(2) *Transferring institution.* The term *transferring institution* means an insured depository institution the deposits of which are assumed by an acquiring institution in a particular deposit-transfer transaction.

(3) *Deposit-transfer transaction.* The term *deposit-transfer transaction* means the assumption by one insured depository institution of another insured depository institution's liability for deposits, whether by way of merger, consolidation, or other statutory assumption, or pursuant to contract, when the transferring institution's status as an insured institution has terminated or is expected to terminate either as a result of the particular deposit-transfer transaction or as a result of a related series of such transactions. The term deposit-transfer transaction does not refer to the assumption of liability for deposits from the estate of a failed institution.

(4) *Transfer period.* The term *transfer period* means the semiannual period, consisting of two calendar quarters, during which a deposit-transfer transaction occurs.

§§ 327.11 and 327.12 [Removed]

10. Sections 327.11 and 327.12 are removed.

§ 327.13 [Redesignated as § 327.9]

11. Section 327.13 is redesignated as § 327.9, transferred to subpart A, and amended by revising the section heading, removing paragraphs (a) and (b), redesignating paragraphs (c) and (d) as new paragraphs (a) and (b), respectively, revising newly designated paragraph (a), amending newly designated paragraph (b) by removing the word "assessment" in the first sentence, and adding a new paragraph (c) to read as follows:

§ 327.9 Assessment rate schedules.

(a) *BIF members.* Subject to § 327.4(c), the annual assessment rate for each BIF member other than a bank specified in § 327.31(a) shall be the rate designated in the following rate schedule applicable to the assessment risk classification assigned by the Corporation under § 327.4(a) to that BIF member (the schedule utilizes the group and subgroup designations specified in § 327.4(a)):

SCHEDULE

Capital group	Supervisory subgroup		
	A	B	C
1	23	26	29
2	26	29	30
3	29	30	31

* * * * *

(c) *SAIF members.* Subject to § 327.4(c), the annual assessment rate for each SAIF member shall be the rate designated in the following schedule applicable to the assessment risk classification assigned by the Corporation under § 327.4(a) to that SAIF member (the schedule utilizes the group and subgroup designations specified in § 327.4(a).):

SCHEDULE

Capital group	Supervisory subgroup		
	A	B	C
1	23	26	29
2	26	29	30
3	29	30	31

§§ 327.21–327.24 [Removed]

12. Sections 327.21, 327.22, 327.23, and 327.24 are removed.

§ 327.32 [Amended]

13. Section 327.32 is amended by removing paragraph (a) and redesignating paragraphs (b) and (c) as new paragraphs (a) and (b), respectively.

§ 327.33 [Removed]

14. Section 327.33 is removed.

15. Part 327 is amended by removing subparts B and C, redesignating subpart D as new subpart B, and in the list below, for each section in subpart A and newly designated subpart B, remove the reference indicated in the middle column everywhere it appears and add the reference indicated in the right column:

Section	Remove	Add
327.4(c)	327.13(c)(2)	327.9(a).
	327.23(d)(2)	327.9(c).
327.4(d)	(e)(1)	(a).
327.4(e)	(e)(1)	(a).
327.5(a)(1)(i)	(c)(1)	(b)(1).
327.5(a)(1)(ii)	(c)(1)	(b)(1).
327.5(a)(2)(iii)	(b)(1)(i)	(a)(1)(i).
	(c)(2)	(b)(2).
327.5(a)(2)(iv)	(b)(1)(ii)	(a)(1)(ii).
	(c)(2)	(b)(2).
327.5(b)(2)	(c)(1)	(b)(1).
327.31(a)	Subpart D	Subpart B.
327.31(b)	Subpart D	Subpart B.
327.32(a)(1)(i)	(b)(2)(i)	(a)(2)(i).
	(b)(2)(ii)	(a)(2)(ii).
	327.3	327.4.
	Subpart D	Subpart B.
327.32(a)(2)(i)	(b)(l)(i)	(a)(l)(i).
	Subpart C	Subpart A.
327.32(a)(2)(ii)	(b)(1)(i)	(a)(1)(i).
	Subpart B	Subpart A.
327.32(a)(3)	(b)(3)(iii)	(a)(3)(iii).
	(b)(3)(i)	(a)(3)(i).
	(b)(3)(ii)	(a)(3)(ii).
327.32(a)(4)	(b)(3)(i)	(a)(3)(i).
	(b)(4)(ii)	(a)(4)(ii).
327.32(a)(5)	(b)(4)	(a)(4).
327.32(b)	Subpart D	Subpart B.
	Subpart B	Subpart A.

By order of the Board of Directors.

Dated at Washington, DC, this 24th day of May, 1994.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Acting Executive Secretary.

[FR Doc. 94–13368 Filed 6–9–94; 8:45 am]

BILLING CODE 6714–01–P

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Parts 563b and 575

[No. 94–106]

RIN 1550–AA74

Conversions From Mutual to Stock Form; Mutual Savings and Loan Holding Companies

AGENCY: Office of Thrift Supervision.

ACTION: Proposed rule; extension of comment period.

SUMMARY: The Office of Thrift Supervision (OTS) is extending the comment period until July 18, 1994 for its proposed rule regarding conversions from mutual to stock form and mutual savings and loan holding companies that was published on May 3, 1994.

DATES: Comments must be received by July 18, 1994.

ADDRESSES: Interested parties are invited to submit written comments on this proposal to: Director, Information Services Division, Public Affairs, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, Attention: Docket No. 94–49. These submissions may be hand-delivered to 1700 G Street, NW., from 9:00 a.m. to 5:00 p.m. on business days, or may be sent by facsimile transmission to FAX number (202) 906–7755. Comments will be available for inspection at 1700 G Street, NW., from 1:00 p.m. until 4:00 p.m. on business days. Visitors will be escorted to and from the Public Reference Room at established intervals.

FOR FURTHER INFORMATION CONTACT: Michael P. Vallely, Senior Attorney (202) 906–6241, Kevin A. Corcoran, Assistant Chief Counsel, (202) 906–6962, Corporate and Securities Division, Chief Counsel's Office; Diana L. Garmus, Deputy Assistant Director, (202) 906–5683, Corporate Activities Division, Office of Thrift Supervision

1700 G Street, NW., Washington, DC 20552.

SUPPLEMENTARY INFORMATION: The proposed rule, published in the Federal Register on May 3, 1994 (59 FR 22764), indicated that public comments were to be submitted to the OTS no later than July 17, 1994. This date was not properly calculated by the Office of the Federal Register. The requested closing date for comments was 45 days from date of publication, or June 17, 1994. A correction was published on June 7, 1994 (59 FR 29480). However, in order to afford the public adequate time to comment, the OTS has determined that closing date in the original notice should be used. The OTS believes that there has been sufficient level of confusion about the closing date to warrant reinstating the later date. Therefore, the comment period is hereby extended until July 18, 1994, as July 17 is not a business day.

Dated: June 8, 1994.

By the Office of Thrift Supervision.

Jonathan L. Fiechter,

Acting Director.

[FR Doc. 94–14307 Filed 6–9–94; 8:45 am]

BILLING CODE 6720–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 27 and 29

Airworthiness Standards; Fiscal Year 1997 Rotorcraft Research and Development Initiative, Program Identification

AGENCY: Federal Aviation Administration, DOT.

ACTION: Call for Part 27 and 29 Research and Development Program Proposals.

SUMMARY: This notice announces a call for proposals that will define the Federal Aviation Administration (FAA), Aircraft Certification Service, Rotorcraft Directorate Research and Development (RE&D) initiative for Fiscal Year (FY) 1997 by defining and documenting specific, potential RE&D program proposals. The call for proposals will focus on Aircraft Certification RE&D programs that support activity related to FAR Parts 27, 29, and associated operations Parts. Other FAA requirements such as flight standards, air traffic, or airway facilities will not be addressed. The FAA is soliciting the public sector to ensure that proposed Rotorcraft RE&D requirements will have relevant, practical applications and will be cost effective.

DATES: The call for proposals will be open until close of business July 11, 1994.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration, (FAA), Mr. Mike Mathias, Rotorcraft Standards Staff, Fort Worth, Texas 76193–0111.

FOR FURTHER INFORMATION CONTACT: Mr. Mike Mathias, Aerospace Engineer, Rotorcraft Standards Staff, FAA, Rotorcraft Directorate, Fort Worth, Texas 76193–0111; telephone (817) 222–5123.

SUPPLEMENTARY INFORMATION: Each FY the FAA prepares an RE&D program plan that includes new (and amended) RE&D proposals. The Aircraft Certification Service's Rotorcraft Directorate is responsible for preparing its part of the overall FAA submittal.

The philosophy of the RE&D process is to create an atmosphere that will promote the identification of requirements by any person or organization in the government or private sector. This makes the RE&D process more responsive to public sector needs. Within the Aircraft Certification Service, the RE&D process places increased emphasis on FAA Aircraft Certification Directorate and Division level participation in identifying new requirements and in sponsoring and monitoring the resulting RE&D projects.

Therefore, as part of the overall FAA and Aircraft Certification initiative, the FAA's Rotorcraft Directorate is undertaking a directly-related initiative specifically for the rotorcraft community. It has the same basic mission, goals, and procedures as the agency-wide initiative.

The Rotorcraft Directorate will implement its segment of the FY–97 submittal by identifying, describing, evaluating, and cataloging potential RE&D requirements (i.e., proposals) for potential sponsorship and incorporation into the overall FAA FY–97 RE&D submittal. This will result in a coordinated FY–97 rotorcraft requirements package that will be assigned to the appropriate FAA RE&D provider organizations when approved and when funds are allocated by the budget process.

It should be stressed that the proposals that are evaluated as a result of this notice, if accepted, will not be funded until the overall FAA FY 97 RE&D submittal is funded, (i.e., at least two (2) years after their original submittal on 10/15/94) and that reprogramming of limited RE&D resources before then is highly unlikely. Also, the accepted proposals will have to compete for resources with other requirements identified for RE&D by other FAA activities. Nonetheless, the need clearly exists to identify Rotorcraft Certification RE&D needs to compete for the agency's RE&D resources.

As a matter of information, there are four primary FAA RE&D supplier organizations: (1) The Technical Center (ACD) in Atlantic City, New Jersey; (2) the Research and Development Service (ARD) in Washington, DC; (3) the Office of Environment and Energy (AEE) in Washington, DC; and (4) the Office of Aviation Medicine's Civil Aeromedical Institute (AAM/CAMI) in Oklahoma City, Oklahoma. These organizations perform the RE&D on programs that are approved and funded through the process.

Although not mandatory, the format of Figure 1 for RE&D proposals is preferred:

Figure 1.—FY–97 Rotorcraft Directorate RE&D Program Description Form I.D. No. (FAA will fill in)

Originator

(Insert Name, Address, Phone Number, and Fax Number)

Proposed RE&D Program Descriptions & Objectives

(Insert Brief Description of the proposal program and its major goals and objectives)

Note: A more detailed description may be attached in addition to this summary but is not mandatory at this time.

How Would You Accomplish This Program?

(Insert Brief Description of your recommended method of accomplishing the proposed RE&D program)

Justification/History:

(If appropriate, furnish data such as a concise accident/incident history and any other relevant statistics or information that would show that the proposed research is needed, cost-effective, and applicable to developing a solution to the proposed RE&D project. This history/justification input data will be used to aid in assessing the relative value of the proposed RE&D project.)

Anticipated Benefits/Products and Beneficiaries

(Insert Brief Description of anticipated benefits/products, who would benefit, and how)

If an RE&D proposal has been submitted previously, then (unless a major change or update has been made) it is on file and need not be resubmitted.

Copies of this notice are being mailed to all known interested parties. Any interested party who desires but has not received a copy of this notice by July 4, 1994, should request a copy from Kathy Jones, FAA Rotorcraft Standards Staff, ASW–110, Fort Worth, TX 76137–4298, telephone (817) 722–5110.

Issued in Fort Worth, Texas, on June 3, 1994.

Wayne J. Barbini,

Acting Manager, Rotorcraft Standards Staff, Aircraft Certification Service.

[FR Doc. 94–14148 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Chapter I

The Use of Immunohistochemical Devices in the Clinical Care of Patients; Notice of Public Workshop

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of public workshop.

SUMMARY: The Food and Drug Administration (FDA) is announcing a public workshop to discuss the use of immunohistochemical devices in the clinical care of patients. In addition, FDA is interested in obtaining comments on the regulation of products used in immunohistochemical tests.

DATES: The public workshop will be held on June 28 and 29, 1994, from 8:30 a.m. to 5 p.m. Those interested in making a formal presentation must submit a written request by June 20, 1994.

ADDRESSES: The public workshop will be held at the Gaithersburg Hilton Hotel, 620 Perry Pkwy., Gaithersburg, MD. There is no registration fee, but interested persons should call the contact person listed below to preregister. Public participation is welcomed. Anyone wishing to make a formal presentation for inclusion in the workshop should submit a request accompanied by an outline of comments to Max Robinowitz (address listed below).

FOR FURTHER INFORMATION CONTACT: Max Robinowitz, Center for Devices and Radiological Health (HFZ–440), Food and Drug Administration, 1390 Piccard Dr., Rockville, MD 20850, 301–594–3084, FAX 301–594–2360.

SUPPLEMENTARY INFORMATION: Developments in the use of monoclonal antibodies in immunohistochemical devices which are used as an aid in the diagnosis and management of a variety of diseases, including neoplasms, make it appropriate to reassess FDA's regulation of these devices. Among the major topics scheduled for discussion are: (1) The role of immunohistochemical products in cancer diagnosis; (2) problems associated with the use of monoclonal antibodies in immunohistochemical techniques; (3) the role of training and proficiency; (4) proposed role of the Biological Stain Commission in technical certification of immunohistochemical antibodies; (5) discussion on a proposal for the classification of immunohistochemical antibodies as class II medical devices; and (6) draft points to consider and guidance for the regulation of immunohistochemical antibodies.

Dated: June 7, 1994.

Michael R. Taylor,

Deputy Commissioner for Policy.

[FR Doc. 94–14213 Filed 6–7–94; 4:36 pm]

BILLING CODE 4160–01–F

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 52 and 81

[WV24–1–6423, WV24–2–6424 FRL–4895–6]

Approval and Promulgation of Air Quality Implementation Plans; Designation of Areas for Air Quality Planning Purposes; Redesignation of the Parkersburg, WV Ozone Nonattainment Area to Attainment and Approval of the Area's Maintenance Plan

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: On November 13, 1992, the West Virginia Department of Commerce, Labor & Environmental Resources; Division of Environmental Protection; Office of Air Quality (WVOAQ) submitted a request to EPA to redesignate the Parkersburg moderate ozone nonattainment area from nonattainment to attainment. On November 13, 1992, the WVOAQ also submitted a maintenance plan for the Parkersburg area as a revision to the West Virginia State Implementation Plan (SIP). On February 28, 1994, West Virginia submitted an update to its November 13, 1994 submittal. The EPA is proposing to redesignate the Parkersburg ozone nonattainment area from nonattainment to attainment and proposing to approve the maintenance plan submitted by the WVOAQ as a revision to the West Virginia SIP because the relevant requirements set forth in the Clean Air Act, as amended in 1990, have been met. This proposal to approve the redesignation is contingent upon West Virginia's submittal of a revision to its maintenance plan's provisions for implementation of contingency measures.These actions are being taken in accordance with the Clean Air Act. The approved maintenance plan will become a federally enforceable part of the SIP for the Parkersburg area.

DATES: Comments must be received on July 11, 1994.

ADDRESSES: Written comments should be sent to Thomas J. Maslany, Director, Air, Radiation, and Toxics Division, U.S. Environmental Protection Agency, Region III, 841 Chestnut Building, Philadelphia, Pennsylvania 19107. The state submittal and EPA's Technical Support Document (TSD) prepared on these proposed actions is available for public review at the above address and at the West Virginia Division of Environmental Protection, Office of Air Quality 1558 Washington Street, East Charleston, West Virginia, 25311–2599:

FOR FURTHER INFORMATION CONTACT: Michael Dubowe at (215) 597–1109, Todd Ellsworth at (215) 597–2906.

SUPPLEMENTARY INFORMATION:

I. Background

The Clean Air Act, as amended in 1977 (1977 Act), required areas that were designated nonattainment based on a failure to meet the ozone national ambient air quality standard (NAAQS) to develop SIPs with sufficient control measures to expeditiously attain and maintain the standard. (1977 Act, sections 110(a)(1) and 172.) The Parkersburg, West Virginia nonattainment area was designated under section 107 of the 1977 Act as nonattainment with respect to the ozone NAAQS on September 12, 1978. (40 CFR 81.347) In accordance with section 110 of the 1977 Act, West Virginia submitted a part D ozone SIP on November 15, 1979 which EPA approved as meeting the requirements of section 110 and part D of the 1977 Act. In its SIP, the State of West Virginia projected that the Parkersburg, West Virginia nonattainment area would attain the ozone standard by December 31, 1982. The area failed to attain the standard.

On November 15, 1990, the Clean Air Act Amendments of 1990 (hereafter the Act) were enacted. Public Law 101–549, 104 Stat. 2399, codified at 42 U.S.C. 7401–7671q. The nonattainment

designation of the Parkersburg, West Virginia area continued by operation of law according to section 107(d)(1)(C)(i) of the Act, furthermore, it was classified by operation of law as moderate for ozone pursuant to section 181(a)(1) of the Act. See 56 FR 56694 (November 6, 1991) and 57 FR 56762 (Nov. 30, 1992), codified at 40 CFR 81.347.

The Parkersburg, West Virginia ozone nonattainment area more recently has attained the ozone NAAQS, based on air quality data from 1989 through 1991. In an effort to comply with the Act and to ensure continued attainment of the NAAQS, on November 13, 1992 the WVOAQ submitted an ozone maintenance plan for the Parkersburg West Virginia area as a revision to the West Virginia SIP.

On November 13, 1992, the State of West Virginia also requested that EPA redesignate the Parkersburg, West Virginia area to attainment with respect to the ozone NAAQS. In addition, on February 28, 1994, West Virginia submitted an update to its November 13, 1992 submittal, collectively referred to hereafter as the "State of West Virginia's redesignation request."

II. Evaluation Criteria

According to section 107(d)(3)(E) of the Act, five specific requirements must be met in order for EPA to redesignate an area from nonattainment to attainment:

1. The area must have attained the applicable NAAQS;
2. The area has met all relevant requirements under section 110 and part D of the Act;
3. The area has a fully approved SIP under section 110(k) of the Act;
4. The air quality improvement must be permanent and enforceable; and
5. The area must have a fully approved maintenance plan pursuant to section 175A of the Act.

III. Review of West Virginia's Submittal

The State of West Virginia's redesignation request for the Parkersburg, West Virginia area included information and documentation sufficient for EPA to determine that the five requirements of section 107, noted above have been met. Following is a brief description of how the each of these requirements has been fulfilled. Because the maintenance plan is a critical element of the redesignation request, EPA will discuss its evaluation of the maintenance plan under its analysis of the redesignation request. A Technical Support Document (TSD) has also been prepared by EPA on these rulemaking actions. That TSD is available for public inspection at the EPA Regional Office listed in the **ADDRESSES** section of this document.

1. Attainment of the Ozone NAAQS

The submittal contains an analysis of ozone air quality data which is relevant to the maintenance plan and to the redesignation request. Ambient ozone monitoring data for 1989 through 1991 show attainment of the ozone NAAQS in the Parkersburg, West Virginia area. See 40 CFR 50.9 and appendix H. The State of West Virginia's redesignation request included documentation that the Parkersburg, West Virginia ozone nonattainment area has complete, quality-assured data showing attainment of the standard over the most recent consecutive three calendar year period. Therefore, the Parkersburg, West Virginia area has met the first statutory criterion for redesignation to attainment of the ozone NAAQS found at section 107(d)(3)(E)(i) of the Act.

It is important to note that EPA has also reviewed the ozone data monitored during the 1992 and 1993 ozone seasons in the Parkersburg area and determined that no violations of the standard were monitored during those years. Therefore, there have been no violations of the ozone standard monitored in the Parkersburg area since the 1988 ozone season.

2. Meeting Applicable Requirements of Section 110 and Part D

As previously stated, EPA fully approved the State of West Virginia SIP for the Parkersburg, West Virginia area as meeting the requirements of section 110(a)(2) and part D of the 1977 Act. The amended Act, however, modified section 110(a)(2) and, under part D, revised section 172 and added new requirements for all nonattainment areas. Therefore, for purposes of redesignation, EPA has reviewed the SIP to ensure that it contains all measures that were due under the Act as of November 13, 1992, the date the State of West Virginia submitted its redesignation request.

2.A. Section 110 Requirements

Although section 110 of the 1977 Act was amended in 1990, the Parkersburg, West Virginia SIP meets the requirements of section 110(a)(2) of the amended Act. A number of the requirements did not change in substance and, therefore, EPA believes that the pre-amendment SIP met these requirements. As to those requirements that were amended, See 57 FR 27936 and 23939 (June 23, 1993), many are duplicative of other requirements of the Act.

EPA has analyzed the SIP and determined that it is consistent with the requirements of section 110(a)(2) of the Act. It contains enforceable emission limitations, it requires monitoring, compiling, and analyzing ambient air quality data, it requires preconstruction review of new major stationary sources and major modifications to existing ones, it provides for adequate funding, staff, and associated resources necessary to implement its requirements, and requires stationary source emissions monitoring and reporting.

2.B. Part D Requirements

Before the Parkersburg, West Virginia ozone nonattainment area may be redesignated to attainment, it also must have fulfilled applicable requirements of part D due as of the date of the State's redesignation request. Under part D, an area's classification indicates the requirements to which it will be subject. Subpart 1 of part D sets forth the basic nonattainment requirements applicable to all nonattainment areas, classified as well as nonclassifiable. Subpart 2 of part D establishes additional requirements for nonattainment areas classified under table 1 of section 181(a). The Parkersburg, West Virginia ozone nonattainment area was classified as moderate. (See 56 FR 56694, codified at 40 CFR 81.347.) Therefore, in order to be redesignated to attainment, West Virginia must meet the applicable requirements of subpart 1 of part D—specifically sections 172(c) and 176—as well as the applicable requirements of subpart 2 of part D—due as of the date of the State's November 13, 1992 request for redesignation. EPA interprets section 107(d)(3)(E)(v) to mean that for a redesignation request to be approved, the State has met all requirements that applied to the subject area prior to or at the time of the submission of a complete redesignation request. Requirements of the Act that come due subsequently continue to be applicable to the area at those later dates (see section 175A(c)) and, if the redesignation of the area is disapproved, the State remains obligated to fulfill those requirements.

2.B.1. Subpart 1 of Part D—Section 172(c) Provisions

Under section 172(b), the section 172(c) requirements are applicable no later than 3 years after an area has been designated as nonattainment under the Act. EPA has determined that these requirements were not applicable to ozone nonattainment areas on or before November 13, 1992, the date the State of West Virginia, submitted a complete redesignation request and maintenance plan for Parkersburg. Therefore, the

State of West Virginia is not required to meet these requirements for purposes of redesignation. West Virginia has, however, completed and submitted a 1990 base year emissions inventory for its ozone nonattainment areas (including the Parkersburg area) in accordance with EPA's guidance. It is also important to note that upon redesignation to attainment, the preconstruction new source review requirements for prevention of significant deterioration (PSD) would apply in the Parkersburg area. EPA approved West Virginia's PSD SIP program on April 11, 1986 (51 FR 12517).

2.B.2. Subpart 1 of Part D—Section 176 Conformity Provisions

Section 176(c) of the Act requires States to revise their SIPs to establish criteria and procedures to ensure that Federal actions, before they are taken, conform to the air quality planning goals in the applicable State SIP. The requirement to determine conformity applies to transportation plans, programs and projects developed, funded or approved under title 23 U.S.C. or the Federal Transit Act ("transportation conformity"), as well as to all other Federal actions ("general conformity"). Section 176 further provides that the conformity revisions to be submitted by States must be consistent with Federal conformity regulations that the Act required EPA to promulgate. Congress provided for the State revisions to be submitted one year after the date for promulgation of final EPA conformity regulations. When that date passed without such promulgation, USEPA's General Preamble for the Implementation of title I informed States that its conformity regulations would establish a submittal date (see 57 FR 13498, 13557 (April 16, 1992)).

The USEPA promulgated final transportation conformity regulations on November 24, 1993 (58 FR 62188) and general conformity regulations on November 30, 1993 (58 FR 63214). These conformity rules require that States adopt both transportation and general conformity provisions in the SIP for areas designated nonattainment or subject to a maintenance plan approved under CAA section 175A. Pursuant to § 51.396 of the transportation conformity rule and § 51.851 of the general conformity rule, the State of West Virginia is required to submit a SIP revision containing transportation conformity criteria and procedures consistent with those established in the Federal rule by November 25, 1994. Similarly, West Virginia is required to submit a SIP revision containing general conformity criteria and procedures consistent with those established in the Federal rule by December 1, 1994. Because the deadlines for these submittals have not yet come due, they are not applicable requirements under section 107(d)(3)(E)(v) and, thus, do not affect approval of this redesignation request.

2.B.3. Subpart 2 of Part D—Section 182 Provisions for Ozone Nonattainment Areas

The Parkersburg, West Virginia nonattainment area is classified as moderate and is subject to the requirements of section 182(b) of the Act. As of November 13, 1992, the date West Virginia submitted a complete redesignation request for the Parkersburg, West Virginia nonattainment area, the Parkersburg, West Virginia area was required to meet the provisions of section 182(a)(2)(A) to correct its Reasonably Available Control Technology (RACT) requirements in effect prior to enactment of the 1990 amendments to the Act. The State of West Virginia submitted those RACT corrections as SIP revisions to EPA on June 4, 1991. A notice of final rulemaking approving these RACT corrections was published on September 17, 1992 (57 FR 42895).

On January 15, 1993, EPA notified the Governor of West Virginia that it had made a finding that West Virginia had failed to submit either a full or committal SIP revision for a basic inspection and maintenance (I/M) program for its ozone nonattainment areas. On January 18, 1994, EPA notified the Governor of West Virginia that it had made a finding that West Virginia had failed to submit a 15% rate of progress plan SIP revision for its ozone nonattainment areas. Upon the effective date of a final approval by EPA of West Virginia's redesignation request, these findings will be automatically rescinded in the Parkersburg nonattainment area.

3. Fully Approved SIP Under Section 110(k) of the Act

As stated previously, EPA has approved the RACT corrections noted above. Therefore, the State of West Virginia has a fully approved SIP under section 110(k), which also meets the applicable requirements of section 110 and part D as discussed above. Therefore, the redesignation requirement of section 107(d)(3)(E)(ii) has been met.

4. Improvement in Air Quality Due to Permanent and Enforceable Measures

Under the 1977 Act, EPA approved the State of West Virginia SIP control strategy for the Parkersburg, West Virginia nonattainment area. EPA determined that the rules and the emission reductions achieved as a result of those rules were enforceable. Since enactment of the 1990 amendments, the State of West Virginia submitted corrections to its RACT regulations as identified above. EPA finds that these additional measures contribute to the permanence and enforceability of reductions in ambient ozone levels in the Parkersburg, West Virginia area.

Between 1988 and 1990, because of permanent and enforceable state and federal provisions, emissions of volatile organic compounds (VOCs) were reduced by 2.28 tons/day and emissions of nitrogen oxides (NOx) were reduced by 1.0 tons/day in Parkersburg. Most of the reductions came from mobile sources and gasoline marketing-related activities. The Reid Vapor Pressure (RVP), of gasoline marketed for use in the Parkersburg, West Virginia area decreased from 10.5 RVP to 9.5 RVP in 1990 and was reduced to 9.0 in 1992. In addition, due to automobile fleet turnover, there was an increase in the percent of automobile operated in the Parkersburg area meeting more stringent emission standards as required by the Federal Motor Vehicle Control Program (FMVCP). It must be noted here that since 1992 the federal RVP requirement of 9.0 has been the applicable standard in the Parkersburg, West Virginia area.

The State of West Virginia maintenance plan requires the continuation of the federal RVP program. These reductions due to lower RVP and more stringent tailpipe standards resulting from the Federal Motor Vehicle Control Program were determined using the mobile emission inventory model MOBILE 5.0a and the relevant vehicle miles traveled data.

Permanent and enforceable decreases in VOCs at stationary sources contributed a small amount to the total VOC reduction in the Parkersburg, West Virginia area. In association with its emission inventory, the State of West Virginia demonstrated that point source VOC emissions were not artificially low due to local economic downturn during the period in which the Parkersburg, West Virginia area's ambient air quality came into attainment. Reductions due to decreases in production levels or from other unenforceable scenarios such as voluntary reductions were not included in the determination of the emission reductions.

EPA finds that the combination of measures contained in the SIP and federal measures have resulted in permanent and enforceable reductions in ozone precursors that have allowed

the Parkersburg, West Virginia area to attain the NAAQS, and therefore, that the redesignation criterion of section 107(d)(3)(E)(iii) has been met.

5. Fully Approved Maintenance Plan Under Section 175A

EPA is proposing approval of the State of West Virginia maintenance plan for the Parkersburg, West Virginia area because EPA finds that West Virginia's submittal meets the requirements of section 175A of the Act. If EPA determines after notice and comment that it should give final approval to the maintenance plan, the Parkersburg, West Virginia nonattainment area will have a fully approved maintenance plan in accordance with section 175A of the Act.

Section 175A of the Act sets forth the elements of a maintenance plan for areas seeking redesignation from nonattainment to attainment. The plan must demonstrate continued attainment of the applicable NAAQS for at least ten years after the area is redesignated. Eight years after the redesignation, the state must submit a revised maintenance plan which demonstrates attainment for the ten years following the initial ten-year period.

To provide for the possibility of future NAAQS violations, the maintenance plan must contain contingency measures, with a schedule for implementation, adequate to assure prompt correction of any air quality problems.

5.A. Emissions Inventory—Base Year Inventory

On November 13, 1992, the State of West Virginia submitted comprehensive inventories of VOC and NOx emissions from area, stationary, and mobile using 1990 as the base year for calculations to demonstrate maintenance. The 1990 VOC inventory is considered most representative of attainment conditions because no violations occurred in 1990 and it reflects the typical inventory for the three-year period demonstrating attainment of the standard.

The State of West Virginia submittal contains detailed inventory data and summaries by source categories. The State of West Virginia submittal also contains information related to how it comported with EPA's guidance, which model and emission factors were used (note MOBILE 5.0a was used), how Vehicle Miles Travelled (VMT) data was generated, what RVP was considered in the base year, and other technical information verifying the validity of the Parkersburg, West Virginia emission inventory.

The State of West Virginia submittal contains the detailed inventory data and summaries by source category. This inventory was prepared in accordance with EPA guidance. A summary of the base year and projected maintenance year inventories are shown in the following six tables. The TSD which has been prepared for this action contains more in-depth details regarding the base year for the Parkersburg area.

SUMMARY OF EMISSIONS FROM THE PARKERSBURG NONATTAINMENT AREA FOR 1990

Source category	VOC (tpd)	CO (tpd)	NO_x (tpd)
Area	10.2	29.0	6.1
Point	34.9	3.1	13.9
Highway Mobile	8.0	63.6	6.9
Total Emissions	53.2	95.7	26.9

SUMMARY OF EMISSIONS FROM THE PARKERSBURG NONATTAINMENT AREA FOR 1993

Source category	VOC (tpd)	CO (tpd)	NO_x (tpd)
Area	10.5	29.3	6.1
Point	33.7	3.0	13.4
Highway Mobile	6.6	53.9	6.7
Total Emissions	50.8	86.2	26.2

All Emissions in Tons Per Day (tpd).

SUMMARY OF EMISSIONS FROM THE PARKERSBURG NONATTAINMENT AREA FOR 1996

Source category	VOC (tpd)	CO (tpd)	NO_x (tpd)
Area	9.9	29.7	6.1
Point	32.6	2.9	13.0
Highway mobile	6.3	50.1	6.5
Total emissions	48.8	82.6	25.6

SUMMARY OF EMISSIONS FROM THE PARKERSBURG NONATTAINMENT AREA FOR 1999

Source category	VOC (tpd)	CO (tpd)	NO_x (tpd)
Area	10.2	30.3	6.2
Point	31.5	2.8	12.6
Highway mobile	6.1	47.6	6.3
Total emissions	47.8	80.7	25.1

All Emissions in Tons Per Day (tpd).

SUMMARY OF EMISSIONS FROM THE PARKERSBURG NONATTAINMENT AREA FOR 2002

Source category	VOC (tpd)	CO (tpd)	NO_x (tpd)
Area	10.4	30.6	6.2
Point	31.0	2.7	12.4
Highway mobile	6.0	47.5	6.2
Total emissions	47.3	80.8	24.8

SUMMARY OF EMISSIONS FROM THE PARKERSBURG NONATTAINMENT AREA FOR 2005

Source category	VOC (tpd)	CO (tpd)	NO_x (tpd)
Area	10.6	31.2	6.3
Point	30.0	2.6	12.0
Highway mobile	6.0	49.1	6.4
Total emissions	46.7	82.9	24.7

All Emissions in Tons Per Day (tpd).

5.B. Demonstration of Maintenance—Projected Inventories

In addition to the continued use of lower RVP gasoline (7.8) and fleet turnover to automobiles meeting more stringent emission standards, mobile source emission projections are dependent upon the implementation of the federal reformulated gasoline program. Total VOC and NO_x emissions were projected from the 1990 base year to year 2005. These projected inventories were prepared in accordance with EPA guidance. The projections demonstrate that the ozone standard will be maintained i.e., emissions are not expected to exceed the level of the base year inventory during this time period. EPA believes that the emissions projections demonstrate that the area will continue to maintain the ozone NAAQS because this area achieved attainment through VOC controls and reductions.

5C. Verification of Continued Attainment

Continued attainment of the ozone NAAQS in the Parkersburg, West Virginia area depends, in part, on the State of West Virginia effort toward tracking indicators of continued attainment during the maintenance period. The State of West Virginia will track the status and effectiveness of the maintenance plan by periodically updating the emissions inventory every three years. The WVOAQ has committed to perform this tracking on an annual basis in order to enable the State of West Virginia to implement the

contingency measures of its maintenance plan as expeditiously as possible.

The State of West Virginia annual update will indicate new source growth, as indicated by annual emission statements. The State of West Virginia will continue to monitor ambient ozone levels by operating its ambient ozone air quality monitoring network in accordance with 40 CFR part 58.

5D. Contingency Plan

The level of VOC and NO_x emissions in the Parkersburg area will largely determine its ability to stay in compliance with the ozone NAAQS in the future. Despite the State of West Virginia's best efforts to demonstrate continued compliance with the NAAQS, the Parkersburg area may exceed or violate the NAAQS. Therefore, West Virginia has provided contingency measures with a schedule for implementation in the event of future ozone air quality problems. In the event that exceedances of the ozone NAAQS are measured such that nonattainment is indicated in any of the areas or in the event that periodic emission inventory updates or major permitting activity reveals that excessive or unanticipated growth in ozone precursor emissions has occurred or will occur, West Virginia will accordingly select and adopt measures including the following to assure continued attainment:

1. Extend the applicability of 45CSR21 (VOC/RACT rule) to include source categories previously exclude
2. Revised new source permitting requirements requiring more stringent emissions control technology and/or emissions offsets.
3. NO_x RACT requirements, if such requirements are not already applicable.
4. Stage II Vapor Recovery Regulations.
5. Regulations to establish plant-wide emission caps (potentially with emissions trading provisions).
6. Implementation of basic (or enhanced) programs for motor vehicle inspection and maintenance.

One or more of these regulatory revisions would be selected within three (3) months after verification of a monitored ozone standard violation and a draft rule submitted to the WVOAQ.

Quality assurance procedures must confirm the monitored violation within 45 days of occurrence. The WVOAQ will be requested to adopt the control measure(s) as emergency rule(s) which will be implemented within six (6) months after adoption. EPA's approval of West Virginia's redesignation request is contingent upon West Virginia promulgating a revision to its contingency plan that includes a schedule for the mandatory implementation of the selected contingency measures.

5E. Subsequent Maintenance Plan Revisions

In accordance with Section 175A(b) of the Act, the State of West Virginia has agreed to submit a revised maintenance SIP eight years after the area is redesignated to attainment. Such revised SIP will provide for maintenance for an additional ten years. EPA has determined that the maintenance plan adopted by the State of West Virginia and submitted to EPA on November 13, 1992 meets the requirements of section 175A of the CAA. Therefore, EPA is proposing to approve the maintenance plan submittal. In addition, EPA has determined that upon final approval of the maintenance plan the provisions of section 107(d)(3)(E)(iv) for redesignation will have been met.

Proposed Action

EPA proposes to approve the ozone maintenance plan for the Parkersburg, West Virginia area submitted by the State of West Virginia on November 13, 1992 as a revision to the West Virginia SIP because it meets the requirements of section 175A. In addition, EPA is proposing to redesignate the Parkersburg, West Virginia nonattainment area to attainment, subject to final approval of the maintenance plan, because the Agency has determined that the provisions of section 107(d)(3)(E) of the Act for redesignation of nonattainment areas to attainment have been met.

EPA is soliciting public comments on this notice and on issues relevant to EPA's proposed action. Comments will be considered before taking final action. Interested parties may participate in the federal rulemaking procedure by submitting written comments to the person and address listed in the **ADDRESSES** section at the beginning of this notice.

Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future request for revision to any SIP. Each request for revision to the SIP shall be considered separately in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements. Ozone State Implementation Plans (SIPs) are designed to satisfy the requirements of part D of the Clean Air Act and to provide for attainment and maintenance of the ozone NAAQS. Today's proposed redesignation action should not be interpreted as authorizing the State of West Virginia to delete, alter, or rescind any of the VOC emission limitations and restrictions contained in the currently approved ozone SIP. Changes to the ozone SIP's regulations rendering them less stringent than those contained in the EPA approved plan cannot be made unless a revised plan for attainment and maintenance is submitted to and approved by EPA. Unauthorized relaxations, deletions, and changes could result in both a finding of nonimplementation under section 173(b) of the Act and in a SIP deficiency call made pursuant to section 110(k)(5).

Under the Regulatory Flexibility Act, 5 U.S.C. 600 *et seq.*, EPA must prepare a regulatory flexibility analysis assessing the impact of any proposed or final rule on small entities. 5 U.S.C. 603 and 604. Alternatively, EPA may certify that the rule will not have a significant impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and government entities with jurisdiction over populations of less than 50,000. SIP approvals under section 110 and subchapter I, part D of the CAA do not create any new requirements, but simply approve requirements that the State is already imposing. Therefore, because the federal SIP-approval does not impose any new requirements, it does not have any economic impact on any small entities. Redesignation of an area to attainment under section 107(d)(3)(E) of the Act does not impose any new requirements on small entities. Redesignation is an action that affects the status of a geographical area and does not impose any regulatory requirements on sources. Accordingly, I certify that EPA's approval of West Virginia's request to redesignate the Parkersburg ozone nonattainment area to attainment and the associated maintenance plan will not have an impact on any small entities.

The Office of Management and Budget has exempted this rule from the requirements of section 6 of Executive Order 12866.

List of Subjects

40 CFR Part 52

Air pollution control, Hydrocarbons, Intergovernmental relations, and Ozone.

40 CFR Part 81

Air pollution control, National Parks, Wilderness areas.

Authority: 42 U.S.C. 7401–7671q.

Dated: March 28, 1994.

Stanley L. Laskowski,

Acting Regional Administrator, Region III.

[FR Doc. 94–14172 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–P

Notices

Federal Register
Vol. 59, No. 111
Friday, June 10, 1994

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Availability of the 1995 Standard Reinsurance Agreement

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Notice of availability of documents.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) publishes this notice to advise all interested parties that the 1995 Standard Reinsurance Agreement is available for consideration by private sector insurance companies.

ADDRESSES: For information on the Standard Reinsurance Agreement, contact Heyward Baker, Director, Delivery System Services, Federal Crop Insurance Corporation, U.S. Department of Agriculture, Washington, DC, 20250, telephone (202) 254–8245.

SUPPLEMENTARY INFORMATION: The Standard Reinsurance Agreement establishes the terms and conditions under which FCIC provides premium subsidy, expense reimbursement, and reinsurance on multiple peril crop insurance policies. The Standard Reinsurance Agreement is a cooperative financial assistance agreement between FCIC and private insurance companies to deliver the multiple peril crop insurance program under the authority of the Federal Crop Insurance Act, as amended, (7 U.S.C. 1501 *et seq.*).

Done in Washington, DC, on May 24, 1994.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

FR Doc. 94–14201 Filed 6–9–94; 8:45 am]

BILLING CODE 3410–08–M

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 691]

Grant of Authority for Subzone Status; Cortelco USA, Inc. (Telephone and Computer Equipment) Corinth, MS

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, by an Act of Congress approved June 18, 1934, an Act "To provide for the establishment * * * of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes," as amended (19 U.S.C. 81a–81u) (the Act), the Foreign-Trade Zones Board (the Board) is authorized to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs ports of entry;

Whereas, the Board's regulations (15 CFR part 400) provide for the establishment of special-purpose subzones when existing zone facilities cannot serve the specific use involved;

Whereas, an application from the Vicksburg/Jackson Foreign Trade Zone, Inc., grantee of Foreign-Trade Zone 158, for authority to establish a special-purpose subzone for the telephone and computer equipment manufacturing plant of Cortelco USA, Inc., in Corinth, Mississippi, was filed by the Board on May 17, 1993, and notice inviting public comment was given in the **Federal Register** (FTZ Docket 20–93, 58 FR 31362, 6/2/93); and,

Whereas, the Board has found that the requirements of the Act and Board's regulations is satisfied, and that approval of the application, subject to a restriction on foreign color cathode ray tubes, is in the public interest;

Now, Therefore, the Board hereby authorizes the establishment of a subzone (Subzone 158A) at the Cortelco USA plant in Corinth, Mississippi, at the location described in the application, subject to the FTZ Act and the Board's regulations, including § 400.28, and subject to a restriction that requires Cortelco to elect privileged foreign status (19 CFR § 146.41) on foreign color cathode ray tubes admitted to the subzone.

Signed at Washington, DC, this 1st day of June 1994.

Susan G. Esserman,

Assistant Secretary of Commerce for Import Administration, Chairman, Committee of Alternates Foreign-Trade Zones Board.

Attest:

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 94–14203 Filed 6–9–94; 8:45 am]

BILLING CODE: 3510–DS–P

[Docket 53–93]

Foreign-Trade Zone 38—Spartanburg County, Application for Expansion; Amendment of Application

The pending application of the South Carolina State Ports Authority, grantee of FTZ 38, requesting authority to expand its zone in Spartanburg County, South Carolina (Docket 53–93, filed 10/29/93, 58 FR 59236, 11/8/93) has been amended to include an additional proposed site located at the Highway 290 Commerce Park (111 acres), Highway 290 and River Ridge Road, some 5 miles southeast of the City of Duncan, and to restore zone status to a parcel (17 acres) that was previously deleted from Site 1 (U.S. Highway 29 and I–85, Spartanburg County). The two proposed sites will be operated by Carolina Trade Zone, Inc.

The comment period is reopened until July 25, 1994.

The application and amendment material are available for public inspection at the following locations:

Office of the Port Director, U.S. Customs Service, 150–A West Phillips Road, Greer, South Carolina 29650.

Office of the Executive Secretary, Foreign-Trade Zones Board, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue NW., room 3716, Washington, DC 20230.

Dated: May 27, 1994.

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 94–14204 Filed 6–9–94; 8:45 am]

BILLING CODE 3510–25–M

International Trade Administration

(A–588–831)

Antidumping Duty Order: Grain-Oriented Electrical Steel From Japan

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: June 10, 1994.

FOR FURTHER INFORMATION CONTACT: Mike Ready or Paul Kullman, Office of Antidumping Duty Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–2613 or (202) 482–1279, respectively.

Scope of Order

The product covered by this order is grain-oriented electrical steel, which is a flat-rolled alloy steel product containing by weight at least 0.6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, of a thickness of no more than 0.56 millimeters, in coils of any width, or in straight lengths which are of a width measuring at least 10 times the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under item subheadings 7225.10.0030, 7226.10.1030, 7226.10.5015 and 7226.10.5065. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Antidumping Duty Order

In accordance with section 735(d) of the Act, on April 25, 1994, the Department of Commerce (Department) published in the **Federal Register** its final determination that grain-oriented electrical steel from Japan is being sold at less than fair value (59 FR 19693). On June 2, 1994, in accordance with section 735(d) of the Act, the U.S. International Trade Commission (ITC) notified the Department that imports of grain-oriented electrical steel from Japan materially injure a U.S. industry.

Suspension of Liquidation

In accordance with section 736 of the Act, the Department will direct U.S. Customs officers to assess, upon further advice by the administering authority pursuant to section 736(a)(1) of the Act, antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the United States price for all entries of grain-oriented electrical steel from Japan. These antidumping duties will be assessed on all unliquidated entries of grain-oriented electrical steel from Japan entered, or withdrawn from warehouse, for consumption on or after February 9, 1994, the date on which the Department published its preliminary determination notice in the **Federal Register** (59 FR 5990).

On or after the date of publication of this notice in the **Federal Register**, U.S. Customs officers must require, at the same time as importers would normally deposit estimated duties, the following cash deposits for the subject merchandise:

Manufacturer/producer/exporter	Weighted-average margin percentage
Kawasaki Steel Corporation	31.08
Nippon Steel Corporation	31.08
All Others	31.08

This notice constitutes the antidumping duty order with respect to grain-oriented electrical steel from Japan, pursuant to section 736(a) of the Act. Interested parties may contact the Central Records Unit, Room B–099 of the Main Commerce Building, for copies of an updated list of antidumping duty orders currently in effect.

This order is published in accordance with section 736(a) of the Act and 19 CFR 353.21.

Dated: June 6, 1994.

Susan G. Esserman,

Assistant Secretary, for Import Administration.

[FR Doc. 94–14205 Filed 6–9–94; 8:45 am]

BILLING CODE 3510–DS–P

[C–307–702]

Certain Electrical Conductor Aluminum Redraw Rod From Venezuela; Preliminary Results of Countervailing Duty Administrative Review

AGENCY: International Trade Administration/Import Administration Department of Commerce.

ACTION: Notice of preliminary results of countervailing duty administrative review.

SUMMARY: The Department of Commerce is conducting an administrative review of the countervailing duty order on certain electrical conductor aluminum redraw rod from Venezuela for the period January 1, 1992 through December 31, 1992. There are no known entries in the review period. Therefore, we preliminarily determine that the cash deposit rate of estimated countervailing duties will be 0.50 percent *ad valorem*, the rate established in the final results of the last administrative review of this order (57 FR 36063; August 12, 1992). We invite interested parties to comment on these preliminary results.

EFFECTIVE DATE: June 10, 1994.

FOR FURTHER INFORMATION CONTACT: Gayle Longest or Kelly Parkhill, Office of Countervailing Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On August 3, 1993, the Department of Commerce (the Department) published a notice of "Opportunity to Request Administrative Review" (58 FR 41239) for the countervailing duty order on certain electrical conductor aluminum redraw rod from Venezuela (53 FR 31904; August 22, 1988). We received a request for review from Southwire Company, the petitioner. We initiated the review, covering the period January 1, 1992 through December 31, 1992, on September 30, 1993 (58 FR 51053). The Department is conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act). The final results of the last administrative review of this order were published in the **Federal Register** on September 14, 1992 (57 FR 41918).

Scope of Review

Imports covered by this review are shipments of certain electrical conductor aluminum redraw rod from Venezuela, which is wrought rod of aluminum that is electrically conductive and contains not less than 99 percent of aluminum by weight. This merchandise is currently classifiable under item numbers 7604.10.3010, 7604.10.3050, 7604.29.3010, 7604.29.3050, 7605.11.0030, 7605.11.0090, 7605.19.0000, 7605.21.0030, 7605.21.0090 and 7605.29.0000 of the *Harmonized Tariff Schedule* (HTS). The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive. The review period is January 1, 1992 through December 31, 1992.

In its questionnaire response, the Government of Venezuela reported no shipments of the subject merchandise to the United States during the review period. On April 7, 1994, Southwire Company submitted factual information regarding possible shipments of subject

merchandise during the review period. We subsequently confirmed through various Customs, Census, and Import Administration sources that there were no known entries of the subject merchandise during the review period. See Memorandum to the File dated May 19, 1994; Certain Electrical Conductor Aluminum Redraw Rod from Venezuela No Shipment Search, which is on file in the Central Records Unit (room B099 of the Main Commerce Building).

Preliminary Results of Review

As a result of our review, we preliminarily determine that there are no known entries of the subject merchandise exported to the United States in the period January 1, 1992 through December 31, 1992. Therefore, we preliminarily determine the estimated net subsidy to be 0.50 percent *ad valorem*, the cash deposit rate established in the final results of the last administrative review (57 FR 36063; August 12, 1992).

If the final results of this review remain the same as these preliminary results, as provided by section 751(a)(1) of the Act, the Department intends to instruct the Customs Service to collect a cash deposit of estimated countervailing duties of 0.50 percent of the f.o.b. invoice price on all shipments of the subject merchandise from Venezuela entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

Interested parties may request a hearing, not later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication in accordance with 19 CFR 355.38(c). Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Any hearing, if requested, will be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38(e).

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs are due.

The Department will publish the final results of this administrative review including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated: June 1, 1994.

Susan G. Esserman,

Assistant Secretary for Import Administration.

[FR Doc. 94-14207 Filed 6-9-94; 8:45 am]

BILLING CODE 3510-DS-P

[C-614-503]

Lamb Meat From New Zealand; Request for Revocation of the Countervailing Duty Order

AGENCY: International Trade Administration/Import Administration/ Department of Commerce.

ACTION: Notice of Request for Revocation of the Countervailing Duty Order.

SUMMARY: The Department of Commerce has received a request from the Government of New Zealand for revocation of the countervailing duty order on lamb meat from New Zealand.

EFFECTIVE DATE: October 18, 1993.

FOR FURTHER INFORMATION CONTACT: Gayle Longest or Kelly Parkhill, Office of Countervailing Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 482-2786.

SUPPLEMENTARY INFORMATION:

Background

On September 30, 1993, the Government of New Zealand submitted a request for revocation of the countervailing duty order on lamb meat from New Zealand (50 FR 37708; September 17, 1985). This request will be considered by the Department in conjunction with the administrative review of this order initiated on October 18, 1993. (See *Initiation of Antidumping and Countervailing Duty Administrative Reviews; Recision of Initiation*, (58 FR 53710; October 18, 1993)). This notice is issued pursuant to 19 CFR 355.25(c)(2)(i)(1992).

Dated: June 3,1994.

Joseph A. Spetrini,

Deputy Assistant Secretary for Compliance.

[FR Doc. 94-14206 Filed 6-9-94; 8:45 am]

BILLING CODE 3510-DS-P

National Institute of Standards and Technology

[Docket No. 930521-4076]

RIN 0693-AB18

Approval of Federal Information Processing Standards Publication 173-1, Spatial Data Transfer Standard (SDTS)

AGENCY: National Institute of Standards and Technology (NIST), Commerce.

ACTION: Notice.

SUMMARY: The purpose of this notice is to announce that the Secretary of Commerce has approved a revised standard, which will be published as FIPS Publication 173-1, Spatial Data Transfer Standard (SDTS). This revision adds Part 4, Topological Vector Profile (TVP) to the specifications adopted by the Spatial Data Transfer Standard and makes minor changes and clarifications to the Parts 1 and 3 of the SDTS.

On July 26, 1993, notice was published in the **Federal Register** (58 FR 39792) that a revision to Federal Information Processing Standard 173, SDTS, was being proposed for Federal use.

NIST reviewed written comments submitted by interested parties and other available material. On the basis of this review, NIST recommended that the Secretary approve the revised standard as a Federal Information Processing Standard (FIPS), and prepared a detailed justification document for the Secretary's review in support of that recommendation.

The detailed justification document which was presented to the Secretary, and which includes an analysis of the written comments received, is part of the public record and is available for inspection and copying in the Department's Central Reference and Records Inspection Facility, Room 6020, Herbert C. Hoover Building, 14th Street between Pennsylvania and Constitution Avenues, NW., Washingotn, DC 20230.

This FIPS contains two sections: (1) An announcement section, which provides information concerning the applicability, implementation, and maintenance of the standard; and (2) a specifications section, which deals with the technical requirements of the standard. Only the announcement section of the standard is provided in this notice.

EFFECTIVE DATES: This revised standard becomes effective December 30, 1994.

ADDRESSES: Interested parties may purchase copies of this revised standard, including the technical specifications section, from the National

Technical Information Service (NTIS). Specific ordering information from NTIS for this standard is set out in the Where to Obtain Copies Section of the announcement section of the standard.

FOR FURTHER INFORMATION CONTACT:

Mr. Henry Tom, (301) 975–3271, Computer Systems Laboratory, National Institute of Standards and Technology, Gaithersburg, MD 20899.

Dated: June 6, 1994.

Samuel Kramer,

Associate Director.

Federal Information Processing Standards Publication 173–1,

June 10, 1994.

Announcing the Standard for Spatial Data Transfer Standard (SDTS).

Federal Information Processing Standards Publications (FIPS PUBS) are issued by the National Institute of Standards and Technology after approval by the Secretary of Commerce pursuant to Section 111(d) of the Federal Property and Administrative Services Act of 1949 as amended by the Computer Security Act of 1987, Public Law 100–235.

1. Name of Standard. Spatial Data Transfer Standard (SDTS) (FIPS PUB 173–1).

2. Category of Standard. Software Standard, Information Interchange.

3. Explanation. This standard provides specifications for the organization and structure of digital spatial data transfer, definition of spatial features and attributes, data transfer encoding, and topological vector profile. The purpose of the standard is to promote and facilitate the transfer of digital spatial data between dissimilar computer systems.

Work on a national spatial data transfer standard was initiated by the National Committee for Digital Cartographic Data Standards, American Congress on Surveying and Mapping in 1982 to develop a comprehensive set of data exchange standards for the profession. In 1985, the Standards Working Group of the Federal Interagency Coordinating Committee on Digital Cartography also began work on spatial data exchange standards. During 1987, the results of these parallel efforts were merged by the Digital Cartographic Data Standards Task Force into the proposed Digital Cartographic Data Standard, published as a special issue of *The American Cartographer* in January 1988.

Subsequent testing, modification, and refining of the specifications were done by the Spatial Data Transfer Standard Technical Review Board. These efforts resulted in the approval and issuance of the Spatial Data Transfer Standard (SDTS) as Federal Information Processing Standard (FIPS) Publication 173 consisting of three parts: Part 1—Logical Specifications, Part 2—Spatial Features, Part 3—ISO 8211 Encoding. The revision of this standard adds Part 4, the Topological Vector Profile (TVP). The TVP is a limited subset of SDTS specifications for the transfer of vector data, it also specifies several changes and clarifications to Parts 1 and 3 of SDTS. They are as follows:

a. many-to-many and many-to-one relationships between spatial objects and attributes are permitted (Section 5.3);

b. composite objects which do not contain component objects are permitted (Section 5.4);

c. the Entity Authority and Attribute Authority subfields in the Data Dictionary/Schema module may contain a maximum of 8 characters; if Part 2 of the SDTS is the source of a definition the subfield shall contain "SDTS-USA"; a provision for standard feature registers of other countries has been added (Section 5.12);

d. the Attribute Authority subfield in the Data Dictionary/Domain and Data Dictionary/Definition modules may have a maximum length of 8 characters (Sections 5.13 and 5.14);

e. the External Spatial Reference subfield in the Conformance field in the Identification module shall have a null value meaning "undefined, not relevant" when used in a transfer containing only a master data dictionary; it is acceptable to specify this by omitting this subfield (Section A.2.2);

f. in the Point-Node module, the Attribute ID field is not mandatory for objects "NE" and "NL" (Section 5.5.4);

g. in the Line module, Annex D allows the simultaneous use of both the Chain Component ID and Spatial Address subfields (Section D.6.2); and

h. the ISO 8211 tag for the primary Field of the Arc module shall be ARCC (Section D.7.2).

SDTS supports the transfer of vector data with geometry and topology, raster data, graphic representation modules, and geometry-only vector data. The SDTS Topological Vector Profile supports only geographic vector data with geometry and topology.

An SDTS application profile, not requiring the full functionality of SDTS, defines requirements for a specific type of data and/or application. A SDTS profile simplifies the implementation of SDTS while maximizing the probability of successful data interchanges between dissimilar computer systems.

4. Approving Authority. Secretary of Commerce.

5. Maintenance Agency. U.S. Department of Interior, United States Geological Survey (USGS), National Mapping Division.

6. Related Documents. a. Federal Information Resources Management Regulations (FIRMR) subpart 201.20.303, Standards, and subpart 201.39.1002, Federal Standards.

b. A list of references is contained in section 1.3 and Annex F of Part 1 of the specifications.

7. Objectives. The objectives of the SDTS are to:

—provide a common mechanism for transferring digital spatial information between dissimilar computer systems, while preserving information meaning, and minimizing the need for information external to this standard;

—provide, for the purpose of transfer, a set of clearly specified spatial objects and relationships to represent real world spatial entities, and to specify the ancillary information necessary to accomplish the transfer;

—provide a transfer model that will facilitate the conversion of user-defined to standardized set of objects, relationships, and information.

8. Applicability. a. This standard is intended for use in the acquisition and development of government applications and programs involving the transfer of digital spatial data between dissimilar computer systems.

b. The use of the FIPS SDTS applies when the transfer of digital spatial data occurs or is likely to occur within and/or outside of the Federal government.

c. The use of the FIPS SDTS does not apply to the transfer of digital spatial data files which are not intended to represent spatial entities as digital geographic or cartographic features.

d. FIPS SDTS is not intended to facilitate product distribution of spatial data in a form designed for direct access by application software specific to a particular data structure, class of computer platform, or distribution media.

e. Nonstandard features should be used only when the needed operation or function cannot be reasonably implemented with standard features alone. Although nonstandard features can be very useful, it should be recognized that the use of these or any other nonstandard elements may make the interchange of digital spatial data and future conversions more difficult and costly

f. Use of this standard or a FIPS approved SDTS application profile, such as the SDTS TVP, is required for Federal Government implementations of this standard. FIPS SDTS implementations not requiring full functionality are designated as application profiles. Application profiles, requiring all three parts of the FIPS SDTS, are limited subsets designed for use with a specific type of data and/or application. The SDTS Topological Vector Profile (TVP) is an application profile.

9. Specifications. The FIPS SDTS, in four parts, provides specifications for the organization and structure of digital spatial data transfer, definition of spatial features and attributes, data transfer encoding, and Topological Vector Profile.

Specifications of this FIPS have the following characteristics:

a. ability to transfer vector, raster, grid and attribute data and other ancillary information;

b. common set of terminology and definitions for spatial features;

c. internal description of the data types, formats, and data structures such that the information items can be readily identified and processed in the recipient system; and

d. media independence and extendibility to encompass new spatial information as needed.

10. Implementation. The implementation of this standard involves three areas of consideration: acquisition of FIPS SDTS implementations, validation, and interpretations of the standard.

10.1 Acquisition of FIPS SDTS Implementations. This revised standard becomes effective December 30, 1994.

10.2 Validation. Conformance to FIPS SDTS is applicable whether implementations are developed internally, acquired as part of an automated data processing (ADP) procurement, acquired by separate procurement, used under an ADP leasing arrangement, or specified for use in contracts for programming services.

Conformance criteria, based on application profiles, will be developed for use in validating the conformance of FIPS SDTS implementations. Validation of implementations for conformance to FIPS SDTS conformance criteria, policy, and procedures are under the authority of the FIPS program.

10.3 Interpretation of FIPS SDTS. Resolution of questions regarding this standard will be provided by NIST. Questions concerning the content and specification should be addressed to: Director, Computer Systems Laboratory, ATTN: FIPS SDTS Interpretation, National Institute of Standards and Technology, Gaithersburg, MD 20899, Telephone: (301) 975–3271.

11. Waivers. Under certain exceptional circumstances, the heads of Federal departments and agencies may approve waivers to Federal Information Processing Standards (FIPS). The head of such agency may redelegate such authority only to a senior official designated pursuant to section 3506(b) of Title 44, U.S. Code. Waivers shall be granted only when:

a. Compliance with a standard would adversely affect the accomplishment of the mission of an operator of a Federal computer system, or

b. Cause a major adverse financial impact on the eperator which is not offset by Governmentwide savings.

Agency heads may act upon a written waiver request containing the information detailed above. Agency heads may also act without a written waiver request when they determine that conditions for meeting the standard cannot be met. Agency heads may approve waivers only by a written decision which explains the basis on which the agency head made the required finding(s). A copy of each such decision, with procurement sensitive or classified portions clearly identified, shall be sent to: National Institute of Standards and Technology: ATTN: FIPS Waiver Decisions, Technology Building, Room B–154, Gaithersburg, MD 20899.

In addition, notice of each waiver granted and each delegation of authority to approve waivers shall be sent promptly to the Committee on Government Operations of the House of Representatives and the Committee on Governmental Affairs of the Senate and shall be published promptly in the **Federal Register**.

When the determination on a waiver applies to the procurement of equipment and/or services, a notice of the waiver determination must be published in the *Commerce Business Daily* as a part of the notice of solicitation for offers of an acquisition or, if the waiver determination is made after that notice is published, by amendment of such notice.

A copy of the waiver, any supporting documents, the document approving the waiver and any supporting and accompanying documents, with such deletions as the agency is authorized and decides to make under 5 U.S.C. Sec. 552(b), shall be part of the procurement documentation and retained by the agency.

12. Where to Obtain Copies. Copies of this publication are for sale by the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22161. (Sale of the included specifications document is by arrangement with the United States Geological Survey (USGS).) When ordering, refer to Federal Information Processing Standards Publication 173–1 (FIPSPUB173–1), and title. Payment may be made by check, money order, or deposit account.

[FR Doc. 94–14209 Filed 6–9–94; 8:45 am]

BILLING CODE 3510–CN–M

National Oceanic and Atmospheric Administration

[I.D. 053194A]

Gulf of Mexico Fishery Management Council; Public Workshop

AGENCY: National Marine Fisheries Service (NMFS) National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of public workshop.

SUMMARY: The Special Management Zone Monitoring Team (SMZMT) of the Gulf of Mexico Fishery Management Council (Council) will hold a fact-finding workshop/scoping meeting on proposals by the Alabama Department of Conservation and Natural Resources (ADCNR) to establish Special Management Zones (SMZs) in the exclusive economic zone (EEZ) off Alabama. A framework procedure of the Fishery Management plan for the Reef Fish Fishery of the Gulf of Mexico, as amended, provided that the SMZMT will evaluate such requests to establish SMZs and will prepare a report for future consideration by the Council and its Scientific and Statistical Committee, its Advisory Panel, and the public at hearings. The purpose of the workshop is to provide the affected fishermen and the public an opportunity to provide information to the SMZMT on the proposed establishment of SMZs and on fishing activities occurring in the area affected that may be included in this report.

DATES: June 29, 1994, from 6 p.m. to 10 p.m.

ADDRESSES: This workshop will be held at the Orange Beach Community Center, 27235 Canal Road, Orange Beach, Alabama.

FOR FURTHER INFORMATION CONTACT: Wayne E. Swingle, Executive Director, Gulf of Mexico Fishery Management Council, 5401 West Kennedy Boulevard, Suite 331, Tampa, Florida; telephone: 813–228–2815.

SUPPLEMENTARY INFORMATION: This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Julie Krebs at the Council office by June 22, 1994.

Dated: June 6, 1994.

David S. Crestin,

Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service.

[FR Doc. 94–14121 Filed 6–9–94; 8:45 am]

BILLING CODE 3510–22–M

[I.D. 052794D]

Endangered Species; Permits

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Issuance of Permit 924 (P772#66), and Issuance of Modifications to Permits 802 (P512) and 811 (P534).

On March 29, 1994, notice was published (59 FR 14612) that an application had been filed by NMFS, Southwest Regional Office (P772#66), to conduct scientific research on listed sea turtles, including those taken incidentally by the Hawaiian longline fishery, as authorized by the Endangered Species Act of 1973 (ESA) (16 U.S.C. 1531-1543) and the NMFS regulations governing listed fish and wildlife permits (50 CFR parts 217-222).

Notice is hereby given that on June 2, 1994, as authorized by the provisions of the ESA, NMFS issued Permit Number 924 (P772#66), for the above taking, subject to certain conditions set forth therein.

Notice is hereby given that on May 25, 1994, NMFS issued a second modification to Permit Number 802 (P512) to Texas A&M University to take sea turtles for tagging and biological sampling as authorized by the ESA, subject to certain conditions set forth therein.

Notice is hereby given that on May 10, 1994, NMFS issued a modification to Permit Number 811 (P534) to Hubbs Sea World to take leatherback sea turtles (*Dermochelys coriacea*) for the purpose of conducting migration studies, as authorized by the ESA, subject to certain conditions set forth therein.

Issuance of this permit and these modifications, as required by the ESA,

were based on findings that such permit and modifications: (1) Were applied for in good faith; (2) will not operate to the disadvantage of the listed species which are the subject of this permit and these modifications; (3) are consistent with the purposes and policies set forth in section 2 of the ESA. This permit and these modifications were also issued in accordance with and are subject to parts 217-222 of Title 50 CFR, the NMFS regulations governing listed species permits.

The applications, permits, modifications, and supporting documentation are available for review by interested persons in the following offices, by appointment:

Office of Protected Resources, NMFS, 1335 East-West Highway, Silver Spring, MD 20910–3226 (301–713–2322); and

Southeast Region, NMFS, NOAA, 9721 Executive Center Drive, St. Petersburg, FL 33702–2432 (813-893-3141); or

Director, Southwest Region, NMFS, NOAA, 501 West Ocean Blvd., Suite 4200, Long Beach, CA 90802–4213 (310–980–4016).

Dated: June 2, 1994.

William W. Fox, Jr.,

Director, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 94–14099 Filed 6–9–94; 8:45 am]

BILLING CODE 3510–22–F

[I.D.051794C]

Marine Mammals

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Modification No. 1 to scientific research permit no. 846 (P532A).

SUMMARY: Notice is hereby given that a request for modification of Scientific Research Permit No. 846 submitted by Dr. Randall W. Davis, Department of Marine Biology, Texas A&M University, has been granted.

ADDRESSES: The modification and related documents are available for review upon written request or by appointment in the following office(s):

Permits Division, Office of Protected Resources, NMFS, 1335 East-West Hwy., Silver Spring, MD 20910 (301/713–2289); and

Director, Alaska Region, NMFS, P.O. Box 21668, Juneau, AK 99802 (907/586–7221).

SUPPLEMENTARY INFORMATION: On April 19, 1994, notice was published in the **Federal Register** (59 FR 18523) that a modification of Permit No. 846, issued June 7, 1993 (58 FR 32913), had been requested by the above-named individual to increase the number of Steller sea lion pups taken annually from 40 to 60, change location of take from Chirikof to Marmot, and attach subcutaneous transmitters to 5 pups and 5 adult females. The requested modification has been granted under authority of the Marine Mammal Protection Act (MMPA) of 1972 (16 U.S.C. 1361–*et seq.*), the Endangered Species Act (16 U.S.C. 1543 *et seq.*) and implementing regulations.

Issuance of this modification, as required by the Endangered Species Act of 1973, was based on a finding that such permit: (1) Was applied for in good faith; (2) will not operate to the disadvantage of the endangered species which is the subject of this permit; and (3) is consistent with the purposes and policies set forth in Section 2 of the Endangered Species Act.

Dated: June 3, 1994.

William W. Fox, Jr.,

Director, Office of Protected Resources National Marine Fisheries Service.

[FR Doc. 94–14117 Filed 6–9–94; 8:45 am]

BILLING CODE 3510–22–F

National Technical Information Service

NTIS Advisory Board Meeting

AGENCY: National Technical Information Service, Technology Administration, U.S. Department of Commerce.

ACTION: Notice of partially closed meeting.

SUMMARY: Pursuant to the Federal Advisory Committee Act, 5 U.S.C. app. 2, notice is hereby given that the National Technical Information Service Advisory Board (the "Board") will meet on Monday, July 11, 1994, from 9 a.m. to 4 p.m. and on Tuesday, July 12, 1994, from 9 a.m. to 12 p.m. The afternoon session on July 11, 1994 will be closed to the Public.

The Board was established under the authority of 15 U.S.C. 3704b(c), and was chartered on September 15, 1989. The Board is composed of five members appointed by the Secretary of Commerce who are eminent in such fields as information resources management, information technology, and library and information services. The purpose of the meeting is to review and make recommendations regarding general policies and operations of its services. The agenda will include a progress report on NTIS activities, an update on NTIS plans to assist Depository Libraries, an update on the progress of FedWorld, and a discussion of NTIS' long range plans. The closed session discussion is scheduled to begin at 1 p.m. and end at 4 p.m. on July 11, 1994. The session will be closed because premature disclosure of the information to be discussed would be likely to significantly frustrate implementation of NTIS' business plan.

DATES: The meeting will convene on July 11, 1994 at 9 a.m. and adjourn at 4 p.m. and convene again on July 12, 1994 at 9 a.m. and adjourn at 11:45 a.m.

ADDRESSES: The meeting will be held in room 2029, U.S. Department of Commerce, National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

PUBLIC PARTICIPATION: Except for the closed session from 1 to 4 p.m. on July 11, 1994, the meeting will be open to public participation. Approximately thirty minutes each day will be set aside for oral comments or questions as indicated in the agenda. Seats will be available for the public and for the media on a first-come, first-served basis. Any member of the public may submit written comments concerning the Board's affairs at any time. Copies of the minutes of the meeting will be available within thirty days of the meeting from the address given below.

FOR FURTHER INFORMATION CONTACT: Barbara Higgins, NTIS Advisory Board Secretary, National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia 22161. Telephone: (703) 487–4612; Fax (703) 487–4093.

Dated: June 6, 1994.

Donald R. Johnson,

Deputy Director.

[FR Doc. 94–14087 Filed 6–9–94; 8:45 am]

BILLING CODE 3510–01–M

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List Additions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Additions to the procurement list.

SUMMARY: This action adds to the Procurement List military resale commodities and a service to be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

EFFECTIVE DATE: July 11, 1994.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely

Disabled, Crystal Square 3, suite 403, 1735 Jefferson Davis Highway, Arlington, Virginia 22202–3461.

FOR FURTHER INFORMATION CONTACT: Beverly Milkman (703) 603–7740.

SUPPLEMENTARY INFORMATION: On April 15, 1994, the Committee for Purchase From People Who Are Blind or Severely Disabled published notice (59 FR 18104) of proposed additions to the Procurement List.

After consideration of the material presented to it concerning capability of qualified nonprofit agencies to provide the military resale commodities and service, fair market price, and impact of the additions on the current or most recent contractors, the Committee has determined that the military resale commodities and service listed below are suitable for procurement by the Federal Government under 41 U.S.C. 46–48c and 41 CFR 51–2.4.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the military resale commodities and service to the Government.

2. The action does not appear to have a severe economic impact on current contractors for the military resale commodities and service.

3. The action will result in authorizing small entities to furnish the military resale commodities and service to the Government.

4. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46–48c) in connection with the military resale commodities and service proposed for addition to the Procurement List.

Accordingly, the following military resale commodities and service are hereby added to the Procurement List:

Military Resale Commodities

Pad, Replacement, Handle Scrubber
M.R. 540
M.R. 545
M.R. 546

Service

Janitorial/Grounds Maintenance, Buffumville Lake and Hodges Village Dam, Oxford, Massachusetts

This action does not affect current contracts awarded prior to the effective date of this addition or options exercised under those contracts.

Beverly L. Milkman,

Executive Director.

[FR Doc. 94–14154 Filed 6–9–94; 8:45 am]

BILLING CODE 6820–33–P

Procurement List Proposed Addition

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Proposed addition to procurement list .

SUMMARY: The Committee has received a proposal to add to the Procurement List a service to be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

COMMENTS MUST BE RECEIVED ON OR BEFORE: July 11, 1994.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, Crystal Square 3, suite 403, 1735 Jefferson Davis Highway, Arlington, Virginia 22202–3461.

FOR FURTHER INFORMATION CONTACT: Beverly Milkman (703) 603–7740.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to 41 U.S.C. 47(a)(2) and 41 CFR 51–2–3. Its purpose is to provide interested persons an opportunity to submit comments on the possible impact of the proposed actions.

If the Committee approves the proposed addition, all entities of the Federal Government (except as otherwise indicated) will be required to procure the service listed below from nonprofit agencies employing persons who are blind or have other severe disabilities.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the service to the Government.

2. The action does not appear to have a severe economic impact on current contractors for the service.

3. The action will result in authorizing small entities to furnish the service to the Government.

4. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46–48c) in connection with the service proposed for addition to the Procurement List.

Comments on this certification are invited. Commenters should identify the statement(s) underlying the certification on which they are providing additional information.

The following service has been proposed for addition to Procurement List for production by the nonprofit agency listed: Janitorial/Custodial, VA Outpatient Clinic, 4600 Broadway, Sacramento, California.

NPA: Easter Seal Society of Superior California, Sacramento, California.

Beverly L. Milkman,

Executive Director.

[FR Doc. 94–14155 Filed 6–9–94; 8:45 am]

BILLING CODE 6820–33–P

Procurement List; Additions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Additions to the procurement list.

SUMMARY: This action adds to the Procurement List shipping boxes to be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

EFFECTIVE DATE: July 11, 1994.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, Crystal Square 3, suite 403, 1735 Jefferson Davis Highway, Arlington, Virginia 22202–3461.

FOR FURTHER INFORMATION CONTACT: Beverly Milkman (703) 603–7740.

SUPPLEMENTARY INFORMATION: On March 11, 1994, the Committee for Purchase From People Who Are Blind or Severely Disabled published notice (59 FR 11579) of proposed addition to the Procurement List.

Comments were received from the current contractor for the boxes in response to a request for sales data. The contractor indicated that addition of the boxes to the Procurement List would cause one or more of four events to occur: Loss of sales for the contractor, loss of jobs, loss of profit for the contractor because of an inability to purchase raw materials in volume, and increased cost to the Government on future procurements conducted under the Committee's program.

The contractor did not furnish any information to support its claims about loss of profit and increased cost to the Government. Nonprofit agencies participating in the Committee's program are required to sell to the Government at a fair market price set by the Committee, so there is little possibility of a substantial increase in

price to the Government when an item is added to the Procurement List.

The contract value for the boxes is such that loss of sales will represent only a very small percentage of the contractor's sales. The Committee does not believe that a sales loss of this size constitutes severe adverse impact on the contractor.

The contractor provided a range of numbers of jobs which might be lost if the boxes are added to the Procurement List and did not indicate specifically whether any jobs would be lost because of the Committee's action. However, addition of the boxes to the Procurement List will definitely create jobs for blind people, who traditionally have unemployment rates far above those of people without severe disabilities. Consequently, the Committee believes that this definite creation of jobs for blind people outweighs the possible loss of jobs by the contractor's employees.

After consideration of the material presented to it concerning capability of qualified nonprofit agencies to provide the commodities, fair market price, and impact of the addition on the current or most recent contractors, the Committee has determined that the commodities listed below are suitable for procurement by the Federal Government under 41 U.S.C. 46–48c and 41 CFR 51–2.4.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the commodities to the Government.

2. The action does not appear to have a severe economic impact on current contractors for the commodities.

3. The action will result in authorizing small entities to furnish the commodities to the Government.

4. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46 - 48c) in connection with the commodities proposed for addition to the Procurement List.

Accordingly, the following commodities are hereby added to the Procurement List:

Box, Shipping
8115–00–134–3655
8115–00–134–3656
8115–01–006–7257
8115–01–010–8956
8115–00–516–0251

This action does not affect current contracts awarded prior to the effective date of this addition or options exercised under those contracts.

Beverly L. Milkman,

Executive Director.

[FR Doc. 94–14156 Filed 6–9–94; 8:45 am]

BILLING CODE 6820–33–P

DEPARTMENT OF DEFENSE

Office of the Secretary

Notice of Closed Meeting

AGENCY: Defense Intelligence Agency Scientific Advisory Board.

SUMMARY: Pursuant to the provisions of Subsection (d) of Section 10 of Public Law 92–463, as amended by Section 5 of Public Law 94–409, notice is hereby given that a closed meeting of the Defense Intelligence Agency Scientific Advisory Board has been scheduled as follows:

DATES: Tuesday and Wednesday 28–29 June 1994 (0830–1600).

ADDRESSES: The Defense Intelligence Agency, Bolling AFB, Washington, DC 20340–5100.

FOR FURTHER INFORMATION CONTACT: Dr. W.S. Williamson, Executive Secretary, DIA Scientific Advisory Board, Washington, DC 20340–5100, (202) 373–4930.

SUPPLEMENTARY INFORMATION: The entire meeting is devoted to the discussion of classified information as defined in Section 552b(c)(I), Title 5 of the U.S. Code and therefore will be closed to the public. The Panel will receive briefings on and discuss several current critical issues and advise the Director Defense Intelligence Agency on related matters.

Dated: June 7, 1994.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 94–14131 Filed 6–9–94; 8:45 am]

BILLING CODE 5000–04–M

Defense Information School Board of Visitors Meeting

AGENCY: Department of Defense, Office of the Assistant to the Secretary of Defense for Public Affairs, American Forces Information Service.

ACTION: Notice of meeting.

A meeting of the Defense Information School Board of Visitors will be held to review the status of consolidation of the Defense Information School, the Defense Photography School, and the Defense Visual Information School, the Defense Photography School, and the Defense Visual Information School into a single, joint-Service training facility. The meeting is open to the public.

Dates and Times: June 21, 1994—9 a.m. to 11:15 a.m. (first session); 1:10 p.m. to 2 p.m. (second session); 2:30 p.m. to 4:45 p.m. (third session); June 22, 1994—8 a.m. to 12 noon (fourth session),

ADDRESSES: The first, third and fourth sessions will be conducted in room 355, 601 North Fairfax Street, Alexandria, VA 22314. The second session will be conducted at the Joint Combat Camera Center, room, 5A518, Pentagon.

FOR FURTHER INFORMATION CONTACT: Mr. Wallace N. Guthrie, Jr., Training Directorate, American Forces Information Service, 601 North Fairfax Street, room 370, Alexandria, VA 22314. Telephone (703) 274–4897.

Dated June 6, 1994.

L. M. Bynum

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 94–14086 Filed 6–9–94; 8:45 am]

BILLING CODE 5000–04–M

DEPARTMENT OF ENERGY

Draft Feasibility Study/Proposed Plan-Environmental Impact Statement for Remedial Action at Operable Unit 4, Fernald Environmental Management Project

AGENCY: Department of Energy (DOE).

ACTION: Extension of public comment period.

SUMMARY: DOE, in response to public comments received to date, has decided to extend the public comment period on the Feasibility Study/Proposed Plan-Draft Environmental Impact Statement for remedial action at Operable Unit 4, Fernald Environmental Management Project (DOE/EIS–0195D, EPA EIS No. 940066) to June 19, 1994.

DATES: Comments on the Feasibility Study/Proposed Plan-Draft Environmental Impact Statement should be postmarked by June 19, 1994, to ensure consideration. Comments postmarked after that date will be considered to the extent practicable.

ADDRESSES: Comments should be addressed to: Mr. Gary Stegner, Public Information Officer, U.S. Department of Energy, Fernald Field Office, P.O. Box 398705, Cincinnati, OH 45239–8705, (513) 648–3131 Fax: (513) 648–3073.

FOR FURTHER INFORMATION CONTACT: For further information on the Fernald Environmental Management Project, contact Gary Stegner at the above

address. For further information on DOE's National Environmental Policy Act (NEPA) procedures, contact: Carol Borgstrom, Director, Office of NEPA Oversight (EH–25), U.S. Department of Energy, 1000 Independence Avenue, SW, Washington, DC 20585. Telephone: (202) 586–4600 or leave a message at (800) 472–2756. For further information on DOE's Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) procedures, contact: Andrew Lawrence, Acting Director, Office of Environmental Compliance (EH–22), U.S. Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585. Telephone: (202) 586–4440.

SUPPLEMENTARY INFORMATION: On March 4, 1994, the Environmental Protection Agency published a notice in the **Federal Register** (59 FR 10381) announcing the availability of the Feasibility Study/Proposed Plan-Draft Environmental Impact Statement (DOE/EIS–0195D, EPA EIS No. 940066) and the close of the public comment period scheduled for April 20, 1994. DOE's Feasibility Study/Proposed Plan-Draft Environmental Impact Statement for the Fernald Site integrates NEPA values with the procedural and documentation requirements of CERCLA, whenever practicable pursuant to DOE Order 5400.4. In response to requests from the State of Nevada and the public to extend the comment period, and after consultation with EPA Region V, in an effort to ensure that all interested parties have the opportunity to comment, DOE is extending the comment period to June 19, 1994. Comments should be postmarked by June 19, 1994, to ensure consideration; comments postmarked after that date will be considered to the extent practicable.

Issued in Washington, DC, on June 7, 1994.

Steven Galson,

Acting Assistant Secretary, Environment, Safety and Health.

[FR Doc. 94–14189 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–P

Kansas City Support Office; Non-Competitive Financial Assistance Award to the American Council for an Energy Efficient Economy

AGENCY: Department of Energy.

ACTION: Notice of Noncompetitive Financial Assistance Award.

SUMMARY: The Department of Energy (DOE), Kansas City Support Office, announces, pursuant to the DOE Financial Assistance Rules 10 CFR 600.7(b)(2)(i)(B) it intends to award a Cooperative Agreement to the American Council for An Energy Efficient Economy (ACEEE). ACEEE will investigate options for stimulating the use of more efficient electric motor systems and influencing the development and marketing of more efficient motor-driven equipment.

SUPPLEMENTARY INFORMATION: The proposed project meets the criterion for noncompetitive financial assistance specified in 10 CFR 600.7(b)(2)(i)(B) in that the activities are being or would be conducted by the applicant using its own resources or those provided by third parties. This award will further the objectives of the DOE, Industrial Electric Motor Systems Program to promote the use of efficient electric motor systems. The application is being accepted because DOE knows of no other opportunity to conduct such a project by any other organization or entity.

PROJECT PERIOD: The project period for this award is one year and is expected to begin June 1994. DOE plans to provide funding in the amount of approximately $26,538.

FOR FURTHER INFORMATION CONTACT: Chris Cockrill, Technology Marketing Division, U.S. Department of Energy, Kansas City Support Office, 911 Walnut Street, Kansas City, MO 64106–2024. (816) 426–4772.

John W. Meeker,

Chief, Procurement Team, Golden Field Office.

[FR Doc. 94–14190 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–M

Financial Assistance Award; Intent To Award Grant to the American Statistical Association

AGENCY: Department of Energy (DOE).

ACTION: Notice of intent.

SUMMARY: The Department of Energy announces that pursuant to 10 CFR 600.6(a)(5), it is making a discretionary financial assistance award based on the criterion set forth at 10 CFR 600.7(b)(2)(i)(B) to the American Statistical Association (ASA), Alexandria, Virginia, under Grant Number DE–FG01–94EH89458. The DOE intends to make a noncompetitive financial assistance award. The purpose of the proposed grant is to support a conference entitled, "Eleventh Conference on Radiation and Health." This effort will have a total estimated cost of $92,000, which is currently allocated as follows: $0 (0.0%) from the ASA, $50,000 (54.4%) from the DOE, $20,000 (21.7%) from other Federal agencies, and $22,000 (23.9%) from non-Federal sources.

FOR FURTHER INFORMATION CONTACT: Please write the U.S. Department of Energy, Office of Placement and Administration, ATTN: Jeffrey R. Dulberg, HR–531.24, 1000 Independence Avenue, SW., Washington, DC 20585.

SUPPLEMENTARY INFORMATION: The proposed grant will provide funding to the ASA to organize and conduct its "Eleventh Conference on Radiation and Health." The theme of the conference is "Radiation Dosimetry and Risk Assessment." The conference is scheduled to be held from June 26 through July 1, 1994, in Nantucket, Massachusetts. The conference is planned to be a forum for direct and efficient information transfer, both within the United States and internationally, among biostatisticians, health physicists, epidemiologists, public health researchers, the general public, and to governmental entities. The project will allow internationally recognized researchers to review and consider methods and information about radiation and health in a multidisciplinary approach. The primary benefit to be derived from this conference is to bring a broader and more complete understanding of state-of-the-art research to both established investigators and those new to the research area. It is hoped that from this understanding will come new research initiatives and collaborations and that new researchers will be recruited to the field. The requested DOE support will enhance the public benefit to be derived by expanding the ASA's current efforts to obtain the widest range of worldwide expertise for the conference.

The project is meritorious because of its relevance to the accomplishment of an important public purpose—providing an international forum for the dissemination of the latest information on radiation dosimetry and risk assessment. Issues related to human health effects and exposure to ionizing and non-ionizing radiation generate intense public concern. Some of these concerns include the risk of cancer in nuclear workers, the risk of disease in children due to parental exposure to radiation, and the risks associated to electric and magnetic fields (from power lines and everyday electric appliances). Nuclear workers, the public, and Federal, State, and local government officials constantly seek out information concerning cancer risk as it relates to nuclear energy and technology. The proposed conference will review current issues related to the potential health risks associated with these exposures. It is anticipated that there would be

several significant scientific and technical advancements from such a meeting which would be shared not only with the participants but also with the scientific community and the interested public through publication of the proceedings. This information can be used by epidemiologists, health physicists, and other public health officials to estimate radiation exposure and potential health risks. As a supplement to other Federal assistance in the amount of $20,000 plus $22,000 in non-Federal funding, the $50,000 requested from the DOE will enhance the public benefit to be derived by expanding the ASA's current efforts to obtain the widest range of worldwide expertise for the conference. The DOE knows of no other entity which is conducting or is planning to conduct such an activity.

Based on the evaluation of relevance to the accomplishment of a public purpose, it is determined that the proposal represents a beneficial method and approach to publicly disseminate information on radiation dosimetry and risk assessment.

Issued in Washington, DC, on June 2, 1994.

Scott Sheffield,

Director, Headquarters Operations Division B, Office of Placement and Administration.

[FR Doc. 94–14196 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–P

Golden Field Office; Grant Award to Minnesota Department of Public Service

AGENCY: Department of Energy (DOE).

ACTION: Notice of noncompetitive financial assistance award.

SUMMARY: DOE Golden Field Office, through the Chicago Support Office, announces that, pursuant to the DOE Financial Assistance Rules 10 CFR 600.7(b)(2) it intends to award a grant to the Minnesota Department of Public Service (DPS) to continue to support a renewable energy resource assessment program by expanding data collection and analysis of potential wind energy in the southwestern part of Minnesota.

ADDRESSES: Questions regarding this announcement may be addressed to the U.S. Department of Energy, Chicago Support Office, 9800 South Cass Avenue, Argonne, Illinois 60439, Attention: Mark Burger, Energy Conservation Programs Specialist, at 708/252–2193. The Contracting Officer is Diane Rowe.

SUPPLEMENTARY INFORMATION: DPS is the designated State Energy Office responsible for conducting activities under the State Energy Conservation Program. DPS has been extensively involved in efforts to facilitate the use of renewable energy electricity generation, which is an initiative encouraged by DOE's Office of Energy Efficiency and Renewable Energy. This award will further the aim of renewable energy electricity generation by the continued monitoring of designated sites in southwestern Minnesota where wind energy data is being gathered. This will permit a more accurate way to determine the energy potential that large numbers of wind electric conversion systems (WECS) have on the present electricity supply in Minnesota. This work is being conducted in cooperation with Northern States Power Company, which presently has WECS installed and operating in the region. Therefore, the grant application is being accepted because DOE knows of no other organization that is conducting or planning to conduct this type of effort. The project period for the grant award is 24 months, with the second year expected to begin on July 1, 1994. DOE plans to provide funding in the amount of $15,000 for this budget period.

Christine A. Phoebe,

Director, Administrative Division, Golden Field Office.

[FR Doc. 94–14191 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–M

Financial Assistance: Cooperative Agreement

AGENCY: U.S. Department of Energy (DOE).

ACTION: Notice of intent.

SUMMARY: The U.S. Department of Energy, Idaho Operations Office announces that pursuant to the Financial Assistance Rules 10 CFR 600.7, it intends to award a cooperative agreement resulting from an unsolicited research proposal offered by Montana State University. The objective of the work that Montana State University will be performing is as follows: (1) To study and develop reasonable Data Quality Objectives (DQO) approaches and processes to obtain only the data necessary for effective decision making relative to remediation site sample characterizations and (2) to improve the substance and objectivity of the national debate on nuclear waste and remediation issues by providing a quantitative evaluation of the risks associated with the cleanup process.

FOR FURTHER INFORMATION CONTACT: Gary A. Johnson, U.S. Department of Energy, 850 Energy Drive, MS 1221, Idaho Falls, Idaho 83401–1563, (208) 526–0982.

SUPPLEMENTARY INFORMATION: The statutory authority for the proposed award is the Department of Energy Organization Act (Pub. L. 95–91), as amended. The proposal meets the criteria for "non-competitive" financial assistance as set forth in 10 CFR Part 600.7(b)(2)(i)(A). The applicant is a state institution of higher education. To date DOE and the EPA have provide approximately $2,400,000 (over a six year period) to MSU's research and development programs in the areas of environmental restoration and waste management. Under these earlier awards MSU has initiated several major research studies, including one focused on enhancing the DQO process. These studies are ongoing and will build upon progress already made by MSU in previous awards.

The anticipated total project period to be awarded is three years. DOE will provide $1,050,000 over this three year period. $350,000 is proposed for FY 1995. Montana State University will share approximately ten (10) percent of the total project costs.

David W. Newnam,

Acting Director, Procurement Services Division.

[FR Doc. 94–14192 Filed 4–9–94; 8:45 am]

BILLING CODE 6450–01–M

Golden Field Office

Award Based on Acceptance of an Unsolicited Application Activities to Enhance the Transfer of Pollution Prevention Research Information Among Funders and Researchers Throughout North America

AGENCY: Department of Energy.

ACTION: Notice of Noncompetitive Financial Assistance Award.

SUMMARY: The Department of Energy (DOE), Golden Field Office, through the Seattle Support Office, announces that pursuant to DOE Financial Assistance Rules 10 CFR 600.14(f), DOE intends to award a grant to Pacific Northwest Pollution Prevention Research Center (PPRC) for Activities to Enhance Researchers Throughout North America. The anticipated overall objective is to support specific industry-related activity in the areas of pollution prevention research.

SUPPLEMENTARY INFORMATION: PPRC proposes to build a public-private partnership with the U.S. Department of Energy to support specific industry-related activity in the areas of pollution

prevention research. The specific objectives of the PPRC are:

(1) To develop and maintain a national clearinghouse for Requests for Proposals (RFPs) on pollution prevention research in order to attract more qualified researchers in the field.

(2) To conduct a detailed analysis of funding organizations, to better educate both funders and grant seekers on organizational priorities and current activities.

(3) To expand the PPRC database of current and recent research projects in order to avoid wasteful duplication of research efforts and stimulate interest in project results.

(4) To publish and disseminate a comprehensive resource guide to pollution prevention research funding, to encourage proposals and publicize funding programs.

Therefore, the grant application is being accepted because DOE knows of no other organization that is conducting or planning to conduct this type of effort in pollution prevention.

The project period for the grant award is 12-months, expected to begin in June 1994. DOE plans to provide funding in the amount of $45,000 for this project period.

FOR FURTHER INFORMATION CONTACT: Roxanne Dempsey, U.S. Department of Energy, Seattle Support Office, 800 Fifth Avenue, suite 3950, Seattle, WA 98104, (206) 553–2155.

Issued in Golden, Colorado on June 1, 1994.

John W. Meeker,

Contracting Officer, Golden Field Office.

[FR Doc. 94–14193 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–M

Pittsburgh Energy Technology Center; Unsolicited Financial Assistance Award

AGENCY: U.S. Department of Energy.

ACTION: Acceptance of an unsolicited proposal application of a grant award with Texas A&M University.

SUMMARY: The Department of Energy (DOE) announces that pursuant to 10 CFR 600.14, it intends to award financial assistance (grant) through the Pittsburgh Energy Technology Center To Texas A&M University for a research effort entitled " Investigation of the Effect of Coal Particle Sizes on the Interfacial and Rheological Properties of Coal-Water Slurry Fuels.".

ADDRESSES: Department of Energy, Pittsburgh Energy Technology Center, Acquisition and Assistance Division, P. O. Box 10940, MS 921–188, Pittsburgh, PA 15236.

FOR FURTHER INFORMATION CONTACT: Cynthia Y. Mitchell, Contract Specialist (412) 892–4862.

SUPPLEMENTARY INFORMATION: Grant Number: DE–FG22–94PC94120.

Title of Research Effort

"Investigation of the Effect of Coal Particle Sizes on the Interfacial and Rheological Properties of Coal-Water Slurry Fuels."

Awardee: Texas A&M University.

Term of Assistance Effort: Twenty-four (24) months.

Grant Estimated Total Value: $99,670.00.

Objective: Based upon the authority of 10 CFR 600.14, the objective of this grant is for Texas A&M University to determine the effect coal particle size on the surface properties and rheology of coal-water slurry (CWS) fuels containing different surfactant. Coal powder samples of different size ranges will be obtained from a single source of coal through sieving. CWS mixtures to be tested will be prepared from these individual samples with known particle sizes. Properties of the CWS fuel samples to be measured will include the apparent viscosity, static and dynamic surface tensions. In order to correlate the measured surface properties and rheological data with the atomization characteristics, a cross-injected spray into convective air stream will be tested. Detailed characteristics of the spray development will also be investigated using a high-speed photographic recording technique. The results of these investigations will provide comprehensive information on the spray development and atomization behaviors that are known to depend to an uncertain degree on the surface properties and rheology. This effort will also contribute to developing guidelines for CWS fuel preparation technology. The potential to achieve the stated objectives is very high. Therefore the proposed effort will present a unique opportunity to expand the fundamental understanding of slurry atomization.

Dated: May 26, 1994.

Dale A. Siciliano,

Contracting officer.

[FR Doc. 94–14194 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–M

Financial Assistance Award: Intent to Award a Cooperative Agreement to Tulane University

AGENCY: Department of Energy.

ACTION: Notice of non-competitive financial assistance award.

SUMMARY: The Department of Energy announces that, pursuant to 10 CFR 600.6(a)(5), it is making a discretionary financial assistance award based on the criteria set forth at 10 CFR 600.7(b)(2)(i)(H) to Tulane University of Louisiana under Cooperative Agreement Number DE-FG01–94EW54102. The subject Cooperative Agreement will be for a two year project period and a total estimated amount of $23,000,000.

Under this Cooperative Agreement Tulane will initiate a comprehensive risk evaluation program that will focus on identifying urgent human health risks, including worker safety, that exist at and around the nation's major hazardous and mixed waste facilities and sites; and provide a mechanism for the systematic evaluation of hazards to health and the environment that will facilitate near-term decision-making, consistent with the goals of the nation's environmental cleanup initiative. The Tulane/Xavier Center for Bioenvironmental Research has extensive experience in environmental and occupational health and safety research, which provides the critical foundation for the rapid initiation and completion of an unbiased, comprehensive study that will have a high degree of credibility with all stakeholders.

The Department of Energy has determined in accordance with 10 CFR 600.7(b)(2)(i)(H), that the award of this non-competitive Cooperative Agreement to Tulane University is in the public interest.

FOR FURTHER INFORMATION CONTACT: U.S. Department of Energy, Office of Placement and Administration, Attn: Kristin Wright, HR–531.24, 1000 Independence Avenue, SW., Washington, DC 20585.

Issued in Washington, DC on: June 2, 1994.

Scott Sheffield,

Director, Headquarters Operations Division B, Office of Placement and Administration.

[FR Doc. 94–14197 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–P

Golden Field Office; Grant Award to University of Wisconsin

AGENCY: Department of Energy.

ACTION: Notice of noncompetitive financial assistance award.

SUMMARY: The U.S. Department of Energy (DOE), pursuant to the DOE Financial Assistance Rules, 10 CFR 600.7, is announcing its intention to award a grant to the University of Wisconsin for continuing research efforts in support of the DOE Office of Building Energy Research programs.

The Wisconsin project seeks to develop and improve solar heating and cooling systems for building applications.

ADDRESSES: Questions regarding this announcement may be addressed to the U.S. Department of Energy, Golden Field Office, 1617 Cole Blvd., Golden, Colorado 80401, Attention: John K. Lewis, Contract Specialist, 303–275–4739. The Contracting Officer is John W. Meeker.

SUPPLEMENTARY INFORMATION: The proposed basic research will contribute to the DOE mission by assisting in the development of solar heating and cooling technologies for use in buildings. Successful completion of this research would advance the goal of commercialization of solar heating and cooling systems. Deploying these technologies will reduce energy use in buildings which, in the U.S., accounts for about 40% of annual national energy consumption.

The proposed research effort has four major objectives: (1) Provide support to the Solar Rating and Certification Commission (SRCC): (2) further develop the TRNSYS program to include state-of-the-art solar component models; (3) investigate new and innovative solar heating systems; and (4) increase the capabilities of TRNSYS and expand the current base of TRNSYS users.

DOE has performed a review in accordance with 10 CFR 600.7 and has determined that the activity to be funded is necessary to satisfactorily complete the current research. DOE funding for the Grant is estimated at $275,000 and the anticipated period of performance is twelve (12) months.

Issued in Golden, Colorado on May 27, 1994.

John W. Meeker,

Chief, Procuremeht Team, Golden Field Office.

[FR Doc. 94–14195 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–M

Secretary of Energy Advisory Board

AGENCY: Department of Energy.

ACTION: Notice of open meeting.

SUMMARY: Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92–463, 86 Stat. 770), notice is hereby given of the following advisory committee meeting:

Name: Secretary of Energy Advisory Board.

Date and Time: Thursday, June 30, 1994, 1:30 am–4 pm.

Place: Lawrence Berkeley Laboratory, 1 Cyclotron Road, Building 66 Auditorium, Berkeley, California 94720.

FOR FURTHER INFORMATION CONTACT:

Jake W. Stewart, Designated Federal Officer, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586–7092.

SUPPLEMENTARY INFORMATION: *Purpose of the Committee:* The Secretary of Energy Advisory Board was established to serve as the Secretary of Energy's primary mechanism for long-range planning and analysis of major issues facing the Department of Energy. The Board will advise the Secretary on the research, development, energy and national defense responsibilities, activities, and operations of the Department and provide expert guidance in these areas to the Department.

Tentative Agenda

1:30 pm–2:30pm—Task Force Updates

2:30 pm–2:45 pm—Break

2:45 pm–3:45 pm—Open Discussion

3:45 pm–4:00 pm—Public Comment

4 pm—Chairman's closing remarks/ Adjourn

A final agenda will be available at the meeting.

Public Participation: The Chairman of the Board is empowered to conduct the meeting in a fashion that will, in the Chairman's judgment, facilitate the orderly conduct of business. Due to the limited time available to discuss Board Activities, public comment will be limited to a 15 minute period. The Board requests that comments be submitted in writing to the Executive Director, Secretary of Energy of Advisory Board, HR–2, 1000 Independence Avenue, SW., Washington, DC 20585. In order to insure that Board members have the opportunity to review written comments prior to the meeting, comments should be received by Friday, June 24, 1994.

Minutes: Minutes and a transcript of the meeting of the meeting will be available for public review and copying approximately 30 days following the meeting at the Freedom of Information Public Reading Room, 1E–190 Forrestal Building, 1000 Independence Avenue, SW, Washington, DC, between 9 am and 4 pm, Monday through Friday except Federal holidays.

Issued at Washington, DC, on June 7, 1994.

Marcia Morris,

Deputy Advisory Committee Management Officer.

[FR Doc. 94–14198 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–M

Federal Energy Regulatory Commission

[Docket No. ER93–702–000, et al.]

PECO Energy Company, et al.; Electric Rate and Corporate Regulation Filings

June 3, 1994

Take notice that the following filings have been made with the Commission:

1. PECO Energy Co.

[Docket No. ER93–702–000]

Take notice that on May 19, 1994, PECO Energy Company (PECO) tendered for filing an Amendment to its June 8, 1993 filing, in which PECO has submitted a Supplemental Agreement dated April 5, 1993 to the Interconnection Facilities Agreement dated February 19, 1965 between PECO and Pennsylvania Power & Light Company (PL). The Amendment to the Filing provides a new Supplemental Agreement dated April 15, 1994. PECO requests waiver of the Commission's notice requirements and asks that the Commission allow the Supplemental Agreement to become effective on August 12, 1993, which is the date the Supplemental Agreement would have become effective under the initial filing.

Comment date: June 16, 1994, in accordance with Standard Paragraph E at the end of this notice.

2. Allegheny Power Service Corporation on behalf of West Penn Power Co. Monongahela Power Co. Ohio Edison Co. and Pennsylvania Power Co.

[Docket No. ER94–1064–000]

Take notice that on May 13, 1994, Allegheny Power Service Corporation, on behalf of West Penn Power Company, Monongahela Power Company, Ohio Edison Company and Pennsylvania Power Company, filed Supplement No. 1 to Amendment No. 13 to the Interchange Agreement dated October 17, 1968. The parties filed this supplement to the Interchange Agreement in accordance with staff recommendations, transmitting documents to complete the filing requirements for Docket No. ER94–1064–000.

Copies of the filing were served upon the public Utility's relevant state public regulatory commissions.

Comment date: June 16, 1994, in accordance with Standard Paragraph E at the end of this notice.

3. Wisconsin Electric Power Co.

[Docket No. ER94–1225–000]

Take notice that Wisconsin Electric Power Company (Wisconsin Electric) on

May 3, 1994, tendered for filing a Service Voltage Coordination Agreement between itself and the City of Kiel, Wisconsin (Kiel). The agreement sets forth the details of the voltage arrangements at the Kiel Switching Station.

Wisconsin Electric respectfully requests an effective date of sixty days after filing.

Copies of the filing have been served on Kiel, and the Public Service Commission of Wisconsin.

Comment date: June 16, 1994, in accordance with Standard Paragraph E at the end of this notice.

4. New England Power Service

[Docket No. ER94–1287–000]

Take notice that on May 20, 1994, New England Power Service tendered for filing a Notice of Termination of Supplement No. 8 to Rate Schedule FERC No. 323 between New England Power Company and the Massachusetts Wholesale Electric Company.

Comment date: June 16, 1994, in accordance with Standard Paragraph E at the end of this notice.

5. Gulf Power Co.

[Docket No. ER94–1289–000]

Take notice that on May 17, 1994, Gulf Power Company tendered for filing documents relating to supplemental agreements for West Florida Electric Cooperative Association at the Altha delivery point, which receives transmission service under Supplement No. 1 to FERC Rate Schedule No. 82 (Service Schedule T of the Gulf/AEC Interconnection Agreement).

Comment date: June 16, 1994, in accordance with Standard Paragraph E at the end of this notice.

6. Portland General Electric Co.

[Docket No. ER94–1295–000]

Take notice that on May 27, 1994, Portland General Electric Company (PGE) tendered for filing a supplement to its filing by letter dated May 23, 1994, regarding Service Agreements Under FERC Electric Tariff, Original Volume No. 1 (PGE–1) with Enron Power Marketing, Inc. and Electric Clearinghouse, Inc.

Comment date: June 16, 1994, in accordance with Standard Paragraph E at the end of this notice.

7. San Diego Gas & Electric Co.

[Docket No. ER94–1300–000]

Take notice that on May 25, 1994, San Diego Gas & Electric Company (SDG&E) tendered for filing and acceptance an Interchange Agreement (Agreement) between SDG&E and Eugene Water & Electric Board (Eugene).

SDG&E requests that the Commission allow the Agreement to become effective on the 1st day of August, 1994 or at the earliest possible date.

Copies of this filing were served upon the Public Utilities Commission of the State of California and Eugene.

Comment date: June 17, 1994, in accordance with Standard Paragraph E at the end of this notice.

8. Entergy Power, Inc.

[Docket No. ER94–1301–000]

Take notice that Entergy Power, Inc. (Entergy Power), on May 26, 1994, tendered for filing a unit power sale agreement between Entergy Power and East Texas Electric Cooperative, Inc. Entergy Power requests waiver of the Commission's cost support requirements under Section 35.12 or 35.13 of the Commission's Regulations, to the extent they are otherwise applicable to this filing.

Comment date: June 16, 1994, in accordance with Standard Paragraph E at the end of this notice.

9. Entergy Services, Inc.

[Docket No. ER94–1302–000]

Take notice that on May 25, 1994, Entergy Services, Inc. (Entergy Services), as agent of Mississippi Power & Light Company (MP&L), tendered for filing two letters setting forth the terms for a long-term bulk power transmission service transaction pursuant to Paragraph 140.21(a) of Service Schedule I to the Interconnection Agreement between Municipal Energy Agency of Mississippi and MP&L effective as of July 1, 1984, as amended. Entergy Services requests waiver of the notice requirements of the Federal Power Act and the Commission's regulations to permit the service to become effective as of June 1, 1994. To the extent necessary, Entergy Services also requests waiver of the requirements of Section 35.13 of the Commission's regulations.

Comment date: June 17, 1994, in accordance with Standard Paragraph E at the end of this notice.

10. Southern California Edison Co.

[Docket No. ER94–1304–000]

Take notice that on May 27, 1994, Southern California Edison Company (Edison) tendered for filing Amendment No. 2 to the Letter Agreement Between Southern California Edison Company and Southern California Water Company (SCWC) to Obtain Licenses and Permits, Conduct Environmental Studies, and Provide Preliminary Engineering for New Electrical Facilities to Serve the Big Bear Lake Area (Amendment No. 2).

Amendment No. 2, executed on April 27, 1994, (i) increases the maximum total project costs Edison is obligated to incur and the maximum total amount for which SCWC is obligated to reimburse Edison to cover additional project development costs; (ii) extends the date for completion of installation of the new facilities and establishment of a new point of delivery; and (iii) provides for further negotiations for an alternative wholesale rate arrangement.

Copies of this filing were served upon the Public Utilities Commission of the State of California and all interested parties.

Comment date: June 17, 1994, in accordance with Standard Paragraph E at the end of this notice.

11. Ohio Edison Co.

[Docket No. ER94–1308–000]

Take notice that on May 27, 1994, Ohio Edison Company filed revisions to Appendices A and B to its Service Agreement for Full or Partial Requirements Service with American Municipal Power-Ohio, Inc. which reflect the addition of a new 138 Kv delivery point for the Hudson municipal electric system. The effect of the revision is to lower the annual bill for service to American Municipal Power-Ohio, Inc.

Ohio Edison requests that the revisions to Appendices A and be permitted to become effective as of April 18, 1994, as it relates to loss factor application, and June 1, 1994 as it relates to application of an additional customer charge.

Copies of this filing have been served on Hudson, Ohio, American Municipal Power-Ohio, and the Public Utilities Commission of Ohio.

Comment date: June 17, 1994, in accordance with Standard Paragraph E at the end of this notice.

Standard Paragraphs

E. Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 18 CFR 385.214). All such motions or protests should be filed on or before the comment date. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the

Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 94–14108 Filed 6–9–94; 8:45 am]

BILLING CODE 6717–01–P

[Docket No. CP94–572–000]

ANR Pipeline Co.; Request Under Blanket Authorization

June 6, 1994.

Take notice that on May 27, 1994, ANR Pipeline Company (ANR), 500 Renaissance Center, Detroit, Michigan 48243, filed in Docket No. CP94–572–000 a request pursuant to sections 157.205 and 157.211 of the Commission's Regulations under the Natural Gas Act (18 CFR 157.205, 157.211) for authorization to and operate facilities which are constructed pursuant to section 311 of the Natural Gas Policy Act of 1978 for the delivery of gas to an existing customer, Wisconsin Gas Company (WGC), under ANR's blanket certificate issued in Docket No. CP82–480–000 pursuant to section 7 of the Natural Gas Act, all as more fully set forth in the request that is on file with the Commission and open to public inspection.

ANR proposes to operate as a jurisdictional facility a hot tap which was installed under section 311 and which was limited to section 311 activities. It is stated that ANR would use the tap for the delivery of gas transported under part 284 of the Commission's Regulations to deliver up to 100 dt equivalent of gas per day to WGC for residential customers in the town of Saxeville, Wisconsin, under ANR's Rate Schedule ETS. It is stated that the volumes to be delivered would be within WGC's existing entitlement from ANR.

Any person or the Commission's staff may, within 45 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to section 157.205 of the Regulations under the Natural Gas Act (18 CFR 157.205) a protest to the request. If no protest is filed within the time allowed therefor, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to section 7 of the Natural Gas Act.

Lois D. Cashell,

Secretary.

[FR Doc. 94–14110 Filed 6–9–94; 8:45 am]

BILLING CODE 6717–01–M

[Docket Nos. ER94–1062–000 and EL94–68–000]

Montaup Electric Company, Newport Electric Corporation; Initiation of Proceeding and Refund Effective Date

June 6, 1994.

Take notice that on May 26, 1994, the commission issued an order in the above-indicated dockets initiating an investigation in Docket No. EL94–68–000 under section 206 of the Federal Power Act.

The refund effective date in Docket No. EL94–68–000 will be 60 days after publication of this notice in the **Federal Register.**

Lois D. Cashell,

Secretary.

[FR Doc. 94–14123 Filed 6–9–94; 8:45 am]

BILLING CODE 6717–01–M

[Docket No. CP93–618–001]

Pacific Gas Transmission Co.; Amendment

June 6, 1994.

Take notice that on May 31, 1994, Pacific Gas Transmission Company (PGT), 160 Spear Street, San Francisco, California 94105–1570, filed in Docket No. CP93–618–001 an amendment to its application filed on August 5, 1993. The amendment was filed pursuant to section 7(c) of the Natural Gas Act (NGA). PGT now seeks a Certificate of Public Convenience and Necessity authority it to build and operate only two extensions of its mainline facilities and to provide transportation service over those extensions. All other requests in the August 5, 1993, filing have been withdrawn and some of the terms of the service on the extensions have been changed. The two mainline extensions would serve customers in Oregon, all as more fully set forth in the request that is on file with the Commission and open to public inspection.

PGT seeks authorization to construct and operate two pipeline extensions or laterals, along with new metering facilities on the extensions. The first one is the Medford Extension which will begin near PGT's Station 14 at Bonanza, Oregon and interconnect with the facilities of WP Natural Gas (an operating division of The Washington Water Power Company) (WP Natural), at Klamath Falls, Keno and Medford, Oregon. The Medford Extension will be about 86 miles long and will be made of 12-inch pipe. The cost of the Medford Extension is estimated to be $37.9 million in "as-spent dollars". PGT proposes to transport 16,400 MMBtu per day on an annual basis and 15,000 MMBTu per day on a winter-only basis for WP Natural over the Medford Extension.

The second pipeline extension is the Coyote Springs Extension which will begin at milepost No. 304 on PGT'S mainline (south of Stanfield, Oregon), and connect to Portland General Electric Company's (Portland General) proposed electric generation facility near Boardman, Oregon. The Coyote Springs Extension will be about 18 miles long and will be made of 12-inch pipe. The cost of the Coyote Springs Extension is estimated to be $8.1 million in "as-spent dollars". PGT proposes to transport 41,000 MMBtu per day on an annual basis for Portland General over the Coyote Springs Extension.

PGT states that WP Natural and Portland General will be responsible for arranging for gas supply and any other related authorizations. PGT will receive gas requested by these shippers at various receipt points, primarily the International Boundary with Canada, and will deliver gas on their behalf at various delivery points also nominated by these shippers.

PGT proposes to provide service to WP Natural and Portland General under its existing Part 284 Blanket Certificate. The transportation will be under the terms and conditions of PGT's FTS–1 rate schedule. PGT will charge WP Natural and Portland General its applicable part 284 rate for the mainline haul and proposes to add surcharges for deliveries on the Medford and Coyote Springs Extensions. Illustrative rates for the proposed Medford and Coyote Springs Extension surcharges are shown in Exhibit P of PGT's amendment.

PGT has included an Applicant Prepared Environmental Assessment showing its view of the environmental impacts and mitigation measures for its construction of the Medford and Coyote Springs Extensions.

Any person desiring to be heard or to protest said amendment should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, in accordance with §§ 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests should be filed on or before June 27, 1994. Protests will be considered by the Commission in determining the appropriate action to

be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene.

Lois D. Cashell,

Secretary.

[FR Doc. 94–14109 Filed 6–9–94; 8:45 am]

BILLING CODE 6717–01–M

Office of Hearings and Appeals

Proposed Implementation of Special Refund Procedures

AGENCY: Office of Hearings and Appeals, Department of Energy.

ACTION: Notice of Proposed Implementation of Special Refund Procedures.

SUMMARY: The Office of Hearings and Appeals (OHA) of the Department of Energy (DOE) announces the proposed procedures for disbursement of the total amount of $2,226,782.70 in crude oil overcharges obtained by the DOE under the terms of a Consent Order that Mt. Airy Refining Company (Mt. Airy) and its former shareholders, William P. Boswell, W. Luke Boswell, Lindsay B. McLean, David P. Boswell, P. Wilson Boswell II and Ellen W. Boswell, entered into with DOE on November 14, 1990. Case No. LEF–0121. OHA has tentatively determined that the funds will be distributed in accordance with DOE's Modified Statement of Restitutionary Policy in Crude Oil Cases.

DATE AND ADDRESS: Comments must be filed in duplicate by July 11, 1994 and should be addressed to the Office of Hearings and Appeals, Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585. All comments should display a reference to Case Number LEF–0121.

FOR FURTHER INFORMATION CONTACT: Kim L. Hargrove, Staff Attorney, Office of Hearings and Appeals, 1000 Independence Avenue, SW., Washington, DC 20585 (202) 586–2400.

SUPPLEMENTARY INFORMATION: In accordance with 10 CFR 205.282(b), notice is hereby given of the issuance of the Proposed Decision and Order set out below. The Proposed Decision sets forth the procedures that DOE has tentatively formulated to distribute the total amount of $2,226,782.70 obtained under the terms of a Consent Order that DOE entered into with Mt. Airy Refining Company and its former shareholders on November 14, 1990. The Consent Order settles claims by DOE that Mt. Airy had violated reporting provisions of the Mandatory Petroleum Allocation Regulations and the Administrative Procedures and Sanctions Regulations with regard to its sale of crude oil.

OHA proposes to distribute the Mt. Airy Consent Order funds in accordance with DOE's Modified Statement of Restitutionary Policy in Crude Oil Cases (the MSRP). 51 FR 27899 (August 4, 1986). Under the MSRP, crude oil overcharge monies are divided between the Federal government, the states, and injured purchasers of refined petroleum products. Refunds to the states are distributed in proportion to each state's consumption of petroleum products during the price control period. Refunds to eligible purchasers are based on the total volume of petroleum products purchased and the degree to which they can demonstrate injury.

Any member of the public may submit written comments regarding the proposed refund procedures. Commenting parties are requested to forward two copies of their submissions, within 30 days of publication of this notice in the **Federal Register**, to the address set forth at the beginning of this notice. Comments so received, will be made available for public inspection between the hours of 1 p.m. and 5 p.m., Monday through Friday, except Federal holidays, in the Public Reference Room 1E–234, 1000 Independence Avenue, SW., Washington, DC 20585.

Dated: June 3, 1994.

George B. Breznay,

Director, Office of Hearings and Appeals.

Proposed Decision and Order of the Department of Energy

Implementation of Special Refund Procedures

Name of Firm: Mt. Airy Refining Company.
Date of Filing: February 3, 1994.
Case Number: LEF–0121.

Dated: June 3, 1994.

On February 3, 1994, the Economic Regulatory Administration (ERA) of the Department of Energy filed a Petition requesting that the Office of Hearings and Appeals (OHA) formulate and implement Subpart V special refund proceedings for crude oil overcharge funds. Under DOE procedural regulations, special refund proceedings may be implemented to refund monies to persons injured by violations of DOE petroleum price and allocation regulations, provided DOE is unable to readily identify such persons or ascertain the refund amount each person should receive. 10 CFR 205.280. We have considered ERA's request to formulate refund procedures for the disbursement of $2,226,782.70 remitted by Mt. Airy Refining Company (Mt. Airy) and its former shareholders, William P. Boswell, W. Luke Boswell, Lindsay B. McLean, David P. Boswell, P. Wilson Boswell II and Ellen W. Boswell, in connection with a Consent Order Mt. Airy and its former shareholders entered into with DOE and have determined that such procedures are appropriate.

The Mt. Airy Consent Order funds were remitted to DOE to remedy the firm's alleged violation of the Mandatory Petroleum Allocation Regulations published at 10 CFR part 211 and the provisions of the Administrative Procedures and Sanctions Regulations set forth at 10 CFR part 205. These funds are being held in an escrow account established with the United States Treasury pending a determination of their proper distribution. This Decision sets forth OHA's tentative plan to distribute those funds. The specific application requirements appear in Section III of this Decision. Because these procedures are set forth in proposed form, refund applications should not be filed at this time. Comments are solicited.

I. Jurisdiction and Authority

The general guidelines that govern OHA's ability to formulate and implement a plan to distribute refunds are set forth at 10 CFR part 205, subpart V. These procedures apply in situations where DOE cannot readily identify persons injured as a result of actual or alleged violations of its regulations or ascertain the refund amount each person should receive. For a more detailed discussion of subpart V and OHA's authority to fashion procedures to distribute refunds see, *Office of Enforcement*, 9 DOE ¶ 82,508 (1981) and *Office of Enforcement*, 8 DOE ¶ 82,597 (1981).

II. Background

Mt. Airy operated a refinery in Mt. Airy, Louisiana from the date of its incorporation under the laws of the state of Ohio in 1977 until its dissolution on August 11, 1983. It was therefore a "refiner" as that term has been defined in the federal petroleum price and allocation regulations. As such, Mt. Airy was subject to the jurisdiction of DOE.

In accordance with the reporting requirements found at 10 CFR 211.66(b)(h), Mt. Airy was required to submit a "Refiners Monthly Report" detailing its crude oil receipts, runs to stills and volume of crude oil processed. DOE reviewed Mt. Airy's compliance with those regulatory provisions, as well as provisions set forth at section 211.67, during the course of an audit of Mt. Airy's principal business operations. The audit was conducted during the period beginning on January 1, 1977 and ending on January 27, 1981. On July 25, 1986, ERA issued a Proposed Remedial Order (PRO) which found that Mt. Airy had improperly reported its crude oil receipts for the period beginning July 1977 and ending November 1977, by approximately 300,000 barrels of controlled crude oil.

ERA amended that Proposed Remedial Order on May 27, 1987 (the May 1987 PRO) to include additional entitlement reporting violations by Mt. Airy. In its May 1987 PRO ERA found that Mt. Airy under reported its crude receipts by a total of (i) 1,018,905 barrels of controlled crude oil; or (ii) 718,905 barrels of controlled crude oil, in the event OHA found that Mt. Airy was not required to report the 300,000 barrels identified in the original PRO. The May 1987 PRO directs Mt. Airy to refund the amount of its violation, plus interest. The PRO further states that Mt.

Airy shareholders were individually liable, to the extent that Mt. Airy's assets were distributed to them upon its dissolution in 1983, for refunding the violation amount.

ERA found that shareholder liability in this case was predicated upon the "trust fund doctrine", which provides that stockholders who receive assets upon corporate dissolution hold those assets in trust for the payment of bona fide corporate debts incurred before dissolution. See *Bayport*, 18 DOE ¶ 83,007 at 86,058 (1989). Mt. Airy and its former shareholders vigorously contested the May 1987 PRO in proceedings before OHA. Nonetheless, without admitting any violations, they agreed to enter into a Consent Order with DOE to settle the alleged violations. The Consent Order was published in proposed form in the **Federal Register** on November 26, 1990 (the November 1990 Order). 55 FR 49104.[1]

According to the November 1990 Order, Mt. Airy's alleged violations resulted in its receipt of $2,059,649.94 in entitlements which it was not authorized to receive. The maximum potential liability, with interest, was estimated by ERA as roughly $7.6 million. *Id.* After assessing a number of factors, including the time and expense required to litigate fully every issue in order to obtain any recovery, ERA concluded that the resolution of the matters referred to in the Proposed Consent Order for the principal sum of $2,000,000 was both an appropriate settlement and in the public interest. *Id.*

In accordance with the November 1990 Order, Mt. Airy and its former shareholders (1) paid the principal sum of two million dollars ($2,000,000.00), plus interest, in full and final settlement of all matters covered by the Order; and (2) agreed to retain (i) Mt. Airy's records evidencing sales volume data for each product subject to controls, during the period covered by the audit; and (ii) Mt. Airy's customers' names and addresses. The November 1990 Order requires Mt. Airy to retain the records described above for a period of thirty (30) days following DOE's final distribution of the Mt. Airy Consent Order funds or January 1, 2000, whichever occurs earlier. Mt. Airy shall make such information available to DOE, if so requested.

III. The Proposed Refined Product Refund Procedures

A. Crude Oil Refund Policy

The Mt. Airy Consent Order funds will be distributed in accordance with DOE's Modified Statement of Restitutionary Policy in Crude Oil Cases (MSRP). See 51 FR 27899 (August 4, 1986). This policy has been utilized in all subpart V proceedings involving alleged crude oil violations. See Order Implementing the MSRP, 51 FR 29689 (August 20, 1986). Under the MSRP, 40 percent of the crude oil overcharge funds will be refunded to the Federal government, another 40 percent to the states, and up to 20 percent may initially be reserved for the payment of claims by injured parties. The MSRP also specified that, after all valid claims by injured purchasers are paid, any remaining monies will be disbursed to the Federal government and to the states in equal amounts. For a more detailed discussion of the MSRP see, *In re: The Department of Energy Stripper Well Exemption Litigation*, 653 F. Supp. 108 (D. Kan.), 6 Fed. Energy Guidelines ¶ 90,509 (1986)(the Stripper Well Settlement Agreement).

In its April 10, 1987 Notice, OHA stated that Subpart V claimants, anticipating filing refund applications for crude oil monies, would generally be required to (1) document the volume of petroleum products they purchased from August 19, 1973 to January 27, 1981; and (2) prove they were injured by the alleged crude oil overcharges. End-users of petroleum products whose businesses are unrelated to the petroleum industry are presumed injured by the alleged crude oil overcharges and therefore need not submit additional proof of injury. End-users need only document the volume of their petroleum purchases in order to be eligible to receive a refund. See *City of Columbus, Georgia*, 16 DOE ¶ 85,550 (1987).

B. Refund Claims

We propose that standard DOE procedures, as set forth in the MSRP, govern the distribution of the $2,226,782.70 in crude oil monies obtained from Mt. Airy. We have chosen initially to reserve 20 percent of the fund ($445,357.00) for direct refunds to applicants. We propose that refund applications in the Mt. Airy proceeding be evaluated in exactly the same manner as refund applications submitted in other crude oil proceedings. Applicants generally will be required to document the volume of petroleum products they purchased and prove that they were injured as a result of the alleged violations. We will adopt a presumption that the alleged crude oil overcharges were absorbed rather than passed on, by applicants who were (1) end-users of petroleum products, (2) unrelated to the petroleum industry, and (3) not subject to the regulations promulgated under the Emergency Petroleum Allocation Act of 1973 (EPAA), 15 U.S.C. 751–760h. In order to receive a refund, end-user applicants need only document the volume of petroleum products they purchased. See *Shell*, 17 DOE ¶ 85,204 (1988). Petroleum retailer, reseller and refiner applicants will be required to submit detailed evidence of injury. They may not rely upon the injury presumptions utilized in some refined product refund cases. *Id.*

As has been stated in prior Decisions, a crude oil refund applicant will only be required to submit one application for its share of all available crude oil overcharge funds. See *e.g., A. Tarricone, Inc.*, 15 DOE ¶ 85,495 (1987). A party that has already submitted a claim in any other crude oil refund proceeding implemented by the DOE need not file another claim. The prior application will be deemed to be filed in all crude oil refund proceedings implemented by DOE. Any applicant who has executed and submitted a valid waiver, pursuant to one of the escrow accounts established by the Stripper Well Settlement Agreement, has waived his right to file an application for Subpart V crude oil refund monies. See *Mid-America Dairymen* v. *Herrington*, 878 F.2d 1448 (Temp. Emer. Ct. App.), 3 Fed. Energy Guidelines ¶ 26,617 (1989); *In re: Department of Energy Stripper Well Exemption Litigation*, 707 F. Supp. 11267 (D. Kan.), 3 Fed. Energy Guidelines ¶ 26,613 (1987).

The current deadline for filing an Application for Refund is June 30, 1994. All crude oil refund claims filed before June 30, 1994, will be paid at the rate of $.0008 per gallon. We anticipate, however, that applicants who filed their claims by June 30, 1988, will receive a supplemental refund payment. We will decide in the future whether applicants that filed applications after that date should receive additional refunds. Applicants may be required to submit additional information to support their claims for future amounts. Notice of any such additional amounts will be published in the **Federal Register**.

C. Payments to the States and Federal Government

Under the terms of the MSRP, we propose that the remaining 80 percent of the alleged crude oil violation amounts subject to this Proposed Decision or $1,781,426.00 in principal, plus accrued interest, should be disbursed in equal shares to the states and Federal government for indirect restitution. Refunds to the states will be in proportion to the consumption of petroleum products in each state during the period of price controls. The share or ratio of the funds allocated to each state is contained in Exhibit H of the Stripper Well Agreement. When disbursed, these funds will be subject to the same limitations and reporting requirements that apply to any other crude oil funds received by the states in accordance with the Stripper Well Agreement.

It Is Therefore Ordered That:

The $2,226,782.70 refund amount remitted to the Department of Energy by Mt. Airy and its former shareholders pursuant to the Consent Order finalized on January 17, 1991 will be distributed in accordance with the foregoing Decision.

[FR Doc. 94–14199 Filed 6–9–94; 8:45 am]

BILLING CODE 6450–01–P

[1] On January 17, 1991, ERA published a notice making the Proposed Consent Order a final DOE Order pursuant to 10 CFR 205.199J. 56 FR 1804.

ENVIRONMENTAL PROTECTION AGENCY

[FRL–4997–2]

Title: Acid Rain Program: Notice of Draft Compliance Plans and Public Comment Period

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of draft compliance plans and public comment period.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is issuing for comment 5-year nitrogen oxides (NO_x) compliance plans for 18 utility units which amend previously issued draft or final Phase I Acid Rain Permits, in accordance with the Acid Rain Program regulations (40 CFR part 76).

DATES: Comments on draft NO_X compliance plans must be received no later than 30 days after the date of this notice or the publication date of a similar notice in local newspapers.

ADDRESSES: Administrative Records. The administrative record for draft NO_X compliance plans, except information protected as confidential, may be viewed during normal operating hours at EPA Region 7, 726 Minnesota Ave., Kansas City, KS 66101.

Comments. Send comments, requests for public hearings, and requests to receive notice of future actions concerning a draft NO_X compliance plan to EPA Region 7, Air and Toxics Division, Attn: Jon Knodel (address above).

Submit all comments in duplicate and identify the NO_X compliance plan to which the comments apply, the commenter's name, address, and telephone number, and the commenter's interest in the matter and affiliation, if any, to the owners and operators of all units covered by the NO_X compliance plan. All timely comments will be considered, except comments on aspects of the permit other than the NO_X compliance plan and other comments not relevant to the NO_X compliance plan.

Hearings. To request a public hearing, state the issues proposed to be raised in the hearing. EPA may schedule a hearing if EPA finds that it will contribute to the decision-making process by clarifying significant issues affecting the NO_X compliance plan.

FOR FURTHER INFORMATION CONTACT: Contact Jon Knodel, (913) 551–7622, EPA Region 7 (address above) for more information about the draft permits.

SUPPLEMENTARY INFORMATION: EPA proposes to approve NO_X compliance plans under which units will comply with the applicable emission limitations for NO_X under 40 CFR 76.5 (referred to as "standard emission limit") or other indicated compliance options for NO_X for the following:

Region 7

Burlington unit 1 in Iowa will comply with a NO_X averaging plan for 1995–1999. For each year under the plan, this unit's actual annual average emission rate for NO_X shall not exceed the alternative contemporaneous annual emission limitation of 0.348 lbs/MMBtu, and this unit's actual annual heat input shall not be less than the annual heat input limit of 10,998,000 MMBtu. The other unit designated in this plan is Prairie Creek unit 4. The designated representative is Roger Lessly.

Milton L. Kapp unit 2 in Iowa will meet the standard emission limit of 0.45 lbs/MMBtu. The designated representative is Michael R. Chase.

Prairie Creek unit 4 in Iowa will comply with a NO_X averaging plan for 1995–1999. For each year under the plan, this unit's actual annual average emission rate for NO_X shall not exceed the alternative contemporaneous annual emission limitation of 0.638 lbs/MMBtu, and this unit's actual annual heat input shall not be greater than the annual heat input limit of 8,095,000 MMBtu. The other unit designated in this plan is Burlington unit 1. The designated representative is Roger Lessly.

Riverside unit 9 in Iowa will meet the standard emission limit of 0.45 lbs/MMBtu. The designated representative is Stephen E. Shelton.

Quindaro unit 2 in Kansas will meet the standard emission limit of 0.50 lbs/MMBtu. The designated representative is Lawrence M. Adair.

Hawthorn unit 5 in Missouri will meet the standard emission limit of 0.45 lbs/MMBtu. The designated representative is Marcus Jackson.

James River units 3, 4, and 5 in Missouri will each meet the standard emission limit of 0.50 lbs/MMBtu. The designated representative is G. Duane Galloway.

Labadie units 1, 2, 3, and 4 in Missouri will each meet the standard emission limit of 0.45 lbs/MMBtu. The designated representative is Jerrel D. Smith.

Montrose units 1, 2, and 3 in Missouri will each meet the standard emission limit of 0.45 lbs/MMBtu. The designated representative is Marcus Jackson.

Southwest unit 1 in Missouri will meet the standard emission limit of 0.50 lbs/MMBtu. The designated representative is G. Duane Galloway.

Thomas Hill unit MB3 in Missouri will meet the standard emission limit of 0.50 lbs/MMBtu. The designated representative is Gary L. Fulks.

Dated: June 7, 1994.

Brian J. McLean,

Director, Acid Rain Division, Office of Atmospheric Programs, Office of Air and Radiation.

[FR Doc. 94–14168 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–P

[OPPTS–140222; FRL–4869–4]

Access to Confidential Business Information by Labat-Anderson, Inc.

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: EPA has authorized its contractor, Labat-Anderson, Inc. (LAI) of Arlington, Virginia for access to information which has been submitted to EPA under all sections of the Toxic Substances Control Act (TSCA). Some of the information may be claimed or determined to be confidential business information (CBI).

DATES: Access to the confidential data submitted to EPA will occur no sooner than June 24, 1994.

FOR FURTHER INFORMATION CONTACT: Susan B. Hazen, Director, TSCA Environmental Assistance Division (7408), Office of Pollution Prevention and Toxics, Environmental Protection Agency, Rm. E–545, 401 M St., SW., Washington, DC 20460, (202) 554–1404, TDD: (202) 554–0551.

SUPPLEMENTARY INFORMATION: Under contract number 68–W4–00697, contractor LAI, of 2200 Clarendon Blvd., Suite 900, Arlington, VA 22201, will assist the Office of Pollution Prevention and Toxics (OPPT) in managing and operating the TSCA Confidential and Nonconfidential Business Information Centers. EPA is issuing this notice to extend LAI's access to TSCA CBI under this contract, which is an extension of contract number 68–W9–0052.

In accordance with 40 CFR 2.306(j), EPA has determined that under EPA contract number 68–W4–00697, LAI will require access to CBI submitted to EPA under all sections of TSCA to perform successfully the duties specified under the contract. LAI personnel will be given access to information submitted to EPA under all sections of TSCA. Some of the information may be claimed or determined to be CBI.

EPA is issuing this notice to inform all submitters of information under all sections of TSCA that EPA may provide LAI access to these CBI materials on a need-to-know basis only. Access to TSCA CBI will take place at EPA Headquarters and at LAI's leased facility at EPA Headquarters.

In a previous notice published in the **Federal Register** of November 10, 1992 (57 FR 53501), LAI was authorized for access to CBI submitted to EPA under all sections of TSCA. LAI is currently authorized access to TSCA CBI at its facility under the EPA *TSCA Confidential Business Information Security Manual.* EPA has ensured that the facility is in compliance with the manual. Upon completing review of the CBI materials, LAI will return all transferred materials to EPA.

Clearance for access to TSCA CBI under this contract may continue until July 31, 1995.

LAI personnel will be required to sign nondisclosure agreements and will be briefed on appropriate security procedures before they are permitted access to TSCA CBI.

List of Subjects

Environmental protection, Access to confidential business information.

Dated: June 1, 1994.

George A. Bonina,

Acting Director, Information Management Division, Office of Pollution Prevention and Toxics.

[FR Doc. 94-14181 Filed 6-9-94; 8:45 am]

BILLING CODE 6560-50-F

[ER-FRL-4712-2]

Environmental Impact Statements and Regulations; Availability of EPA Comments

Availability of EPA comments prepared May 23, 1994 through May 27, 1994 pursuant to the Environmental Review Process (ERP), under Section 309 of the Clean Air Act and Section 102(2)(C) of the National Environmental Policy Act as amended. Requests for copies of EPA comments can be directed to the Office of Federal Activities at (202) 260-5076.

An explanation of the ratings assigned to draft environmental impact statements (EISs) was published in FR dated April 8, 1994 (59 FR 16807).

Draft EISs

ERP No. D-BLM-E65044-FL Rating EC2, Florida Land and Resource Management Plan, Implementation, Split-Estate Federal Mineral Ownership (FMO), several counties, FL.

Summary: EPA supported alternative 2, but expressed environmental concerns regarding the potential wetland and wading bird impacts.

ERP No. D-FHW-K40202-CA Rating EO2, CA-58—Mojave Freeway Project, Construction from 0.1 mile east of the Cache Creek Bridge to 5.0 miles east of the town of Mojave, Funding, COE Section 404 Permit and Right-of-Way Acquisition, Kern County, CA.

Summary: EPA expressed environmental objections due to the loss and fragmentation of habitat for the desert tortoise, a species listed as threatened under the Endangered Species Act. The preferred alternative affects the most desert tortoise habitat despite the US Fish & Wildlife Service's strong recommendation to avoid habitat loss and fragmentation. EPA's second objection was the failure of the draft EIS to address the requirements of the Clean Water Act Section 404 or its regulations. The preferred alternative had the most impact to waters of the United States, according to the draft EIS. The final EIS needs to address the project's consistency with Section 404 requirements, including impact mitigation.

ERP No. D-FHW-L40189-WA Rating EC2, WA-525/Paine Field Boulevard Project, Improvements, between WA-99 to WA-526, Funding and COE Section 404 Permit, City of Mukitteo, Snohomish County, WA.

Summary: EPA expressed environmental concerns about the potential for adverse impacts on water quality, wetlands and fisheries resources. EPA had requested additional information on effects of the estimated annual pollutant load on water quality, effectiveness of mitigation, and potential impacts on natural resources from indirect effects, secondary and cumulative impacts.

ERP No. D-NPS-K61128-CA Rating EC2, Santa Rosa Island Development Concept Plan, Implementation and Funding, Channel Islands National Park, Santa Barbara County, CA.

Summary: EPA expressed environmental concerns regarding potential adverse impacts to water quality from the project, particularly construction-related impacts. The final EIS should closely examine potential project impacts to water quality and water quality mitigation measures which may prove necessary under the Clean Water Act (stormwater permitting from construction actions, consistency with California's nonpoint source management program). The final EIS should provide details on hazardous substances which could have emanated from a defunct air force base on the Island.

Final EISs

ERP No. F-AFS-K67021-NV, Jerritt Canyon Gold Mine Expansion Project, Implementation, Plan of Operation and COE Section 404 Permit, Humboldt National Forest, Mountain City Ranger District, Elko County, NV.

Summary: EPA expressed environmental concerns about the new information in the final EIS on the acid potential of waste rock at the project site, EPA had serious concerns regarding waste rock characterization, handling and disposal.

ERP No. F-DOE-L05204-WA, Tenaska—Washington II Generation Electric Power Plant Construction, Operation and NPDES Permit, Pierce County, WA.

Summary: EPA had a lack of objection to the proposed project.

ERP No. F-FAA-L51014-WA, Seattle-Tacoma International Airport Improvement, South Aviation Support Area, Airport Layout Plan, Airport Master Plan, Funding, Section 10 and 404 Permits and NPDES Permit, Port of Seattle, King County, WA.

Summary: EPA expressed environmental concerns based on potential effects to wetland and aquatic resources. EPA recommended the development of a wetland plan that is an enforceable condition of a 404 permit. Mitigation measures to deal with flow attenuation in Des Moines Creek remain inadequate. EPA recommended that the types and amounts of pollutants that will enter Puget Sound be documented in the Record of Decision.

ERP No. F-IBR-K39032-CA, All-American Canal (AAC) Lining Project, Construction and Operation, Lining a 23-mile Canal from Pilot Knob to Drop 4, Controlling Water Seepage, Imperial Irrigation District, Imperial County, CA.

Summary: EPA had no objection to the proposed action.

Dated: June 7, 1994.

Marshall Cain,

Senior Legal Advisor, Office of Federal Activities.

[FR Doc. 94-14186 Filed 6-9-94; 8:45 am]

BILLING CODE 6560-50-U

[ER-FRL-4712-1]

Environmental Impact Statements; Availability

Responsible Agency: Office of Federal Activities, General Information (202) 260-5076 OR (202) 260-5075. Weekly receipt of Environmental Impact Statements Filed May 30, 1994 Through June 03, 1994 Pursuant to 40 CFR 1506.9.

EIS No. 940204, Draft EIS, AFS, ID, Grays Range Timber Sales, Implementation, Caribou National Forest, Soda Springs Ranger District, Caribou County, ID, Due: August 03, 1994, Contact: Faye Krueger (208) 236-7576.

EIS No. 940205, Final EIS, SFW, OR, Hart Mountain National Antelope Refuge Comprehensive Management Plan, Implementation, Lake County, OR, Due: July 11, 1994, Contact: Barry Reiswig (503) 947-3315.

EIS No. 940206, Draft EIS, NPS, WV, Gauley River National Recreation Area, Implementation, General Management Plan and Land Protection Plan, Nicholas and Fayette Counties, WV, Due: August 08, 1994, Contact: Joe Kennedy (304) 465-0508.

EIS No. 940207, Final EIS, COE, OR, Barney Reservoir Expansion Project,

Increasing Municipal Water Supply on the Middle Fork of the North Fork Trash River and COE Section 404 Permit Issuance, Washington County, OR, Due: July 11, 1994, Contact: David Kurkaski (503) 326–6094.

EIS No. 940208, Draft EIS, FHW, MN, US 14/52 Transportation Corridor, Reconstruction between Olmsted CSAH 14 (75th Street NW) and TH–63 (Broadway) Funding, COE Section 404 Permit and NPDES Permit, City of Rochester, Olmsted County, MN, Due: July 25, 1994, Contact: Craig Lenz (507) 285–7124.

EIS No. 940209, Draft EIS, BLM, CA, Southeast Regional Wastewater Treatment Plant and Geysers Effluent Pipeline Injection Project, Improvements, Funding, COE Section 404 Permit and NPDES Permit, City of Clearlake, Lake County, CA, Due: July 26, 1994,, Contact: Rich Estabrook (707) 468–4000.

EIS No. 940210, Final EIS, AFS, NV, East Shore Land and Resource Management Plan, Implementation, Lake Tahoe Basin Management Unit (LTBMU), Washoe and Douglas Counties, NV, Due: July 11, 1994, Contact: Scott Parsons (916) 573–2600.

EIS No. 940211, Final EIS, COE, NC, Fairfield Bridge Replacement Project, Implementation, Atlantic Intracoastal Waterway, Hyde County, NC, Due: July 11, 1994, Contact: Hugh Heine (910) 251–4070.

EIS No. 940212, Draft EIS, AFS, OR, Washington Analysis Area/Baker City Municipal Watershed Project, Implementation, Wallowa-Whitman National Forest, Baker Ranger District, Baker County, OR, Due: July 29, 1994, Contact: Joanne Britton (503) 523–1929.

EIS No. 940213, Final Supplement, VAD, IL, Northeastern Illinois Area, National Cemetery Development, Construction and Operation, Updated Information Concerning New Site Selection, Joliet Grant Park or Cissna Park, Possible COE Section 404 Permit, Kankanka, Iroquois or Will County, IL, Due: July 11, 1994, Contact: Scott Gebhardtsbaur (202) 233–7204.

EIS No. 940214, Final EIS, USA, MI, Camp Grayling Army National Guard Training Site, Mission Expansion and Multiple Construction, Implementation, Crawford, Otsego and Kalkaska Counties, MI, Due: July 11, 1994, Contact: Gregory N. Huntington (517) 483–5646.

EIS No. 940215, Final Supplement, FHW, MN, TH–610 Construction, I–94 in Maple Grove to TH–252 in Brooklyn Park, Additional Funding and COE Section 404 Permit, Hennepin County, MN, Due: July 11, 1994, Contact: James McCarthy (612) 290–3230.

EIS No. 940216, Final EIS, UAF, AZ, Williams Air Force Base (AFB) Disposal and Reuse, Implementation, Permit and Approval, City of Mesa, Maricopa County, AZ, Due: July 11, 1994, Contact: Ltc. Gary Baumgartel (210) 536–3869.

EIS No. 940217, Final EIS, EPA, FL, Tampa Electric—Polk 1150 Megawatt Power Station Construction, and Operation, NPDES and COE Section 404 Permits, Polk County, FL, Due: July 11, 1994, Contact: Heinz J. Mueller (404) 347–3776.

EIS No. 940218, Final EIS, AFS, CA, North Yuba Trail Construction Project, between Rocky Rest in Indian Valley to Goodyears Bar, Tahoe National Forest, Downieville Ranger District, Sierra County, CA, Due: July 11, 1994, Contact: Mary Furney (916) 4788–6253.

Dated: June 7, 1994.

Marshall Cain,

Senior Legal Advisor, Office of Federal Activities.

[FR Doc. 94–14187 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–U

[FRL–4997–3]

Toxics Data Reporting Subcommittee of The Environmental Information and Assessments Committee; National Advisory Council For Environmental Policy and Technology; Public Meeting

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of public meeting.

SUMMARY: Under the Federal Advisory Committee Act, EPA gives notice of a 2-day meeting of the Toxics Data Reporting subcommittee of the National Advisory Council for Environmental Policy and Technology. This will be the sixth meeting of the Toxics Data Reporting subcommittee, whose mission is to provide advice to EPA regarding the Agency's Toxics Release Inventory (TRI) Program.

DATES: The public meeting will take place on July 7, 1994, from 8:30 a.m. to 5 p.m., and July 8, 1994 from 8:30 a.m. to 3 p.m. Members of the public wishing to make comments at this meeting should submit their comments, in writing, by July 1, 1994.

ADDRESSES: The public meeting will be held at the Bellevue Hotel, Lexington Room, 15 E Street, Northwest, Washington, DC 20001 (202–638–0900). Written comments must be submitted to: U.S. Environmental Protection Agency, 401 M St., SW., Washington, DC 20460, Attn: Sam Sasnett, 7408.

FOR FURTHER INFORMATION CONTACT: Cassandra Vail, Environmental Assistance Division, U.S. Environmental Protection Agency, Mail Stop 7408, 401 M St., SW., Washington, DC 20460; Telephone: 202–260–0675.

SUPPLEMENTARY INFORMATION: The subcommittee is likely to discuss the following subjects: Expansion of the facilities subject to reporting under TRI, development of comprehensive modifications to the TRI reporting Form, progress in developing final guidance for meeting the mandate of the Pollution Prevention Act. The agenda for the two days will focus on these and other potential topics.

Dated: June 6, 1994.

Morris Altschuler,

Acting Director, Office of Cooperative Environmental Management.

[FR Doc. 94–14178 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–M

[FRL 4895–8]

Bypass 601 Groundwater Contamination Site, Concord, NC; Proposed De Minimis Settlement

AGENCY: Environmental Protection Agency.

ACTION: Notice of Proposed *De Minimis* Settlement.

SUMMARY: Under section 122(g) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended 42 U.S.C. 9601 *et seq.*, the United States Environmental Protection Agency (EPA) has agreed to settle claims for response costs at the Bypass 601 Groundwater Contamination Site, Concord, North Carolina, with seventy eight parties. EPA will consider public comments on the proposed *de minimis* settlement for thirty (30) days. EPA may withdraw from or modify the proposed *de minimis* settlement should such comments disclose facts or considerations which indicate the proposed *de minimis* settlement is inappropriate, improper, or inadequate. Copies of the proposed *de minimis* settlement and a listing of settling parties are available from: Ms. Carmen J. Santiago-Ocasio, Enforcement Project Manager, Waste Programs Branch, Waste Management Division, U.S. EPA, Region IV, 345 Courtland Street, NE., Atlanta, Georgia 30365, 404–347–5059 ext. 6170.

Written comments must be submitted to the person above by thirty days from the date of publication.

Dated: June 3, 1994.

Richard D. Green,

Acting Director, Waste Management Division.

[FR Doc. 94–14176 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–M

[FRL–4855–6]

Office of Emergency and Remedial Response Availability of Report To Congress on Progress Toward Implementing Superfund Fiscal Year 1991

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of availability.

SUMMARY: This notice announces the availability of the Agency's Progress Toward Implementing Superfund: Fiscal Year 1991 which is required by section 301(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986. The Report to Congress contains information on overall progress, and includes the following four categories of information specifically requested in section 301(h) of CERCLA: (1) Feasibility studies, remedial and enforcement actions; (2) an evaluation of newly developed and feasible permanent treatment technologies; (3) progress in reducing the number of facilities subject to review under section 121(c) of CERCLA; and (4) an estimate of resources needed by the federal government to complete CERCLA's implementation. The Report also includes: information required by section 105(f) of CERCLA about the participation of minority firms in Superfund contracting; and the EPA Inspector General audit report required by section 301(h)(2) of CERCLA.

ADDRESSES: Published copies of the Report may be purchased by the public, from the National Technical Information Service (NTIS) at 5285 Port Royal Road, Springfield, VA., 22161 (call (703) 487–4650).

Dated: January 27, 1994.

Carol M. Browner,

Administrator.

[FR Doc. 94–14175 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–M

FARM CREDIT ADMINISTRATION

Statement of Policy on System Institution Activities Involving the Potential for Nonexclusive Territories; Extension of Comment Period

AGENCY: Farm Credit Administration.

ACTION: Proposed statement of policy; comment period extension.

SUMMARY: The Farm Credit Administration (FCA) Board published for comment a proposed "Statement of Policy on System Institution Activities Involving the Potential for Nonexclusive Territories" in the **Federal Register** on April 13, 1994 (59 FR 17543). The comment period is scheduled to expire on June 13, 1994. The FCA Board hereby gives notice that the original comment period is extended to July 13, 1994.

DATES: The period for receipt of written comments is hereby extended to July 13, 1994.

ADDRESSES: Comments should be mailed or delivered (in triplicate) to Kenneth D. Smith, Executive Assistant to FCA Board Member Gary C. Byrne, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102–5090. Copies of all comments received will be available for examination by interested parties in the offices of the Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia.

FOR FURTHER INFORMATION CONTACT: Kenneth D. Smith, Executive Assistant to FCA Board Member Gary C. Byrne, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102–5090, (703) 883–4000, TDD (703) 883–4444.

SUPPLEMENTARY INFORMATION: The 1971 Act authorizes the FCA to issue and amend the charters of System institutions and regulate the exercise of their powers. Included in this authority is the ability for the FCA to issue or amend charters or promulgate regulations that would result in increased competition among System institutions. The issue of competition among System institutions arises, typically, in two types of situations. First, charters could be issued authorizing two or more System institutions to extend the same types of credit services to the same types of customers in the same geographic territories; such charters have typically been issued as a result of mergers or other chartering actions requested by institutions. Second, institutions could be authorized by regulation to engage in certain activities outside of their chartered territories.

The FCA Board has determined that an extended comment period would be beneficial in order to ensure that all interested parties have an opportunity to comment on the proposed statement of policy on System institution activities involving the potential for nonexclusive territories.

Dated: June 7, 1994.

Curtis M. Anderson,

Secretary, Farm Credit Administration Board.

[FR Doc. 94–14202 Filed 6–9–94; 8:45 am]

BILLING CODE 6705–01–P

FEDERAL MARITIME COMMISSION

Ocean Freight Forwarder License Applicants

Notice is hereby given that the following applicants have filed with the Federal Maritime Commission applications for licenses as ocean freight forwarders pursuant to section 19 of the Shipping Act of 1984 (46 U.S.C. app. 1718 and 46 CFR part 510).

Persons knowing of any reason why any of the following applicants should not receive a license are requested to contact the Office of Freight Forwarders, Federal Maritime Commission, Washington, DC 20573.

Hi-Tech Air Shipping, Inc., 7006 N.W. 46 Street, Miami, FL 33166, Officers: Robert E. Booth, President, Fiorella Booth, General Manager

Fortune Cargo, Ca., 7555 Angeton Drive, San Diego, CA 92126, Alfredo T. Espanta and Ruben C. Magtoto and Emilliano C. Magtoto (a partnership)

Joyce Logistics, Inc., 313 Glen Echo Road, Philadelphia, PA 19119, Officer: David M. Joyce, President

Josephine D. Mina-Saito, 29360 N. Begolinias Lane, Canyon Country, CA 91351, Sole Proprietor

Professional Services International, 3041 Magnolia Court, Edgewood, KY 41017, Pamela S. Stapleton, Sole Proprietor

Seven Seas Freight Forwarding Services, 11335 Parkridge Drive, Fontana, CA 92337, Roger Wang, Sole Proprietor

Thor Air Freight Corp., 147–05 Guy R. Brewer Blvd., Jamaica, NY 11434, Officers: Michael M. Ono, President/Director, Andrew M. Ono, Vice President, Numzio Mastromarino, Secretary/Treasurer/Director

Navigo International Inc., 3103 McKinney, Houston, TX 77003, Officers: Allen William White, President, Veronica Sandra McFadden, Vice President

Cargoza Forwarding Corporation, 7220 N.W. 79th Terrace, Miami, FL 33166, Officer: Francisco Zamora, President

Export NW, 845 NE Arrington, Hillsboro, OR 97124, Lori A. Wren, Sole Proprietor

F.P. International, Corporation, 5775 Blue Lagoon, suite 380, Miami, FL 33126, Officer: Maria A. Fullana, President, Norman C. Baez, Vice President

Dated: June 7, 1994.

By the Federal Maritime Commission.

Joseph C. Polking,

Secretary.

[FR Doc. 94–14115 Filed 6–9–94; 8:45 am]

BILLING CODE 6730–01–M

FEDERAL RESERVE SYSTEM

ABN AMRO Holding N.V.; Notice of Application to Engage de novo in Permissible Nonbanking Activities

The company listed in this notice has filed an application under § 225.23(a)(1) of the Board's Regulation Y (12 CFR 225.23(a)(1)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to commence or to engage *de novo*, either directly or through a subsidiary, in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than June 29, 1994.

A. Federal Reserve Bank of Chicago (James A. Bluemle, Vice President) 230 South LaSalle Street, Chicago, Illinois 60690:

1. ABN AMRO Holding N.V., Amsterdam, The Netherlands; Stichting Administratiekantoor ABN AMRO Holding, Amsterdam, The Netherlands; Stichting Prioriteit ABN AMRO Holding, Amsterdam, The Netherlands; ABN AMRO Bank N.V., Amsterdam, The Netherlands; to engage *de novo* through Lease Plan (U.S.A.) Inc., Atlanta, Georgia, in leasing of personal or real property or acting as agent, broker, or advisor in high residual value leasing of such property in which Lease Plan relies on an estimated residual value of the property in excess of 25 percent pursuant to § 225.25(b)(5) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System, June 3, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94–14100 Filed 6–9–94; 8:45 am]

BILLING CODE 6210–01–F

Atlantic Bancorp, Inc., et al.; Formations of; Acquisitions by; and Mergers of Bank Holding Companies

The companies listed in this notice have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank or to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Unless otherwise noted, comments regarding each of these applications must be received not later than July 5, 1994.

A. Federal Reserve Bank of Boston (Robert M. Brady, Vice President) 600 Atlantic Avenue, Boston, Massachusetts 02106:

1. Atlantic Bancorp, Inc., Portland, Maine; to become a bank holding company by acquiring 100 percent of the voting shares of Citibank (Maine) N.A., South Portland, Maine.

B. Federal Reserve Bank of Atlanta (Zane R. Kelley, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303:

1. First Bankshares, Inc., East Point, Georgia; to become a bank holding company by acquiring 100 percent of the voting shares of First Bank of Georgia, East Point, Georgia.

2. Southwest Banks, Inc., Naples, Florida; to acquire 100 percent of the voting shares of Cape Coral National Bank, Cape Coral, Florida, a *de novo* bank.

C. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. First Banks, Inc., Clayton, Missouri, to acquire at least 65.16 percent of the voting shares of BancTEXAS Group, Inc., Dallas, Texas, and thereby indirectly acquire BankTEXAS N.A., Houston, Texas.

2. Midwest Bancshares, Inc., Poplar Bluff, Missouri; to acquire 100 percent of the voting shares of First Southern Missouri Bancshares, Inc., Poplar Bluff, Missouri, and thereby indirectly acquire Carter County State Bank, Van Buren, Missouri.

D. Federal Reserve Bank of Dallas (Genie D. Short, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. South Texas Capital Group, Inc., San Antonio, Texas; to become a bank holding company by acquiring 100 percent of the voting shares of Plaza International Bank, N.A., San Antonio, Texas.

E. Federal Reserve Bank of San Francisco (Kenneth R. Binning, Director, Bank Holding Company) 101 Market Street, San Francisco, California 94105:

1. San Mateo County Bancorp, San Mateo, California; to acquire 100 percent of the voting shares of Mid-Peninsula Bank, Palo Alto, California.

2. Vancouver Bancorp, Vancouver, Washington; to become a bank holding company by acquiring 100 percent of the voting shares of Bank of Vancouver, Vancouver, Washington.

Board of Governors of the Federal Reserve System, June 6, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94-14157 Filed 6-9-94; 8:45 am]

BILLING CODE 6210-01-F

Ralph C. Carlson, et al.; Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. Once the notices have been accepted for processing, they will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than June 29, 1994.

A. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. Ralph C. Carlson, Marion, Arkansas; to acquire an additional 7.13 percent of the voting shares of Carlson Bancshares, Inc., West Memphis, Arkansas, for a total of 27.22 percent, and thereby indirectly acquire Fidelity National Bank of West Memphis, West Memphis, Arkansas.

B. Federal Reserve Bank of Minneapolis (James M. Lyon, Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480:

1. Duncan Family Trust, James H. Duncan and Juell L. Duncan, Trustees, Neche, North Dakota; to acquire 25.11 percent; and Douglas M. Taylor, individually and as personal representative of the Leslie R. Taylor Estate, Pembina, North Dakota, to acquire 30.68 percent of the voting shares of Pembina County Bankshares, Ltd., Cavalier, North Dakota, and thereby indirectly acquire Citizens State Bank of Pembina County, Cavalier, North Dakota.

C. Federal Reserve Bank of Kansas City (Stephen E. McBride, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198:

1. William D. & Jeanette A. Whited, Maryville, Missouri; to acquire 69.9 percent of the voting shares of Northwest Missouri Bancshares, Inc., Craig, Missouri, and thereby indirectly acquire Bank of Craig, Craig, Missouri.

Board of Governors of the Federal Reserve System, June 3, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94-14101 Filed 6-9-94; 8:45 am]

BILLING CODE 6210-01-F

FDH Bancshares, Inc., et al.; Acquisitions of Companies Engaged in Permissible Nonbanking Activities

The organizations listed in this notice have applied under § 225.23(a)(2) or (f) of the Board's Regulation Y (12 CFR 225.23(a)(2) or (f)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to acquire or control voting securities or assets of a company engaged in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated for the application or the offices of the Board of Governors not later than June 23, 1994.

A. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. FDH Bancshares, Inc., Little Rock, Arkansas; to acquire Grant Federal Savings Bank, Sheridan, Arkansas, and thereby engage in operating a federally-chartered savings bank pursuant to § 225.25(b)(9) of the Board's Regulation Y. These activities will be conducted in Pulaski County, Grant County, and Saline County, Arkansas.

B. Federal Reserve Bank of Minneapolis (James M. Lyon, Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480:

1. Norwest Corporation, Minneapolis, Minnesota; to acquire the mortgage originationa and servicing business of LaPorte Bank and Trust Company, LaPorte, Indiana, and thereby engage in originating and servicing mortgages pursuant to § 225.25(b)(1) of the Board's Regulation Y. These activities will be conducted in LaPorte County, Indiana. **Comments on this application must be received by July 1, 1994.**

Board of Governors of the Federal Reserve System, June 3, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94-14102 Filed 6-9-94; 8:45 am]

BILLING CODE 6210-01-F

First Bankshares, Inc., et al.; Formations of; Acquisitions by; and Mergers of Bank Holding Companies

The companies listed in this notice have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank or to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Unless otherwise noted, comments regarding each of these applications must be received not later than July 5, 1994.

A. Federal Reserve Bank of Atlanta (Zane R. Kelley, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303:

1. First Bankshares, Inc., East Point, Georgia; to become a bank holding company by acquiring 100 percent of the voting shares of First Bank of East Point, East Point, Georgia.

B. Federal Reserve Bank of Kansas City (Stephen E. McBride, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198:

1. Denver Bankshares, Inc., Denver, Colorado; to become a bank holding company by acquiring 100 percent of the voting shares of Bank of Denver, Denver, Colorado.

C. Federal Reserve Bank of Dallas (Genie D. Short, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. Northeast Bancshares, Inc., Mesquite, Texas; to become a bank holding company by acquiring 100 percent of the voting shares of Northeast Bancshares-Delaware, Inc., Wilmington, Delaware, and thereby indirectly acquire Northeast National Bank, Garland, Texas. In connection with this application, Northeast Bancshares-Delaware, Inc., Wilmington, Delaware, has applied to become a bank holding company by acquiring 100 percent of the voting shares of Northeast National Bank, Garland, Texas.

Board of Governors of the Federal Reserve System, June 3, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94-14103 Filed 6-9-94; 8:45 am]

BILLING CODE 6210-01-F

Jay Gober, et al.; Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. Once the notices have been accepted for processing, they will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than June 30, 1994.

A. Federal Reserve Bank of Dallas (Genie D. Short, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. Jay Gober, Graham, Texas, to acquire an additional 1.96 percent for a total of 11.15 percent; Charles Gober, Throckmorton, Texas, to acquire an additional 1.96 percent, for a total of 10.13 percent; and Gober Oil & Investments, Inc., Graham, Texas, to acquire an additional 3.21 percent for a total of 5.0 percent of the voting shares of Woodson Bancshares, Inc., Graham, Texas, and thereby indirectly acquire First State Bank, Graham, Texas.

Board of Governors of the Federal Reserve System, June 6, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94-14158 Filed 6-9-94; 8:45 am]

BILLING CODE 6210-01-F

Golden Triangle Bancshares, Inc.; Notice of Application to Engage de novo in Permissible Nonbanking Activities

The company listed in this notice has filed an application under § 225.23(a)(1) of the Board's Regulation Y (12 CFR 225.23(a)(1)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to commence or to engage *de novo*, either directly or through a subsidiary, in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than June 30, 1994

A. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. Golden Triangle Bancshares, Inc., Campbellsburg, Kentucky; to engage *de novo* through its subsidiary, Citizens Bank, New Liberty, Kentucky, in the sale of credit insurance pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y. These activities will be conducted in the State of Kentucky.

Board of Governors of the Federal Reserve System, June 6, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94-14159 Filed 6-9-94; 8:45 am]

BILLING CODE 6210-01-F

Norwest Corporation; Acquisition of Company Engaged in Permissible Nonbanking Activities; Correction

This notice corrects a notice (FR Doc. 94-13153) published on page 28105 of the issue for Tuesday, May 31, 1994.

Under the Federal Reserve Bank of Minneapolis heading, the entry for Norwest Corporation is corrected to read as follows:

Norwest Corporation, Minneapolis, Minnesota; to acquire through Norwest Mortgage, Inc., Minneapolis, Minnesota, the mortgage business of American National Bank of Silver City, Silver City, New Mexico, and thereby engage in originating and servicing mortgages pursuant to § 225.25(b)(1) of the Board's Regulation Y. These activities will be conducted in Silver City, New Mexico.

Comments on this application must be received by June 24, 1994.

Board of Governors of the Federal Reserve System, June 6, 1994.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 94-14160 Filed 6-9-94; 8:45 am]

BILLING CODE 6210-01-F

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration on Aging; Statement of Organization, Functions, and Delegations of Authority

This notice amends Part B of the Statement of Organization, Functions, and Delegations of Authority of the Department of Health and Human Services ("HHS"), Administration on Aging ("AoA"), as follows: Continues

the Office of the Assistant Secretary for Aging; establishes two new Offices, the Office of the Deputy Assistant Secretary for Program Operations and Intergovernmental Affairs, and the Office of the Deputy Assistant Secretary for Program Development and Elder Rights Programs; places all units of AoA, except the Office of Field Operations, the Regional Offices and the Office of Administration and Management, under the two new Offices; establishes a new Office of Elder Rights Protection; retitles the Division of Research, Demonstration and Training and the Division of Dissemination and Utilization as the Office of Research, Demonstration and Training and the Office of Dissemination and Utilization, respectively; retitles the Division of Eldercare Service Implementation as the Division of Community-Based Services; establishes a new Division of Information Resources Management within the Office of Administration and Management; and abolishes the Office of External Affairs. The language to implement these changes is as follows:

Part B, Chapter B, "The Administration on Aging," as published in the **Federal Register** on September 13, 1991 (56 FR 46620); amended on December 24, 1992 (57 FR 61433); and further amended on March 2, 1993 (58 FR 12040) is amended as follows:

Delete B.00 and replace with the following:

B.00 Mission. The Administration on Aging, an Operating Division of the Department of Health and Human Services, is the principal agency designated to carry out the provisions of the Older Americans Act ("OAA" or "The Act") of 1965, as amended, 42 U.S.C. 3001 *et seq.* Serves as the effective and visible advocate for older persons within the Department of Health and Human Services and with other Federal departments and agencies. Directly assists the Secretary in all matters pertaining to problems of the aging. Advocates for the needs of older persons in program planning and policy development within the Department and in other Federal agencies. Gives priority to older persons in greatest economic or social need. Develops standards and issues best practice guidelines; disseminates information; provides technical assistance; and initiates policy related to services funded by the Department and provided to older persons. Advises the Secretary, Department components and other Federal departments and agencies on the characteristics, circumstances and needs of older people and develops policies, plans and programs designed to promote their welfare; under Title III of the Act (45 CFR part 1321) administers a program of formula grants to States to establish State and community programs for older persons; administers a program of grants to American Indians, Alaskan Natives and Native Hawaiians to establish programs for older Native Americans under Title VI of the Act (45 CFR parts 1326 and 1328). Provides policy and procedural direction, advice and assistance to States and Native American grantees to promote the development of State and Native American administered, community-based systems of comprehensive social services for older persons. Administers long term care ombudsman and protective services programs, legal services development programs, and outreach, counseling and assistance programs for older people under Title VII of the Act. Approves or disapproves State plans and Native American funding applications. Administers programs of training, research and demonstration under Title IV of the Act. Administers national centers for service development and assistance, and information dissemination benefitting older persons. Promotes through the State and Area Agencies on Aging and Indian Tribal Organizations a national community-based long term care program for older persons. Develops and issues program designs, guidelines, standards and assistance to State and Area Agencies, Indian Tribal Organizations and nutrition providers to support Titles III and VI nutrition services and disseminate nutrition education material.

Delete B.10 and replace with the following:

B.10 Organization. The Administration on Aging is headed by the Assistant Secretary for Aging and consists of:

Office of the Assistant Secretary
Office of Field Operations
Regional Offices
Office of Administration and Management
  Division of Budget and Finance
  Division of Management Systems
  Division of Grants Management
  Division of Information Resources Management
Office of the Deputy Assistant Secretary for Program Operations and Intergovernmental Affairs
  Executive Secretariat
  Office of State and Community Programs
  Division of Program Management and Analysis
  Division of Community-Based Services
  Office for American Indian, Alaskan Native and Native Hawaiian Programs
  Office of Policy Coordination and Analysis
Office of the Deputy Assistant Secretary for Program Development and Elder Rights Programs
  Office of Research, Demonstration and Training
  Office of Dissemination and Utilization
  Office of Elder Rights Protection

Delete B.20, A–I, and replace with the following:

B.20. *Functions.* A. *Office of the Assistant Secretary (BA)* The Office of the Assistant Secretary serves as the focal point for OAA programs through the development, coordination and administration of those programs nationwide. Serves as the effective and visible advocate within the Federal government to ensure the rights and entitlements of the elderly. Conducts active public education of officials, citizens, and the aged to ensure broad understanding of the needs and capabilities of the aged.

Sets national policies, establishes national priorities, ensures policy consistency, and directs plans and programs conducted by AoA. Advises the Secretary, HHS agencies, and other Federal departments and agencies on the characteristics, circumstances, and needs of older people and on policies, plans and programs designed to promote their welfare. The Principal Deputy Assistant Secretary is the Assistant Secretary's primary associate in carrying out the mission of the agency, particularly in the advocacy and policy negotiation role within the Federal government.

Serves as an advocate for older people with voluntary and private organizations. Collaborates with other Federal agencies to assist older persons by the development and implementation of interagency agreements. Coordinates joint interests and initiation of projects with other Federal agencies and State and local government entities. Provides liaison with the Federal Council on the Aging and other Federal advisory committees focused on the aging. Works with national aging organizations, professional societies, and academic organizations to identify mutual interests and plan voluntary and funded approaches to meet the needs of older persons. Ensures affirmative action throughout the Aging Network in employment and services delivery.

Oversees the international liaison and coordination functions of AoA.

Stimulates and coordinates AoA international activities and coordinates AoA international activities with Departmental and other Federal agencies concerned with international affairs.

Coordinates all liaison activities with Congress and with the print and electronic media. Manages AoA's media relations and legislative development activities.

Develops legislative proposals, testimony, background statements, and other policy documents for use by the Assistant Secretary in activities related to legislation. In coordination with the Office of the Assistant Secretary for Legislation, analyzes proposed and enacted legislation related directly or indirectly to older people, including legislation directly affecting OAA programs. Through an automated legislative information system tracks bills related to the aging. Develops and issues status reports regarding key legislative developments to Headquarters and Regional Office staff, the network of State and Area Agencies on Aging, and Indian Tribal Organizations.

Coordinates with the Office of the Assistant Secretary for Public Affairs, including planning and implementing strategy for relations with the news and other information media; initiates media outreach activities and responds to all media inquiries concerning AoA programs and related issues.

B. *Office of Field Operations* (BA1) Headed by the Director, Office of Field Operations, who reports to the Principal Deputy Assistant Secretary for Aging. Provides leadership and technical guidance to the Regional Offices as they implement the national programs of the OAA. Keeps the Assistant Secretary apprised of Regional Offices' progress in carrying out their responsibilities. Represents Regional Office concerns to Central Office program units, as well as the concerns of Central Office program units relative to the operations of field programs. Serves as the focal point for all communications flowing to Regional Offices from Central Office and from Regional Offices to Central Office. Ensures that clear and consistent guidance is given to all Regional Offices on program and policy directives. Serves as a clearinghouse for the exchange of innovative program models and ideas among the Regional Offices.

Issues substantive operating procedures to guide Regional staff of AoA in the conduct of their responsibilities; establishes standards for performance plans in the Regional Offices; regularly assesses the performance of AoA Regional Office staff against the established standards. In consultation with the AoA Office of Administration and Management ("OAM") and the HHS Office for Civil Rights, provides guidance to AoA Regional staff on a variety of civil rights issues, including such areas as contracting with minority organizations, age discrimination in employment and services provision and discrimination against persons with disabilities.

Maintains information on the professional development and technical capacity of Regional staff, and identifies training needs and recommends training courses to ensure an AoA Regional staff capacity for responding to emerging program and management demands.

Provides day-to-day guidance on all program and administrative management activities for which the AoA Regional Offices are responsible. Determines support and resource levels of Regional AoA staff.

C. *Regional Offices on Aging (BD–1 to BD–X)* Regional Offices on Aging are headed by a Regional Administrator ("RA") who is responsible to the Assistant Secretary for Aging through the Director, Office of Field Operations, who gives day-to-day guidance and coordination.

Serve as the focal point for the development, coordination and administration of OAA programs within the designated HHS region. Represent the Assistant Secretary for Aging within the region, and provide information for, and contribute to the development of, national policy dealing with the elderly. Based on national policy and priorities, establish regional program goals and objectives.

Serve as the effective and visible advocates for the elderly to Federal agencies in their geographic jurisdiction to ensure the rights and entitlements of the elderly; advise, consult and cooperate with each Federal agency proposing or administering programs or services related to the aging; coordinate and assist in the planning and development by public (including Federal, State, Tribal and local agencies) and private organizations of comprehensive and coordinated services and opportunities for older individuals in each community of the nation; conduct active public education of officials and citizens and the aged to ensure broad understanding of the needs and capabilities of the aged.

Monitor, assist and evaluate State Agencies on Aging administering programs supported under Titles II, III and VII of the OAA, and Indian Tribal Organizations administering projects under Title VI. Review OAA State Plans on Aging and approve acceptable plans or recommend disapproval to the Assistant Secretary for Aging, as appropriate. Recommend approval or disapproval of Title IV applications to the Assistant Secretary. Review applications and recommend approval or disapproval of Title VI applications to the Assistant Secretary.

Advise the Assistant Secretary of problems and progress of programs through the Director, Office of Field Operations; recommend to the Assistant Secretary changes that would improve OAA operations; evaluate the effectiveness of OAA and related programs in the Region and recommend to the Assistant Secretary or take positive action to gain improvement; and guide agencies and grantees in applications of policy to specific operational issues requiring resolution. Facilitate interagency cooperation at the Federal, Regional, State and Tribal levels to enhance resources and assistance available to the elderly. Coordinate with the HHS Regional Director as needed on matters of an administrative or crosscutting nature. Disseminate and provide technical assistance regarding nutrition guidelines and developments to State and Area Agencies, Indian Tribal Organizations and nutrition service providers.

Monitor and assist State and Area Agencies and Indian Tribal Organizations in the implementation and execution of the long-term care ombudsman, elder abuse prevention, elder rights and legal assistance development, and outreach, counseling and assistance programs, and the implementation of elder rights under Title VII of the OAA.

D. *Office of Administration and Management (BE)* reports to the Principal Deputy Assistant Secretary for Aging. Advises the Assistant Secretary in the areas of internal administration and management of AoA. In response to Federal statutes, regulations and Departmental policies and instructions, provides leadership, policies and procedures for effective and efficient management throughout AoA, including such areas as budget, finance, grants administration, personnel management,procurement, materiel and facilities management, management systems, information resources management, telecommunications and similar administrative management facilitation services. Responsible for all management and administrative reviews, analyses and controls within AoA required by statutes or regulation, such as the Federal Managers Financial Integrity Act. The Director, OAM, serves as the AoA Chief Financial Officer ("CFO") and, on behalf of the Assistant

Secretary for Aging, performs the duties assigned to AoA under the Chief Financial Officers Act of 1990, including the development of the CFO 5-year plan and status report, and carries out the responsibilities assigned by the Government Performance and Results Act of 1993. Conducts management analysis and automated systems development activities for AoA and serves as the principal AoA staff examining the AoA organization. Provides technical assistance and guidance to Headquarters and Regional Office units in the development, implementation and maintenance of administrative and grants management systems and audit resolution.

Division of Budget and Finance (BE1) provides and coordinates management support services involving budget formulation and execution, and financial management. In coordination with AoA program offices, formulates and presents budget estimates; executes apportionment documents; plans, directs, and coordinates financial and budgetary programs of AoA. Provides guidance to AoA program offices in preparing budgets, justifications, and other budgetary materials. Prepares budget documents on behalf of the Assistant Secretary for presentation to Departmental management, the Office of Management and Budget ("OMB"), and Congress. Assists in planning for and presenting the budget before OMB and the Congress. Solicits, obtains and consolidates information and data from other AoA offices for testimony at hearings before these bodies in coordination with the Immediate Office of the Assistant Secretary. Analyzes the budget as approved by the Congress and apportioned by OMB, obtains input from program offices and recommends for the Assistant Secretary's approval a financial plan for its execution. Makes allowances to AoA offices within the guidelines of the approved financial plan. Develops and maintains an overall system of budgetary controls to ensure observance of established ceilings on both program—including all formula and discretionary grants accounts—and S&E funds; maintains administrative control of funds against allotments and allowances, and certifies funds availability for all AoA accounts. Prepares requests for apportionment of appropriated funds. Maintains control of allotted funds against current obligations, and maintains separate financial operating plans for each of the Regional offices. Prepares spending plans and status-of-funds reports for the Assistant Secretary.

Acts as AoA's coordination point with the Office of the Secretary and AoA organizational units on policy and regulatory issues involving travel management, develops and interprets AoA policies on travel, and provides support services to AoA components for travel management.

Provides analysis and coordinates accounting reports for AoA. Manages funds for salary and expense accounts. Tracks financial status of all AoA program and salary and expense funds.

In meeting the Assistant Secretary's priorities and instructions, with appropriate input from AoA organizational units, develops financial operating procedures and manuals, including directing the implementation within AoA (headquarters and regions) of Departmental and other Federal fiscal policies and procedures. Participates in program development and implementation plans where there are budgetary implications; serves as the AoA liaison with the Office of the Secretary and OMB on all budgetary matters.

Division of Management Systems (BE2) initiates and develops AoA administrative and human resources management policies, procedures and instructions. Plans, organizes and conducts management studies of the AoA program, staff and organization.

Plans, organizes and conducts in-depth studies of organization structures, functional statements, job structure, staffing patterns, management and administrative information systems, relevant legislative and regulatory authorities and/or workloads to analyze staff, equipment, and systems resources and needs and/or to determine and measure work elements. Recommends to the Assistant Secretary organization changes; alternate staffing patterns; job structure and/or functional statement modifications; and staff, workload and equipment distribution.

Manages the AoA management improvement program. Assesses AoA's management methods and recommends improvements to the Assistant Secretary. Monitors AoA's progress toward approved goals.

Consistent with relevant OMB Circulars, develops, defines and implements management analysis and reporting systems to provide for better informed management decisions and more equitable distribution of resources, and through the Division of Information Resources Management implements these within the AoA automated information system; manages official AoA administrative oversight systems, such as the personnel data base and the administrative issuance process. Performs assessments of paperwork processing, reporting, and other systems needs in AoA.

Plans, organizes and conducts management reviews under the Federal Manager's Financial Integrity Act ("FMFIA"), OMB Circular A–123 (Internal Control Reviews ("ICR")). Develops protocols for each ICR segment; develops and evaluates ICR self-assessment models; and recommends corrective actions. Monitors AoA's compliance with FMFIA instructions and findings. Acts as the AoA liaison with ASMB on FMFIA matters. Prepares the AoA annual FMFIA report to the Secretary.

Develops, implements and assesses strategies on use of human resources and the assignment of FTE ceilings. Develops and administers the AoA Position Management Plan and functional statements. Acts as liaison with ASMB and ASPER in coordinating preparation of organizational proposals requiring approval by the Secretary. Maintains official organizational, functional statement and delegation files for AoA. Develops formal program, administrative and personnel delegations of authority for AoA based on continuing management assessment and on review and analysis of legislation and regulations.

Provides technical assistance and guidance to AoA managers and staff regarding personnel management matters. Reviews proposed requests for personnel action and recommends approval/disapproval of such requests.

Developes and monitors the annual AoA employee training strategy and budget, assuring that the common training needs of AoA employees are identified and implemented. Coordinates Presidential Management Intern, Federal Women's and other developmental programs with high AoA/HHS priorities. Oversees AoA training contracts.

Develops, manages, and assesses the effectiveness of AoA employee performance management, incentive and award systems. Provides training and technical assistance on current and demonstration systems.

Serves as the AoA records manager, providing guidance and assistance to both Headquarters and Regional staff regarding filing practices, retention and disposition of records.

Acts as AoA's focal point with the Office of the Secretary, other Federal agencies, and AoA organizational units on policy and regulatory issues involving real and personal property, space management, occupational safety and health, materiel management, telecommunications, postal

management, and forms and records management.

Provides oversight and direction to meet the administrative needs of AoA components. Serves as liaison with the Office of the Secretary, the General Services Administration ("GSA") and outside vendors to provide facilities services including acquisition of facilities and equipment, personal property management, inventory control, and labor services. Administers AoA's personal and capitalized property management program, including the establishment and maintenance of property accountability systems, the storing and distribution of supplies, and the movement of furniture and equipment associated with the relocation of offices. Develops and implements AoA's plans, guidelines and activities for space and facilities management, including identification of the negotiations for space, and planning and design of office layouts. Responsible for the acquisition, disposition, allocation, and budgeting of space for AoA.

Provides telecommunications planning, budgeting and management for AoA Headquarters' facilities, including procurement, installation, alterations, and maintenance. Provides liaison with HHS and GSA on telecommunications matters, and provides assistance to AoA components to identify telecommunications needs and to use communications equipment and systems.

Division of Grants Management (BE3) serves as AoA's focal point for management, leadership and administration of discretionary and formula grants, and cooperative agreements. Provides national policy oversight and development for grant management and administration matters. Ensures that all grant awards conform with applicable statutes, regulations, and policies. Maintains liaison and coordination with appropriate AoA and HHS organizations to ensure consistency between AoA discretionary and formula grant award activities, and the Department's various payment systems for grants.

For discretionary grants, ensures that the administrative and financial management aspects of grants administration are carried out and monitors grantee performance in these areas. Provides support for and processes all discretionary grant award documents and negotiates grant budgets, and makes all awards for AoA Headquarters and Regional Offices. Reviews discretionary grants after input for AoA program offices, and coordinates AoA grantee financial management matters as necessary with appropriate HHS and AoA units.

Issues and maintains control over formula grant awards under the OAA, and makes adjustments to previously issued formula grant awards.

In coordination with all AoA Headquarters and Regional Offices having grant administrative responsibilities: reviews and assesses AoA formula grant award procedures; directs and/or coordinates management initiatives to improve formula grant programs in financial areas; develops proposals for improving the efficiency in awarding grants and coordinating financial operations among AoA programs; establishes priorities and develops procedures for grantee financial monitoring; and, reviews activities at the regional level for all AoA discretionary and formula grant programs.

Following consultation with all Headquarters and Regional Offices having grant administrative responsibilities, and with the approval of the Assistant Secretary: develop AoA instructions and procedures for the administration of all discretionary and formula grants, including those approved in AoA Regional Offices. Provides training and technical assistance to AoA staff regarding grants and provides overall guidance, monitoring, and assistance to Regional Offices in all areas of administrative and financial management of grants.

Has primary responsibility for developing policy issuances for grants management in AoA, and reviews all proposed AoA instructions and policy issuances pertaining to grant matters which are derived from Departmental, OMB or other government-wide issuances to ensure consistent policy and interpretation with AoA concerning grants management.

Functions as AoA liaison with the General Accounting Office ("GAO"), the HHS Office of the Inspector General and the Department's Office of Grants and Acquisition Management on grant matters. Assists at discretionary and formula grant hearings before the Departmental Appeals Board in response to disallowances and other financial claims by AoA or State Agencies on Aging and other grantees.

For formula grant activities, develops financial management standards for State and Area Agencies and provides guidance on and interpretation of 45 CFR parts 74 and 92 to AoA staff. Based on formula grants management policies and procedures approved by the Department, reprograms formula grant funds as required under the OAA.

Responds to audit issues raised by Department and General Accounting Office audit reviews and ensures the proper analysis and resolution of audit findings by Regional Offices for final action by the Assistant Secretary.

Division of Information Resources Management (BE4) manages AoA's information resources management ("IRM") program and develops policies, plans, budgets, standards and procedures related to it. Plans, manages, maintains and operates AoA's automated information system, including the LAN, personal computers, software, and support systems and services. Provides guidance and technical assistance on all components of the system and coordinates the preparation of manuals and policy issuances required to meet the instructional and informational needs of users of the system. Provides or contracts for training of users in all AoA systems, hardware and software. In coordination with the Office of the Deputy Assistant Secretary for Program Operations and Intergovernmental Affairs ("D/ASPOIA"), carries out the activities required under the Paperwork Reduction Act of 1980, as amended, as the Federal Information Resources Management Regulations, other Federal regulations and Executive Orders and DHHS/OS policies and procedures apply the Paperwork Reduction Act to automated information resources management. Represents AoA on the OS IRM Policy and Planning Board.

Responsible for IRM reviews; Federal Information Processing resources retirement and disposal; and conducting and reporting of information resource inventories.

Acts within the overall strategy, annual workplan and budget approved by the AoA Information Resources Management Board, composed of management representatives from each component of AoA.

Assesses the need for, and defines the specifications for procurement of all Headquarters and Regional Office IRM hardware and software. Reviews and recommends to the Director, OAM, the decision for Headquarters and Regional requests for Automatic Data Processing ("ADP") equipment and services. Assesses, recommends and defines the need to share ADP services through inter-government, inter-department and interagency agreements. Surveys specifications and other literature, initiates requests for services, and defines AoA's need for support services from private ADP vendors.

Recommends strategies, provides for, and maintains systems integration in the AoA corporate data enterprise. Designs

and institutes procedures for the protection, security and integrity of the AoA data, hardware and software.

E. Office of the Deputy Assistant Secretary for Program Operations and Intergovernmental Affairs (BB)

Reports to the Assistant Secretary for Aging. Plans, directs and evaluates agency program operations, including the development and implementation of a comprehensive, coordinated system of services for older Americans. Coordinates all AoA cross-cutting program activities and initiatives. Responsible for policy development concerning programs and services under the OAA, including long-term care initiatives, services, and policy. Assures internal coordination of programs, and develops and maintains effective relationships with government entities at the Federal, State and local levels to successfully achieve a community-based approach to aging and long-term care.

Provides leadership on behalf of Titles III and VI of the OAA, and those parts of Title II of the OAA for which the Office is responsible. Plans, directs and evaluates the programs under the OAA designed to provide planning, coordination and services to older Americans through grant programs authorized under Titles III and VI of the OAA. Assures the successful collection of data and its analysis to demonstrate program effectiveness. Assures that program and service information and trends are disseminated to advocates for older persons. Provides technical assistance to and education for State and Area Agencies on Aging and Tribal Grantees in the development of plans, goals, and system development activities. Serves as the agency's program regulations clearance officer for AoA programs mandated under the OAA. Assures that statutory requirements, regulations, policies, and instructions are implemented for Titles III and VI, and for the functions under Title II for which the Office is responsible.

Performs the following functions under Title II: Issues and enforces regulations regarding conflicts of interest in arranging the provision of services under the Act, including prohibiting such conflicts on the part of Area Agencies on Aging; provides direction to service providers to improve data collection and analysis; designs uniform data collection procedures; assists State and Area Agency volunteer coordinators, as necessary, and encourages the effective use and training of volunteers; consults with State and Area Agencies and Tribal grantees in the development of goals, regulations, instructions and policies; oversees the Nutrition Officer who provides technical assistance and guidance to Regional Offices, States, Area Agencies on Aging and service providers; establishes and convenes a nutrition guidance council to assess program effectiveness and to promote nutrition and dietary standards; and assures planning for and completion of studies and evaluations.

Provides liaison with OMB for the management of the agency paperwork burden reduction program. Coordinates clearance of OAA Titles II, III, IV, VI and VII program regulations within AoA and with appropriate HHS offices, and review of those regulations by OMB. Prepares and processes clearance for collection of information, and assures compliance with related standards, procedures and policies.

Directs intergovernmental affairs activities and develops and maintains effective relationships with other governmental departments and agencies. Plans, negotiates, facilitates, and updates, as appropriate, memoranda of understanding with other departments and agencies to promote agreements and cooperative relationships and ventures that address policies and services affecting the aging population.

Provides program expertise to the Assistant Secretary for policy development, advocacy and program initiatives.

Executive Secretariat serves as the communications center for AoA, ensuring that issues requiring the attention of the Assistant Secretary, Principal Deputy Assistant Secretary of AoA Executive Staff are identified on a timely and coordinated basis. Monitors the response of other AoA units in developing necessary documents for the Assistant Secretary's review and provides assistance to staff on the content and style of special assignments. Operates the agency-wide correspondence and assignment tracking and control system and provides technical assistance on standards for control of correspondence and memoranda. Manages the clearance system and reviews documents for consistency with the Assistant Secretary's and the Secretary's assignments, previous decisions on related matters, and editorial standards. Refers unprecedented policy questions to the Office of Policy Coordination and Analysis.

Maintains official copies of all policy and information issuances and data collection instruments; ensures they proper clearance before issuance and annually reviews them for currency and compliance with law and regulations. Reviews all materials prepared for **Federal Register** publication and ensures their compliance with guidelines. Serves as AoA's liaison with the Executive Secretariats in the Office of the Secretary and other HHS units regarding AoA program, policy and special administrative matters. Receives and sorts internal mail for AoA headquarters components.

Serves as liaison with the Office of the General Counsel and the General Accounting Office on all program matters other than those related to grants or procurement management. Reviews requests for information under the Freedom of Information Act and arranges for appropriate responses, in coordination with the HHS Freedom of Information Act Officer.

E. 1 Office of State and Community Programs (BB1) serves as the focal point with AoA for the operation, administration, management and assessment of the programs authorized under Title III of the OAA. Also carries out the following responsibilities of Title II: oversees development of more responsive service systems through intergovernmental and private sector initiatives and partnerships to address age-related issues and concerns; encourages and assists in the provision of information to older people with the need for Supplemental Security Income, Medicaid and Food Stamps; implements and oversees the supportive services and nutrition programs; implements and oversees the uniform data collection procedures for States; implements and oversees the responsibilities for consultation with the other Federal agencies and with State and Area Agencies on Aging.

Implements Title III of the OAA through the development of regulations, policies and guidance governing the development and enhancement of comprehensive and coordinated home and community-based care service delivery systems by State and Area Agencies on Aging. Provides guidance regarding State Plan processing and approval, the process and criteria for approval of States' Intrastate Funding Formulas for the allocation and targeting of resources within States, and implementation of the Interstate Funding Formula for distribution of Title III funds among States. In the field, implements Title III through the provision to Regional Office staff of guidance and information concerning AoA programs, and interpretation of Title III program regulations and policy In addition, fosters, oversees, and assesses the implementation of Title III by States and Area Agencies through

guidance and direction to Regional Office staff regarding program reviews, compliance monitoring, program and system development and enhancements. Designs and provides training and technical assistance for program compliance, effectiveness, and enhancement.

Develops and designs the criteria for collecting, analyzing and distributing program performance data on State and Area Agencies' implementation of OAA programs, and prepares that data for reporting to Congress, the public and the National Aging Information Center.

Provides specialized input on Title II and III programs to long-range planning, operational plans and the budget process. Develops program plans and instructions for AoA Regional Offices and State and Area Agencies to improve Title III programs and to ensure that the objectives of the OAA in fostering independence and life with dignity are met.

Division of Program Management and Analysis (BB11) develops policies, guidance and technical assistance to State and Area Agencies on Aging with respect to programs under Title III of the OAA, including the development and implementation of comprehensive and coordinated systems for supportive services, congregate and home-delivered nutrition services, the development and operation of multipurpose senior centers and the delivery of legal assistance; provides guidance and technical assistance to AoA Regional Staff in the effective implementation of programs under Title III of OAA; designs, implements and provides guidance and technical assistance to State and Area Agencies and Aging and service providers on data collection and analysis (Section 202(b)(28)) and on uniform data collection procedures for State Units on Aging (Section 202(b)(29)); consults with State and Area Agencies on Aging, service providers and other appropriate stakeholders in the development of goals, regulations, program instructions and policies regarding comprehensive and coordinated supportive and nutrition systems of services for older individuals.

Develops regulations for use by State and Area Agencies on Aging and local service providers responsible for programs under Title III of the OAA. Carries out the functions of the designated nutrition officer, who coordinates nutritional services under the Act and develops the regulations and guidelines, and provides technical assistance regarding nutrition to the AoA Regional Offices, State and Area Agencies, nutrition service providers, and other organizations; serves as the liaison to the United States Department of Agriculture and other Federal agencies and organizations related to nutrition policy and program issues.

Administers the State plan hearing process required by Section 307(c) of the OAA and provides the analysis and recommendations for the Assistant Secretary's decision resulting from the hearing.

Provides timely and accurate responses to requests for policy interpretation and technical assistance from Congress, State and Area Agencies on Aging, and the general public.

Develops and operates a National Aging Program Information System focused on the information needs of AoA and the Network on Aging to both manage and advocate for the delivery of effective and efficient services to the elderly. Coordinates and conducts operational studies, program analyses, and evaluations on special issues of concern to the Secretary, the Assistant Secretary, Regional Offices, and State and Area Agencies on Aging. Prepares reports on program operations under Title III for the Assistant Secretary, other AoA offices, the Secretary, the President, Congress and the public.

Through the analysis of State Plans, evaluation findings and other relevant material, identifies potential Title III program and management issues and develops recommendations to the Assistant Secretary on possible solutions.

Division of Community-Based Services (BB12) carries out the Title II responsibilities related to facilitating the continuing development, expansion and improvement of home and community-based service systems to be more responsive at the community level to meet the social and human service needs of the elderly. Develops and implements special initiatives at the national level for building strong interagency, intergovernmental and private sector partnerships to address age-related issues and concerns and promotes these initiatives throughout the network of agencies involved with older Americans.

At all levels, from national to the local service delivery level, develops methods and relationships to articulate the problems and concerns of the elderly to organizations beyond the traditional network of agencies and works with these organizations to be more sensitive and responsive to age-related needs and issues.

Directs and assesses the development under Title III of the OAA of State-administered, home and community-based long-term care systems, and social and supportive services for the elderly. Initiates and encourages expansion of the capacities of home and community-based social service and health care systems to deliver comprehensive services to the elderly. Strengthens and extends the development of the continuum of care principle in local community based social services systems for the elderly. Provides technical and subject matter expertise for the development of these systems, targeted at enhancing the capabilities of State and Area Agencies and local service delivery programs to improve their service to older people.

Assists State and Area Agencies and local service delivery agencies to analyze program trends and project needs of the aging population, and to develop strategies and specific implementation plans to enable all levels of the Aging Network to anticipate and adapt to community program needs in the future. Develops policies, guidance and technical assistance to the Aging Network of States, Area Agencies, service providers, national organizations, state organizations, local organizations and academia. Focuses primarily on the development of systems of care at the community or local level. Coordinates with the Division of Program Management and Analysis to achieve a fully integrated approach for the enhancement of systems of care throughout the nation.

E. 2 *Office for American Indian, Alaskan Native, and Native Hawaiian Programs* (BB2) on behalf of individuals who are older Native Americans, serves as the effective and visible advocate within the Department, with other Departments and agencies of the Federal Government, and with State, local and tribal governments regarding all Federal policies affecting Native American elders. Additionally, advocates and promotes linkages among national Indian organizations, national aging organizations, and national provider organizations with the goal of enhancing the interests of and services to Native American elders.

Recommends to the Assistant Secretary policies and priorities with respect to the development and operation of programs and activities relating to individuals who are older Native Americans. The Office coordinates activities among other Federal departments and agencies to ensure a continuum of improved services through memoranda of agreements or through other appropriate means of coordination. Carries out the following responsibilities of Title II: Evaluates the outreach under Title III

and Title VI and recommends necessary action to improve service delivery, outreach, and coordination between Title III and Title VI services; encourages and assists the provision of information to older Native Americans with need for Supplemental Security Income, Medicaid, food assistance, housing assistance, and transportation assistance; develops research plans, conducts and arranges for research in the field of Native American aging; collects, analyzes, and disseminates information related to problems experienced by older Native Americans, including information on health status of older individuals who are Native Americans, elder abuse, in-home care, and other problems unique to Native Americans; develops, implements, and oversees the uniform data collection procedures for Tribal and Native Hawaiian Organizations; and implements and oversees the consultation requirements of Title II as they apply to Native American issues.

Chairs the Interagency Task Force on Older Indians which is comprised of representatives from the Federal departments and agencies with an interest in the welfare of individuals who are older Indians and makes recommendations to the Assistant Secretary at six month intervals, to facilitate coordination among Federally funded programs and improve services to older Indians.

Provides the Native American input to the Office of the Deputy Assistant Secretary for Program Development and Elder Rights Programs for inclusion in AoA's research plan. In addition, collaborates with the Office of State and Community Programs on Title VI—Title III coordination.

Provides input and feedback to the Office of the Deputy Assistant Secretary for Program Development and Elder Rights Programs for the development and operation of Resource Centers on Native American Elders which gather information, perform research, provide for dissemination of results of the research, and provide technical assistance and training to those who provide services to Native American elders.

Provides specialized input on Title VI programs and the Native American components of Title II and Title VII–B programs to other Offices for long range planning, operational plans, research and training, and the budget process. Determines the Title VI grant amounts from annual appropriations. Develops testimony and background documents concerning Native Americans for use by the Assistant Secretary and Deputy Assistant Secretaries.

Serves as the AoA focal point for the administration and assessment of the programs authorized under Title VI and the Native American Organization provisions of Title VII–B of the OAA, including administering grants, cooperative agreements and contracts. Implements the American Indian, Alaskan Native and Native Hawaiian programs in the field through provision of program and policy direction, training and oversight to the Regional Offices in the execution of the Native American components of their Title II, Title VI and Title VII–B responsibilities. Oversees the Regional Offices' monitoring of Title VI grantees. Arranges for and manages on-going training and technical assistance for Title VI grantees. Coordinates additional training and technical assistance with other projects managed by the Office of Research, Demonstration, and Training.

E. 3 *Office of Policy Coordination and Analysis* (BB3) analyzes and interprets issues related to AoA program policy; develops and interprets AoA goals, priorities, and strategies; performs analyses related to the aging. Performs all functions with appropriate input from the AoA units with subject matter responsibility.

Conducts policy studies on a wide range of issues affecting AoA programs and the elderly; solicits policy and strategy input from a wide spectrum of organizations concerned with the aging. Prepares the AoA long- and short-range plans; provides interpretation and guidance for implementation of these plans to all AoA units; and reviews all new and changed policy documents for consistency with AoA long-range goals and strategies. Coordinates with the Office of the Assistant Secretary and all AoA units, and Departmental staff offices on policy, planning and evaluation issues and development.

Coordinates with the Office of Administration and Management in that Office's translation of the long- and short-range plans into procedural guidance for AoA units concerning employee performance appraisal planning, work planning and budget preparation. By means of this system, coordinates the development of implementation strategies and subsidiary plans as well as processes for monitoring progress toward stated objectives.

Develops AoA plans and priorities for evaluation of programs, with subject matter input from appropriate units. Manages contracting for mandated evaluation projects and performs intramural evaluation studies. Prepares reports of the results of program and impact evaluations conducted by and for AoA, with technical input from other AoA units.

Assesses the need for, develops strategies and priorities about, and conducts activities for the development of adequate knowledge for improving the circumstances of older people.

Assists in the collection and analysis of demographic and socio-economic information related to the aging.

F. *Office of the Deputy Assistant Secretary for Program Development and Elder Rights Programs* (BC) reports to the Assistant Secretary for Aging. Plans, directs and evaluates activities authorized under Titles IV and VII of the OAA. Conducts activities for the development of adequate knowledge for improving the circumstances of older people and develops a knowledge base for policy decisions and program development and coordination through support of a wide range of research, demonstration, and training activities. Elicits new knowledge and techniques to improve the circumstances of older Americans.

Promotes coordination of research, demonstration, and training activities. Prepares the planning documents for, and coordinates the development of, the annual discretionary funds program announcement. Oversees the grant and contract activities designed to carry out research, demonstration, and training activities, and develops AoA policies and criteria for monitoring grants and contracts supported through the Office of the Deputy Assistant Secretary for Program Development and Elder Rights ("D/ASPDER"). Assesses results of these activities to develop utilization strategies.

Implements strategies for improving the quality of facilities, programs, and services for the nation's older population. Maintains information on programs in other Federal agencies and national voluntary agencies which have potential for relating to these strategies. Collects and disseminates information related to problems of the aged and aging. Manages AoA's public information and public education activities.

As the Office designated in Title II of the OAA as the Office of Long Term Care Ombudsman Programs, develops and carries out the Ombudsman, elder abuse prevention, legal assistance development, and benefits outreach, counseling and assistance provisions of Titles II and VII of the OAA throughout the Aging Network, including administration of the National Ombudsman Resource Center and the National Center on Elder Abuse, and advising the Assistant Secretary on the operation of those Centers. The Deputy

Assistant Secretary carries out the functions of the Director of the Office of Long-Term Care Ombudsman Programs established in Section 201(d)(3) of the OAA. Reviews State Plans to determine eligibility for funding under Sec. 705 of the OAA and recommends approval or disapproval to the Assistant Secretary. Implements Title VII in the field through provision to Regional Office staff of guidance and information concerning AoA programs, and the development and interpretation of Title VII program regulations and policy; ensures the implementation of guidance and instructions concerning long-term care ombudsman, prevention of elder abuse, elder rights and legal assistance development and outreach, counseling and assistance programs.

Serves as the effective and visible advocate within the Department and with other departments and agencies of the Federal Government regarding all Federal policies affecting older residents of long term care facilities; reviews Federal legislation, regulation, and policy respecting long-term care ombudsman programs and makes recommendations to the Secretary and Assistant Secretary; coordinates the activities of AoA with other Federal, State and local entities relating to long-term care ombudsman programs; prepares an annual report to Congress on the effectiveness of services provided by State long-term care ombudsman programs; investigates the operations of any Federal law administered by HHS that may adversely affect the health, safety, welfare, or rights of older individuals; and establishes standards for the training of State long-term care ombudsman staff.

Provides technical assistance to the Headquarters and Regional Offices, State and Area Agencies on Aging, and other organizations on their statistical data needs, uses of data, and methods of collecting the data.

F. 1 *Office Research, Demonstration and Training* (BC1) administers the programs of research, demonstration and training authorized under Title IV of the OAA, including proposing strategies, developing concept papers and carrying out all implementation activity for the program. Provides technical input for Congressional and budget presentations related to the research and demonstration program. Evaluates research, demonstration and training grant and contract proposals; and recommends approval/disapproval, monitors progress, gives technical guidance to and evaluates the performance of grantees and contractors. Analyzes and interprets project results and recommends technical applications. Promotes coordination of research and demonstrations with other national, regional and local programs related to aging.

Within overall AoA strategy and long range plans, conducts continuing studies and periodic reviews of personnel needs and resources in the field of aging. Plans and assesses AoA's activities to ensure trained staff for programs serving older Americans. Develops and monitors a national plan for increasing these resources, and prepares reports thereon for AoA, the Federal Council on the Aging, the Secretary, the President and Congress.

Administers a program through grants and contracts for developing curricula and providing training related to preparation for professional, teaching, research, and paraprofessional careers in the field of aging. Makes grants for planning, developing, and operating multidisciplinary centers of gerontology designed to serve the purposes set forth under Title IV of the OAA, including the monitoring of such grants on a continuing basis.

Develops standards, optional models, and "best practice" suggestions on services to the elderly for use by the Regional Offices, and State and Area Agencies on Aging. Develops technical assistance material and in-service training curricula concerning these standards, models, and best practice suggestions.

Provides technical input on research, demonstration and training programs to the AoA planning and policy development activities, legislative activities and the annual budget development cycle. Participates in Departmental and inter-departmental activities which concern health and social services; reviews and comments on Departmental regulations and policies regarding health programs and institutional and non-institutional long term care services.

F. 2 *Office of Dissemination and Utilization (BC2)* manages a program for the collection, analysis, and dissemination of information related to the needs and problems of older persons. Develops and coordinates initiatives with older Federal agencies, national aging organizations and universities to fill gaps in information in the field of aging. Funds and administers the National Aging Information Center, which compiles, publishes and disseminates information on programs funded under the Act, as well as demographic data on the elderly population and data from other Federal agencies on the health, social and economic status of older persons, and provides technical assistance and training to State and area agencies and to service providers on State and local data collection and analysis.

Reviews all products from AoA, the OAA network, and other sources of information on aging to identify new findings which will be useful to older people and professionals operating in the field of aging, concentrating particularly on research, demonstration and evaluation findings. Determines the relative utility of each product, its potential users, and the most effective way to disseminate information to users. Plans and manages special dissemination projects.

Assesses results of these activities to develop utilization strategies. Promotes information dissemination in professional fields. Develops and manages AoA information clearinghouse to ensure dissemination of information such as best practice models, to exchange program experience with the network of State and Area Agencies on Aging, and to coordinate information dissemination requirements with other national organizations in the field of aging.

Maintains a knowledge of data generated by a wide range of organizations; provides liaison with the Federal Task Force on Aging Statistics; in support of planning and program requirements, performs routine and special statistical analyses of data for AoA offices, other Federal and non-Federal organizations, and the general public.

In conjunction with the Immediate Office of the Assistant Secretary, develops and implements public affairs strategies for Headquarters and Regional Offices to achieve AoA program objectives in coordination with other AoA units; develops and distributes publications and audiovisual materials about older people and prepares and issues brochures, fact sheets, news releases, exhibits and films on the needs and concerns of older persons and measures to improve the circumstances, available services, and environment for the older population.

Develops and implements a public education strategy for AoA in response to the Assistant Secretary's initiatives and goals. Edits and produces Aging Magazine aimed at professionals and constituents in the field of aging. Develops special information campaigns to inform older people and the general public about issues, problems and benefits important to older people. Fosters the annual Older Americans Month, and plans and coordinates other ceremonies and celebrations related to the elderly. Prepares the AoA Annual Report to the President and Congress

and other reports such as "Developments In Aging".

Responds to written, phone and personal inquiries from all sources dealing with services and needs of the aging.

F. 3 *Office of Elder Rights Protection (BC3)* develops and executes the ombudsman provisions of the OAA throughout the Aging Network. Serves as the focal point within AoA for the operation and assessment of the programs authorized under Title VII–A of the OAA. In response to mandates of Titles II and VII–A, oversees development of more responsive ombudsman, protection, legal assistance and counseling systems through intergovernmental initiatives and private sector partnerships to address issues of the rights and protection of older people.

Implements Title VII–A in the field by the provision to Regional Office staff of guidance and information concerning the ombudsman, elder abuse prevention, legal assistance development, and benefits outreach, counseling and assistance provisions of Titles II and VII–A of the OAA, and interpretation of regulations and policy implementing those programs. Fosters, oversees, assists, and assesses the development of State-administered long term care ombudsman, elder abuse prevention, legal assistance development, and benefit counseling programs for the elderly as authorized under Title VII–A of the OAA. Establishes, administers and evaluates the National Ombudsman Resources Center and the National Center on Elder Abuse.

Provides specialized input on Title VII–A programs to long range planning, operational plans and the budget process. Responsible for the implementation of regulations and policy on Title VII–A of the OAA. Develops program plans and instructions for AoA Regional Offices and State and Area Agencies to improve the Title VII–A protection and representational programs funded under the OAA.

Dated: May 30, 1994.

Donna E. Shalala,

Secretary.

[FR Doc. 94–14114 Filed 6–9–94; 8:45 am]

BILLING CODE 4130–01–M

Centers for Disease Control and Prevention

Board of Scientific Counselors, National Institute for Occupational Safety and Health: Meeting

In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), the Centers for Disease Control and Prevention (CDC) announces the following meeting:

Name: Board of Scientific Counselors, National Institute for Occupational Safety and Health (NIOSH).

Times and Dates: 1 p.m.–5 p.m., June 27, 1994. 9 a.m.–5 p.m., June 28, 1994.

Place: The Washington Court Hotel, Ash Room 525 New Jersey Avenue, NW, Washington, D.C. 20001.

Status: Open to the public, limited only by the space available.

Purpose: The board reviews research activities to provide guidance on the quality, timeliness, and efficacy of the Institute's programs.

Matters to be Discussed: The agenda will include the NIOSH Director's report; a report from the Deputy Director; the NIOSH role in health care reform; a review of the new research facility in Morgantown, West Virginia; a review of the strategic planning process; an extramural research review; a training review; discussion of special projects; and the Board of Scientific Counselors' charter, Agenda items and subject to change as priorities dictate.

Contact Person for Additional Information: Richard A. Lemen, Ph.D., Executive Secretary, Office of the Director, NIOSH, CDC, 1600 Clifton Road, NE, Mailstop D–35, Atlanta, Georgia 30333, telephone 404/639–3773.

Dated: June 6, 1994.

Ladene H. Newton,

Acting Associate Director for Management and Operations Centers for Disease Control and Prevention (CDC).

[FR Doc. 94–14164 Filed 6–9–94; 8:45 am]

BILLING CODE 4163–19–M

[Announcement Number 465]

RIN 0905–ZA67

Neighborhood-Based Childhood Lead; Primary Prevention Program; Availability of Funds for Fiscal Year 1994

Introduction

The Centers for Disease Control and Prevention (CDC) announces the availability of grant funds in fiscal year (FY) 1994 for the initiation of primary prevention activities that demonstrate a neighborhood-based approach to preventing and eliminating lead exposure for children living in high-risk housing. This primary prevention program is funded by CDC with support from the U.S. Department of Housing and Urban Development (HUD), Office of Lead-Based Paint Abatement and Poisoning Prevention (OLBPAPP).

The Public Health Service (PHS) is committed to achieving the health promotion and disease prevention objectives of Healthy People 2000, a PHS-led national activity to reduce morbidity and mortality and improve the quality of life. This announcement is related to the priority area of Environmental Health. (For ordering a copy of Healthy People 2000, see WHERE TO OBTAIN ADDITIONAL INFORMATION section.)

Authority

This program is authorized under sections 301(a) (42 U.S.C. 241(a)) and 317A (42 U.S.C. 247b–1) of the Public Health Service Act, as amended, and section 1011(a–f) of Title X (42 U.S.C. 4851 *et seq.*) of the Residential Lead-Based Paint Hazard Reduction Act. Program regulations are set forth in Title 42, Code of Federal Regulations, Part 51b.

Smoke-Free Workplace

The Public Health Service strongly encourages all grant recipients to provide a smoke-free workplace and promote the non-use of all tobacco products. This is consistent with the PHS mission to protect and advance the physical and mental health of the American people.

Eligible Applicants

Eligible applicants are the 37 current recipients of CDC grant funds for State and Community-based Childhood Lead Poisoning Prevention Programs that meet both of the following requirements (prior to the grant award being made):

1. At the time of the grant application, an applicant must have an approved Comprehensive Housing Affordability Strategy (CHAS) under section 105 of the National Affordable Housing Act (NAHA), (42 U.S.C. 12705) that includes a lead-hazard control element. Current CHAS regulations are set forth in title 24, Code of Federal Regulations, § 576.31. (Applicants are permitted to use an abbreviated housing strategy, as set forth in § 91.25 of the CHAS regulations.)

2. By September 1, 1994, applicants must have State enabling legislation and promulgated regulations in place to establish a State Certification and Accreditation Program for contractors, inspectors, workers, and others engaged in lead hazard control activities. The State Certification Program shall be consistent with the currently identified elements of the U.S. Environmental Protection Agency (EPA) Model State Plan being developed under Title IV, sections 402 and 404, of the Toxic Substances Control Act (see Appendix E

of the HUD NOFA). (For ordering a copy of the HUD NOFA, see **WHERE TO OBTAIN ADDITIONAL INFORMATION** section.)

The applicant must furnish copies of the enabling legislation and/or promulgated regulations, as well as other appropriate documentation, as proof of the program.

Availability of Funds

Approximately $2,500,000 will be available to fund up to two neighborhood-based childhood lead poisoning primary prevention programs. Awards for the first budget year will range from $750,000 to $1,250,000 each. Awards are expected to begin on or about September 1, 1994, and will be made for a 12-month budget period within project periods not to exceed 3 years. Funding estimates may vary and are subject to change based on the actual availability of funds.

These grants are intended to develop, expand, or improve collaboration among childhood lead poisoning prevention programs, community housing agencies, and neighborhood groups to ensure the identification and reduction of lead hazards in neighborhoods with a large proportion of demonstrated high-risk housing, and with a high percentage of young children living in these houses. Grant awards cannot supplant existing funding for childhood lead poisoning prevention programs or hazard reduction activities. Eligible applicants may enter into contracts, including consortia agreements, as necessary, to meet the requirements of the program and strengthen the overall application.

Note

- Not more than 10 percent of any grant may be obligated for administrative costs.
- HUD funds under this announcement should target "priority housing"—defined as housing that qualifies as affordable housing under section 215 (appendix G of HUD NOFA) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745). Priority housing does not include public housing (whether Federal or locally supported), federally owned housing, or any federally assisted housing except tenant-based housing that receives assistance under sections 8(b) or 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b) or (o)).
- Applicants are advised that an operational State Certification and Accreditation Program is an essential prerequisite for implementing lead hazard reduction activities.

Purpose

Historically, most approaches to childhood lead poisoning have been reactive. After a child has been identified as poisoned, action may be taken to investigate the home environment to identify and address lead hazards. This approach provides epidemiologic and some preventive benefits by identifying and providing for the control of demonstrated, immediate hazards to which the same children, their siblings, and playmates might subsequently be exposed. However, relying solely on the presence of poisoned children to identify housing that contains lead hazards is considered to be "secondary prevention," in that it postpones action until after a child is exposed to lead. Moreover, the reactive, child-by-child and house-by-house approach is an inefficient use of resources in the long run. A "primary prevention" approach emphasizes identifying and correcting lead hazards in the neighborhood *before children are poisoned*, shifting the focus from the poisoned child to the environmental exposure source—most often, the child's home.

This joint CDC/HUD grant program will provide financial assistance and support to State and local government agencies to develop and implement a comprehensive neighborhood-based, holistic approach to ensure lead hazard control in a small, well defined neighborhood with a high percentage of high risk housing. These "Primary Prevention" demonstration projects are intended to bring together representatives from public health, the medical community, housing and rehabilitation, Community-based/ Neighborhood-based Organizations (CBOs), business and labor interests, and other organizations interested in developing or expanding neighborhood-based lead poisoning primary prevention projects in targeted communities. The goal of these projects will be to develop or enhance neighborhood-based efforts to prevent and eliminate lead exposure for children living in high-risk neighborhoods.

Essential Components of the Primary Prevention Project Include

1. Identifying a high-risk neighborhood.
2. Establishing, expanding, or improving environmental investigations to identify sources of lead for children in the selected neighborhood.
3. Characterizing and prioritizing lead hazards in neighborhoods.
4. Ensuring/providing effective rapid reduction, control, and abatement of lead hazards throughout the neighborhood. Priority for activities should be given to reducing and controlling lead hazards posing an immediate threat to children.
5. Planning hazard reduction, control, and abatement activities to take advantage of economies of scale for labor and materials.
6. Utilizing "opportunity points" when environmental intervention is especially convenient and/or timely (e.g., unit turnover, planned weatherization, remodeling, or renovation).
7. Ensuring/providing interim lead-safe housing for families during hazard reduction.
8. Enhancing primary prevention knowledge and skills for residents, owners, landlords, etc., in high-risk neighborhoods through training and other methods. This includes planning and implementing a neighborhood education campaign.
9. Building coalitions and ensuring neighborhood participation in all components of this project, including the planning process.
10. Training of staff and neighborhood residents to plan, implement, maintain, and evaluate all aspects of the primary prevention strategy.

Program Requirements

The following are requirements for the Primary Prevention Projects:

A. A full-time director/coordinator with authority and responsibility to carry out the requirements of this primary prevention program. There must be sufficient grantee capability to plan, implement, coordinate, and maintain all aspects of the primary prevention strategy.

B. A plan to identify lead hazards in the neighborhood in a systematic manner and to oversee the safe and effective lead hazard reduction and control.

C. A plan to ensure that primary prevention activities are also directed at neighborhood properties not specifically eligible under the definition of "priority housing".

D. A plan to identify and ensure participation of neighborhood groups that have an interest in providing lead-safe housing, and a lead-safe neighborhood.

E. Assurances of compliance with HUD/EPA or other appropriate certification and training requirements, as well as other regulations relating to hazard reduction and worker safety.

F. Information which describes why a certain neighborhood was selected for this primary prevention activity, including information on housing conditions, income, other socioeconomic factors, and previous surveys or screening activities for childhood lead poisoning prevention. The selected neighborhood must be a

defined geographic area of contiguous blocks.

G. Assurances and documentation that activities, services, and educational materials provided by the program are endorsed by neighborhood leaders or representatives of the intended target neighborhood.

H. A comprehensive plan for program evaluation. Applicants should develop plans for evaluating program activities in two ways: Process Evaluations should be included for each component of the Program Plan. Process Evaluations should determine whether program activities were actually carried out as planned. An overall Outcome Evaluation for the program should be described separately. The Outcome Evaluation should be designed to measure, to the extent feasible, the impact of the program on the neighborhood environment and health status of children.

Evaluation Criteria

CDC will use the following evaluation criteria to rate and rank applications received in response to this Program Announcement. The review of applications will be conducted by an objective review committee who will review the quality of the application based on the strength and completeness of the plan submitted. The budget justification will be used to assess how well the technical plan is likely to be carried out using the available resources. The total number possible for the rating factors is 100 points.

1. *Strategy and Technical Approach* (25 total points)

The quality of the technical approach in carrying out the proposed activities. The Strategy and Technical Approach should include:

(a) Description of the proposed neighborhood and the need for program activities. (10 points)

(b) Plan for including neighborhood residents in planning, developing and implementing program activities. In addition, there should be:

- Plan for conducting a neighborhood-wide assessment to identify and control lead hazards. (5 points)
- Plan to identify, train, and involve neighborhood residents in program activities. (5 points)
- Plan to direct health education activities to neighborhood residents. (5 points)

2. *Collaboration* (25 total points)

(a) Extent to which the applicant demonstrates that proposed activities are being conducted in conjunction with, or through, organizations with known and established ties in the identified neighborhood. Evidence of support and participation from appropriate community-based or neighborhood-based organizations in the form of memoranda of understanding or other agreements of collaboration. (15 points)

(b) Extent to which the applicant documents established collaboration with appropriate governmental agencies responding to childhood lead poisoning prevention issues such as environmental health, housing, medical management, etc. through specific commitments for consultation, employment, or other activities, as evidenced by the names and proposed roles of these participants and letters of commitment. Absence of letters describing specific participation will result in a reduced rating under this factor. (10 points)

3. *Applicant Capability and Commitment to Lead Hazard Control* (25 total points)

Capability of the applicant to initiate and carry out the lead-based paint testing and hazard-reduction and control program successfully within the time frames set forth in the application. Proposed staff skills must match the proposed program of work described. Elements to consider include:

(a) Demonstrated knowledge and experience of the proposed project director or manager in planning and managing large and complex interdisciplinary programs involving housing rehabilitation, public health, and environmental management. The percentage of time the project manager will be devoted to this project is a significant factor, and must be indicated. (10 points)

(b) Demonstrated knowledge and experience of the staff assigned to this project in carrying out these undertakings, including the percentage of time each person will devote to the project. (5 points)

(c) Institutional capacity, demonstrated by the experience and continuing capability of the jurisdiction to initiate and implement similar environmental and housing projects. Applicant should describe previous related efforts and the current capacity of its agencies. (10 points)

4. *Evaluation Plan* (20 total points)

The applicant's plan that describes the evaluation of *each* program component and the overall strategy in evaluating the impact of the primary prevention effort.

5. *State Certification and Accreditation Program* (5 total points)

Applicants are advised that an operational State Certification and Accreditation Program acceptable to HUD and EPA is an essential prerequisite for implementing lead hazard reduction activities. States and eligible applicants within States that have an operational State Certification and Accreditation Program will be awarded FIVE points.

6. *Budget Justification and Adequacy of Facilities* (Not Scored)

The budget will be evaluated for the extent to which it is reasonable, clearly justified, and consistent with the intended use of grant funds.

Executive Order 12372 Review

Applications are subject to Intergovernmental Review of Federal Programs as governed by Executive Order (E.O.) 12372. E.O. 12372 sets up a system for State and local government review of proposed Federal assistance applications. Applicants should contact their State Single Point of Contact (SPOC) as early as possible to alert them to the prospective applications and to receive any necessary instructions on the State process. For proposed projects serving more than one State, the applicant is advised to contact the SPOC of each affected State. A current list of SPOCs is included in the application kit. If SPOCs have any State process recommendations on applications submitted to CDC, they should send them to Henry S. Cassell, III, Grants Management Officer, Grants Management Branch, Procurement and Grants Office, Centers for Disease Control and Prevention (CDC), 255 East Paces Ferry Road, NE., Atlanta, GA 30305, no later than 60 days after the application deadline. The Program Announcement Number and Program Title should be referenced on the document. The granting agency does not guarantee to "accommodate or explain" State process recommendations it receives after that date.

Public Health System Reporting Requirement

This program is subject to the Public Health System Reporting Requirements. Under these requirements, all community-based nongovernmental applicants must prepare and submit the items identified below to the head of the appropriate State and/or local health agency(s) in the program area(s) that may be impacted by the proposed project no later than the receipt date of the Federal application. The appropriate State and/or local health agency is determined by the applicant. The following information must be provided:

A. A copy of the face page of the application SF 424.

B. A summary of the project that should be titled "Public Health System

Impact Statement" (PHSIS), not to exceed one page, and include the following:

1. A description of the population to be served;

2. A summary of the services to be provided; and

3. A description of the coordination plans with the appropriate State and/or local health agencies.

If the State and/or local health official should desire a copy of the entire application, it may be obtained from the State Single Point of Contact (SPOC) or directly from the applicant.

Catalog of Federal Domestic Assistance Number

The Catalog of Federal Domestic Assistance number is 93.197.

Application Submission and Deadline

The program announcement and application kit were sent to all eligible applicants in May 1994.

Where to Obtain Additional Information

A complete program description, information on application procedures are contained in the application package. Business management technical assistance may be obtained from Lisa Tamaroff, Grants Management Specialist, Grants Management Branch, Procurement and Grants Office, Centers for Disease Control and Prevention (CDC), 255 East Paces Ferry Road, NE., room 300, Mailstop E–13, Atlanta, GA 30305, telephone (404) 842–6796 .

Please refer to Announcement Number 465 when requesting information and submitting an application.

Technical assistance may be obtained from David L. Forney, Chief, Program Services Section, Lead Poisoning Prevention Branch, Division of Environmental Hazards and Health Effects, National Center for Environmental Health, Centers for Disease Control and Prevention (CDC), 4770 Buford Highway, NE., Mailstop F–42, Atlanta, GA 30341–3724, telephone (404) 488–7330.

Potential applicants may obtain a copy of Healthy People 2000 (Full Report, Stock No. 017–001–00474–0) or Healthy People 2000 (Summary Report, Stock No. 017–001–00473–1) through the Superintendent of Documents, Government Printing Office, Washington, DC 20402–9325, telephone (202) 783–3238.

Potential applicants may obtain a copy of the HUD NOFA "Lead-Based Paint Hazard Control in Priority Housing" through the Program Management Division, Office of Lead-Based Paint Abatement and Poisoning Prevention, room B–133, 451 Seventh Street SW., Washington, DC 20410, telephone (202) 755–1822.

Dated: June 3, 1994.

Ladene H. Newton,

Acting Associate Director for Management and Operations, Centers for Disease Control and Prevention (CDC).

[FR Doc. 94–14118 Filed 6–9–94; 8:45 am]

BILLING CODE 4163–18–P

Food and Drug Administration

Advisory Committees; Filing of Annual Reports

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing that, as required by the Federal Advisory Committee Act, the agency has filed with the Library of Congress the annual reports of those FDA advisory committees that held closed meetings.

ADDRESSES: Copies are available from the Dockets Management Branch (HFA–305), Food and Drug Administration, rm. 1–23, 12420 Parklawn Dr., Rockville, MD 20857, 301–443–1751.

FOR FURTHER INFORMATION CONTACT: Donna M. Combs, Committee Management Office (HFA–306), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–443–2765.

SUPPLEMENTARY INFORMATION: Under section 13 of the Federal Advisory Committee Act (5 U.S.C. app. 2) and 21 CFR 14.60(c), FDA has filed with the Library of Congress the annual reports for the following FDA advisory committees that held closed meetings during the period October 1, 1992, through September 30, 1993:

Center for Biologics Evaluation and Research: Allergenic Products Advisory Committee, Biological Response Modifiers Advisory Committee, Blood Products Advisory Committee, Vaccines and Related Biological Products Advisory Committee.

Center for Drug Evaluation and Research: Anesthetic and Life Support Drugs Advisory Committee, Anti-Infective Drugs Advisory Committee, Antiviral Drugs Advisory Committee, Arthritis Advisory Committee, Cardiovascular and Renal Drugs Advisory Committee, Dermatologic Drugs Advisory Committee, Drug Abuse Advisory Committee, Gastrointestinal Drugs Advisory Committee, Generic Drugs Advisory Committee, Medical Imaging Drugs Advisory Committee, Nonprescription Drugs Advisory Committee, (formerly OTC Drugs Advisory Committee) Oncologic Drugs Advisory Committee, Pulmonary-Allergy Drugs Advisory Committee.

National Center for Toxicological Research: Science Advisory Board to the National Center for Toxicological Research.

Annual reports are available for public inspection at: (1) The Library of Congress, Madison Bldg., Newspaper and Current Periodical Reading Room, rm. 133, 101 Independence Ave. SE., Washington, DC; and (2) the Dockets Management Branch (HFA–305), rm.1–23, Food and Drug Administration, 12420 Parklawn Dr., Rockville, MD 20857, between 9 a.m. and 4 p.m., Monday through Friday.

Dated: June 3, 1994.

Linda A. Suydam,

Interim Deputy Commissioner for Operations.

[FR Doc. 94–14090 Filed 6–9–94; 8:45 am]

BILLING CODE 4160–01–F

Health Resources and Services Administration

[PN 2243]

RIN 0905–ZA 63

Special Projects of National Significance

AGENCY: Health Resources and Services Administration.

ACTION: Notice of availability of funds.

SUMMARY: The Health Resources and Services Administration (HRSA) announces the availability of up to $10.5 million in fiscal year (FY) 1994 funds to be awarded as cooperative agreements under the Special Projects of National Significance (SPNS) program. The SPNS program, authorized by section 2618(a) of the Public Health Service Act, receives its appropriation of funds through Public Law 103–112. Project periods can be from three to five years, subject to Congressional reauthorization in FY 1996 of the Ryan White CARE Act. This announcement solicits two types of applications: (1) HIV service delivery model demonstration projects, or (2) HIV service delivery model demonstration projects in conjunction with an evaluation and dissemination center. The SPNS program, in collaboration with the evaluation and dissemination center(s), will sponsor multi-site program evaluation studies. All HIV service delivery model demonstration

projects agree, as a condition of grant award, to participate in these studies. Awards will be made to achieve population and geographic diversity.

The SPNS program is designed to demonstrate and evaluate innovative and potentially replicable HIV service delivery models. The authorizing legislation specifies three SPNS program objectives: (1) To support the development of innovative models of HIV care; (2) to evaluate the effectiveness of innovative program designs; and (3) to promote replication of effective models. Therefore, crucial factors in appraising proposals for the HIV service delivery model demonstration projects will include the applicant's plan for conducting an evaluation of the model, the program's potential to improve access to, coordination of, and quality of, HIV service delivery, and a plan for disseminating findings about the model's effectiveness.

Because of the complexity of this program, a cooperative agreement mechanism is being utilized to allow for substantial Federal programmatic participation in the conduct of the program, and to facilitate communication and coordination in the overall implementation and evaluation of the program. A steering committee will be established to facilitate coordination and cooperation among the service demonstration projects and the evaluation and dissemination center(s), and to oversee the cooperative agreements.

DATES: Applications for these announced cooperative agreements must be received in the Grants Management Office by the close of business July 20, 1994, to be considered for competition. An advance notice of the application deadline date for the Special Projects of National Significance for FY 1994 was published in the **Federal Register** on April 26, 1994 at 59 FR 21769. Applications will meet the deadline if they are either (1) Received on or before the deadline date or (2) postmarked on or before the deadline date, and received in time for submission to the objective review panel. A legibly dated receipt from a commercial carrier or U.S. Postal Service will be accepted in lieu of a postmark. Private metered postmarks shall not be accepted as proof of timely mailing. Applications received after the deadline will be returned.

ADDRESSES: Grant applications, guidance materials, and additional information regarding business, administrative and fiscal issues related to the awarding of grants under this Notice may be requested from Ms. Glenna Wilcom, Grants Management Officer, Bureau of Health Resources Development, Health Resources and Services Administration, 5600 Fishers Lane, room 7–15, Rockville, MD 20857. The telephone number is (301) 443–2280 and the FAX number is (301) 594–6096. Applicants for grants will use Form PHS 5161–1, approved under OMB Control No. 0937–0189. Completed applications should be sent to the Grants Management Officer.

FOR FURTHER INFORMATION CONTACT: Additional technical information may be obtained from Mr. George Sonsel or Mr. Russell Brady, SPNS Branch, Office of Science and Epidemiology, Bureau of Health Resources Development, Health Resources and Services Administration, 5600 Fishers Lane, room 7A–19, Rockville, MD 20857. The telephone number is (301) 443–9976 and the FAX number is (301) 594–2511.

SUPPLEMENTARY INFORMATION:

Background and Objectives

The SPNS program endeavors to advance knowledge and skills in HIV service delivery, stimulate the design of innovative models of care, and support the development of effective delivery systems for these services. SPNS accomplishes its purpose through funding and technical support of innovative HIV service delivery models. For purposes of this announcement, models seeking SPNS support must address at least one of the four (4) new service delivery system categories described below. Additional funding will be provided to one or more interested grantees to establish, either on site or by subcontract, evaluation and dissemination center(s) to provide technical assistance to grantees in the design and implementation of evaluation studies and dissemination activities, in collaboration with the SPNS program and the funded applicants.

In establishing the current special project categories, consideration was given to the priority service areas identified in the concept paper, "Future Directions: Increasing Knowledge about Health and Support Service Delivery to People with HIV Disease." This document was developed through interviews with, and written comments from, key HRSA staff and experts inside and outside the U.S. Public Health Service, and through a review of relevant HIV-related service delivery, research, evaluation, policy, and planning documents.

Descriptions: HIV Service Delivery Model Categories

The Special Project Categories for FY 1994 will support the implementation and evaluation of innovative HIV service delivery models. SPNS funds cannot be used for expenses related to the provision of medical care; supportive services; or any other expenses currently reimbursed, subsidized or eligible for reimbursement through third party payors, grants awarded under Titles I-IV of the Ryan White CARE Act, or other grant and foundation sources. Applicants may not submit proposals for more than one subcategory in a category.

Proposals will be accepted for HIV service delivery model projects that demonstrate and evaluate:

(1) *Comprehensive primary care service delivery systems for people with HIV within one of the distinct environments or settings described in the six following sub-categories.*

(a) Develop and evaluate the effectiveness of including new or existing support services as part of the basic benefits of a managed care plan or a comprehensive, coordinated care system.

Because one of the potential strengths of managed care plans or coordinated care systems is their capacity to coordinate the services of several providers, the proposed service delivery model must test its ability to meet the wide range of service needs required by individuals with HIV. These service needs, in addition to primary care, may include, but are not limited to, specialty medical care, mental health services, substance abuse treatment, and/or assistance with locating housing, transportation, child care, etc. Grantees must evaluate changes in: (1) Patient adherence to medical treatment plans; (2) access to and use of medical and support services; (3) costs per-patient of providing both medical and support services; and (4) patient satisfaction with services.

(b) Test the feasibility of providing comprehensive HIV services under a capitated reimbursement system (including, but not limited to, Ryan White CARE Act Title I and Title II funds).

Grantees must evaluate patterns of utilization of medical and support services under a capitated system, compare the costs of delivering services under a capitated reimbursement system with a fee-for-service system, and evaluate client satisfaction.

(c) Add primary care services to an intermediate level of care, i. e., subsidized housing, residential care,

shelter, partial hospitalization, or other type of "step down" setting, for individuals with HIV disease.

Grantees must evaluate the effectiveness of primary care services provided in this environment on reducing dependence on inpatient hospitalization, increasing the continuity of medical care, and improving client satisfaction.

(d) Develop, in a geographically defined rural area, a comprehensive continuum of care for the purpose of increasing accessibility and quality of primary and specialty medical care to its residents with HIV disease.

Grantees must explain how the proposed model accommodates the needs of the residents with HIV disease in relation to the health service delivery system characteristics of the area. Based on the needs of the area, models that supplement primary medical care with case management, psychosocial support, and other non-medical support services are encouraged.

(e) Develop a service delivery model for adolescents and young adults (up to age 25) with CDC-defined Stage III or IV HIV disease that effectively manages their medical and, when appropriate, substance abuse treatment needs.

Grantees should evaluate the model's effectiveness in meeting the full range of physical, psychological, social, and spiritual needs of adolescents and young adults who are seriously or terminally ill.

(f) Develop a service delivery model for women with HIV disease that emphasizes the coordination of services from outreach, counseling and HIV testing, including expanded counseling and testing during pregnancy, through early intervention and care, including appropriate therapeutic drug regimens, for asymptomatic and symptomatic disease, and for prevention of transmission of HIV during pregnancy and delivery.

Grantees must describe how the proposed model is using innovative features to reach pregnant women and women at high risk (e.g., substance abusing women) who have been reluctant to become engaged in traditional counseling/testing services, and how these women will be engaged and retained in care systems for themselves during and after pregnancy. Priority will be given to applicants in States or cities which have made the decision to "routinely recommend" that women (during pregnancy and/or whenever they receive primary care services) learn their HIV infection status for the purposes of improving their own care and health status; preventing transmission to their infants during pregnancy; and preventing transmission during breastfeeding. The funds will be used primarily to support system development and organizing and training providers. The intent of this sub-category is to foster systems of care for women with HIV; to encourage more women to know their infection status; to encourage States and cities to develop plans for accomplishing this; and to assess the reasons for and impact of the various decisions women make regarding HIV testing, use of AZT during pregnancy, and adherence to follow-up care decisions made jointly with providers.

(2) *Coordinated delivery of HIV health and support services to specific mobile populations in the United States, ensuring the delivery of continuous services throughout the course of HIV disease.*

For the purposes of this category, mobile populations are defined as border populations; populations with migration patterns primarily between the continental United States and its territories and commonwealths and between the United States and other countries; migrant farm labor workers; and, undocumented workers and residents. Examples of services needed by these populations include primary medical care, mental health services, and advocacy or other legal support services that address AIDS discrimination and access to care. Special attention must be paid to ensuring and documenting continuity of care for clients that receive care from providers located in different geographical locations. SPNS is seeking innovative methods of interagency communication and for tracking referrals between providers so that longitudinal follow-up of clients from provider to provider will be possible. Grantees must evaluate their success at ensuring continuity of medical care and access to needed support services.

(3) *Reduction of cultural, linguistic, and/or organizational barriers to care in a geographically defined area (e.g., neighborhood, community, region, state).*

Grantees must have the capacity to analyze reductions in organizational barriers to accessing care. AIDS service providers and other community-based organizations located in the geographic area and staffed by the cultural and/or linguistic group to be served by the proposed service delivery model are encouraged to apply under this category. Grantees submitting a proposal under Category #3 must address one of the following four populations:

(a) An underserved population group experiencing significant barriers to care (e.g., men of color, HIV infected women, AIDS survivors, etc.) by addressing their access to care issues through organizational collaboration and inclusion in policy development.

The grantee chooses the target population in this sub-category based on documented evidence that this population affected by HIV disease is not receiving services. At a minimum, collaboration among providers must include all Ryan White CARE Act-funded grantees in the area that serve the targeted population.

(b) An ethnic group facing both linguistic and cultural barriers.

A critical component of a proposed model in this sub-category must be the involvement of individuals and/or community-based organizations with established service relationships with the targeted special population.

(c) Active substance abusers utilizing primary care on an intermittent basis or who do not adhere to their treatment regiment.

Models for expanding enrollment and enhancing retention of HIV infected substance users, particularly active users, in primary care may include methods of increasing primary care providers' knowledge, receptiveness, and skill in treating this population.

(d) Individuals or special populations experiencing HIV-based discrimination in health care, employment, and/or housing, that inhibits their receipt and/or utilization of health care services.

Grantees must demonstrate and evaluate how innovative advocacy services targeting HIV discrimination impacts access to and utilization of appropriate health care for people whose needs are already complicated by cultural, linguistic or organizational issues.

(4) *Provider training and education models that develop, test, and evaluate strategies for increasing, improving or updating knowledge about HIV disease and its treatment for providers in rural areas, correctional facilities or mental health services programs and facilities.*

Grantees should collaborate, when feasible, with existing AIDS Education and Training Centers (AETC) and other training centers already providing education services to a wide variety of health care providers. Adoption, or adaptation to local conditions, of existing training models with outcome oriented evaluation is encouraged. The project's evaluation must specify the extent to which providers incorporate new skills and knowledge into their practices, and if there are any changes in numbers of people with HIV disease served by the provider. Evaluation designs comparing the results between

different levels or intensity of training are encouraged.

Review Criteria: HIV Service Delivery Models

All applications for HIV Service Delivery Model cooperative agreements described under Category (1) through (4) above and submitted to the SPNS program will be reviewed and rated by an objective review panel. Factors for the technical review of applications are as follows:

Factor 1 (10 points). Adequacy of justification of need within the community and target population for the proposed program.

Factor 2 (25 points). The feasibility, clarity of the description, appropriateness, innovative quality, and potential for replication and dissemination of the proposed model.

Factor 3 (15 points). Comprehensiveness of the program plan as described in clearly stated goals, time-limited and measurable objectives for each goal, activities for each objective, and a time line that shows the scheduled production of materials that corresponds to milestones stated in the objectives and program evaluation.

Factor 4 (20 points). Thoroughness, feasibility and appropriateness of the project's capability to conduct and collaborate on a comprehensive evaluation design and a plan for dissemination of the project's findings.

Factor 5 (15 points). Competency of the applicant organization in fiscal and program management as evidenced by (a) the consistency between the proposed level of effort and the budget justification; (b) skill level and time commitment required in the personnel specifications; (c) the level of resources being proposed to conduct a quality evaluation of the project; and (d) appropriate confidential handling of medical, social service, and epidemiological data of clients served.

Factor 6 (15 points). Extensiveness of coordination and collaboration with related HIV activities within the project's catchment area as documented by the applicant.

Additional Funding for SPNS Evaluation & Dissemination Center(s)

In addition to the funds provided to successful applicants for development of service delivery model demonstration projects, additional funds will be provided to one or more successful applicants to establish, either on site or by subcontract, evaluation and dissemination center(s) to work with all of the SPNS grantees funded under the HIV Service Delivery Models Categories [1] through [4]. The Center(s) will have two primary responsibilities: (1) to provide technical assistance to SPNS grantees in designing and implementing evaluation studies and dissemination activities for their individual projects; and, (2) to develop and coordinate the implementation of cross-cutting evaluations within groups of similar projects. HRSA staff will offer advice and guidance and participate in each of these areas as well as monitor the Center's work to assure its progress is in accordance with program objectives and Federal requirements. HRSA staff may accomplish this task, in part, through an advisory panel composed of Federal employees and external consultants.

Inclusion of a request for additional funding for the SPNS Evaluation and Dissemination Center is not a mandatory requirement of the application. Those applications not requesting this additional funding will be given equal consideration for service delivery model funding. All applications, regardless of inclusion of a request for evaluation center funding, will be scored first only on the applicant's proposal for the service delivery model. Service delivery model applications which are approved for funding will then be reviewed for interest in the additional funding. Only then will proposals for an evaluation and dissemination be reviewed and scored according to the following.

Review Criteria: Additional Funding for SPNS Evaluation & Dissemination Center(s)

Those successful service delivery model applications which include a request for funding for the SPNS Evaluation and Dissemination Center (Part B) will be eligible for review and rating by an objective review panel of that part of the application. Applications will be considered for funding on the basis of overall technical merit as determined through the review process, and the proposed center's suitability for working with the funded SPNS projects. Factors for the technical review of Part B of the applications will include the following:

Factor 1 (25 points). Qualifications and experience of the principal investigator, the proposed staff and consultants in designing and conducting health service evaluation studies, disseminating study findings and in providing technical assistance on evaluation and dissemination issues.

Factor 2 (30 points). Adequacy of plans for providing technical assistance to SPNS grantees on program evaluation and information dissemination.

Factor 3 (25 points). Adequacy of plans for designing and implementing cross-cutting evaluations within groups of similar projects and for assuring data quality.

Factor 4 (20 points). Appropriateness of budget, staffing plans, facilities and information management resources, and time frame for implementing the project's operational and programmatic objectives.

Role of Federal Staff in Cooperative Agreements

The cooperative agreement mechanism allows for substantial post-award programmatic participation by SPNS staff in the projects' operations. In addition to the project officer's monitoring function, SPNS staff will be active participants in the operations of the HIV service delivery model demonstration projects and the SPNS evaluation and dissemination center. SPNS staff will facilitate the exchange of relevant information among the HIV service delivery model projects and provide support for training and consultation. SPNS staff will also monitor the function and activities of the center, assuring satisfactory progress and timely reporting.

"Substantial programmatic participation" means that SPNS staff will provide guidance and coordination for certain programmatic activities to a degree beyond their customary stewardship responsibilities in grants administration. This may include, but is not limited to, the following: participating in the design and direction of activities to develop cross-cutting evaluation studies; assisting in the selection of project director and/or other key staff; assisting in the selection of contractors; participating in the analysis of data; coordinating or providing training of project staff; participating in selection and approval of analysis mechanisms; participating in selection of results for publication; and providing assistance in the management and technical performance of the project's activities.

Availability of Funds

Section 2618, subsection (a) of the Public Health Service Act, "Special Projects of National Significance," permits the Secretary to allocate up to ten percent of the funds provided for Part B of Title XXVI to award grants directly to public and non-profit private entities to promote the statute's objectives. Approximately $9.7 million is available in FY 1994, to fund 25 HIV service delivery model demonstration projects estimating an average annual project budget of $350,000. The evaluation and dissemination center budget will be based on the availability

of funds in relation to the objective review panel's recommendations. Approximately $600,000 is available in FY 1994 for this Center. The budget and project periods for approved and funded projects will begin October 1, 1994.

Project periods may be requested for up to five years. However, recommended support beyond the third year is subject to a determination by an objective review panel in conjunction with an assessment by the SPNS staff of the project's progress to date. All grants to support projects beyond the first budget year will be contingent upon the availability of funds, Congressional reauthorization of Ryan White CARE Act funding within the second project year, and satisfactory progress each year in meeting the project's objectives.

All grantees funded to support HIV service delivery model demonstration projects under this Notice are encouraged to secure and show evidence of non-SPNS funding support equal to 20 percent of the approved project budget by the fourth project year, and equal to 40 percent of the approved project budget by the fifth year. Applicants are required to submit, in the initial application, budgets for each proposed project year.

Eligible Applicants

The statute, Section 2618 (a) (1), specifies that grants may be awarded to public and non-profit private entities to fund special programs for the care and treatment of people with HIV disease. Eligible entities may include, but are not limited to, State, local, or tribal public health, mental health, or substance abuse departments; public or non-profit hospitals; community-based service organizations (e.g., AIDS service organizations, primary health care clinics, family planning centers, AIDS discrimination and advocacy organizations, hemophilia centers, community mental health centers, substance abuse treatment centers, urban Indian health centers, migrant health centers, Ryan White CARE Act Title IIIb clinics, etc.); institutions of higher education; and national service provider and/or policy development associations/organizations.

Allowable Costs

The basis for determining allocable and allowable costs to be charged to PHS grants is set forth in 45 CFR part 74, Subpart Q and 45 CFR part 92 for State, local or tribal governments. The four separate sets of cost principles prescribed for public and private non-profit recipients are: OMB Circular A–87 for State, local or tribal governments; OMB Circular A–21 for institutions of higher education; 45 CFR part 74, Appendix E for hospitals; and OMB Circular A–122 for nonprofit organizations.

Reporting and Other Requirements

A successful applicant under this notice will submit semi-annual activity summary reports in accordance with provisions of the general regulations which apply under 45 CFR Part 74, Subpart J, "Monitoring and Reporting of Program Performance," with the exception of State and local governments to which 45 CFR Part 92, Subpart C reporting requirements apply. As a condition of all awards funded under this Notice, grantees will be required to cooperate with HRSA and the SPNS Evaluation and Dissemination center(s) in any multi-site evaluation studies sponsored by the SPNS Program.

Healthy People 2000 Objectives

The Public Health Service urges applicants to address a specific objective of the *Healthy People 2000* in their work plans. Potential applicants may obtain a copy of *Healthy People 2000* (Full Report; Stock No. 017–001–00473–0) or *Healthy People 2000* (Summary Report; Stock No. 017–001–00473–1) through the Superintendent of Documents, Government Printing Office, Washington, DC 20402–9325 (Telephone: (202) 783–3238).

Federal Smoke-Free Compliance

The Public Health Service strongly encourages all grant recipients to provide a smoke-free workplace and promote the non-use of all tobacco products. This is consistent with the PHS mission to protect and advance the physical and mental health of the American people.

Public Health System Reporting Requirements

This program is subject to the Public Health System Reporting Requirements which have been approved by the Office of Management and Budget under No. 937–0195. Under these requirements, any community-based, non-governmental applicant must prepare and submit a Public Health System Impact Statement (PHSIS). The PHSIS is intended to keep State and local health officials apprised of proposed health services grant applications submitted from within their jurisdictions.

Community-based, non-governmental applicants are required to submit, no later than the Federal due date for receipt of the application, the following information to the administrator of the State and local health agencies and to the State and local AIDS program director in the area(s) to be impacted by the proposal: (1) a copy of the face page of the application (SF 424); and, (2) a summary of the project, not to exceed one page, which provides: (a) a description of the population to be served; (b) a summary of the services to be provided; and, (c) a description of the coordination planned with the appropriate State or local health agencies. Copies of the letters forwarding the PHSIS to these authorities must be contained in the application materials submitted to this program.

Executive Order 12372

The Special Projects of National Significance Grant Program has been determined to be a program subject to the provisions of Executive Order 12372, concerning intergovernmental review of Federal Programs, as implemented by 45 CFR Part 100. Under urgent conditions, the Secretary may waive any provision of this regulation. (See 45 CFR part 100.13.) The Secretary has waived 45 CFR Part 100 due to the compelling need to get funds to grantees.

The OMB *Catalog of Federal Domestic Assistance* number for the Special Projects of National Significance is 93.928.

Dated: May 3, 1994.

John H. Kelso,

Acting Administrator.

[FR Doc. 94–14088 Filed 6–9–94; 8:45 am]

BILLING CODE 4160–15–P

Public Health Service

Notice Regarding Section 602 of the Veterans Health Care Act of 1992; Manufacturer Audit Guidelines and Informal Dispute Resolution

AGENCY: Public Health Service, HHS.

ACTION: Notice.

SUMMARY: Section 602 of Public Law 102–585, the "Veterans Health Care Act of 1992" (the "Act"), enacted section 340B of the Public Health Service Act ("PHS Act"), "Limitation on Prices of Drugs Purchased by Covered Entities." Section 340B provides that a manufacturer who sells covered outpatient drugs to eligible entities must sign a pharmaceutical pricing agreement (the "Agreement") with the Secretary of Health and Human Services (the "Secretary") in which the manufacturer agrees to charge a price for covered outpatient drugs that will not exceed an amount determined under a statutory formula.

Section 340B(a)(5) of the PHS Act identifies certain requirements for covered entities concerning potential double price reductions and drug diversion. A covered entity must permit the manufacturer of a covered outpatient drug that has signed the Agreement, to audit the records of the covered entity directly pertaining to the entity's compliance with the requirements of section 340B(a)(5) (A) and (B) as to drugs purchased from the manufacturer. These audits must be conducted in accordance with guidelines established by the Secretary, as stated in section 340B(a)(5)(C).

Further, the Office of Drug Pricing anticipates that disputes may arise between covered entities and participating manufacturers regarding implementation of the provisions of section 340B. To resolve these disputes in an expeditious manner, the Office of Drug Pricing has developed a proposed informal dispute resolution process.

The purpose of this notice is to invite public comment on the proposed manufacturer audit guidelines and the proposed informal dispute resolution process.

DATES: The public is invited to submit comments on the proposed audit guidelines and dispute resolution process by July 11, 1994. After consideration of the comments submitted, PHS will issue the final audit guidelines and the dispute resolution process.

ADDRESSES: Submit comments to Ms. Alvarez at the address noted below.

FOR FURTHER INFORMATION CONTACT: Marsha Alvarez, R. Ph., Director, Office of Drug Pricing, Bureau of Primary Health Care, 4350 East West Highway, West Towers, 10th Floor, Bethesda, MD 20814, Tel: (301) 594–4354.

SUPPLEMENTARY INFORMATION:

Manufacturer Audit Guidelines

Covered entities which choose to participate in the section 340B drug discount program must comply with the requirements of section 340B(a)(5) of the PHS Act. Section 340B(a)(5)(A) prohibits a covered entity from accepting a discount for a drug that would also generate a Medicaid rebate. Further, section 340B(a)(5)(B) prohibits a covered entity from reselling or otherwise transferring a discounted drug to a person who is not a patient of the entity. The participating entity must permit the manufacturer of a covered outpatient drug who has signed the Agreement with the Secretary to audit its records that directly pertain to the entity's compliance with section 340B(a)(5) (A) and (B) requirements with respect to drugs of the manufacturer. Manufacturer audits must be conducted in accordance with guidelines developed by the Secretary as required by section 340B(a)(5)(C). This notice does not include the audit guidelines to be used by Government auditors where the Government performs the audit of the records of the covered entity's compliance with the requirements of section 340B(a)(5) (A) and (B).

The following is the proposed "Compliance Audit Guide" concerning manufacturer audit guidelines as developed by the Secretary pursuant to section 340B(a)(5)(C):

I. General Guidelines

A manufacturer shall conduct an audit only when the Office of Drug Pricing determines that there is reasonable cause to believe a violation of section 340B(a)(5) (A) or (B) has occurred. The manufacturer must submit a request for an audit of a covered entity to the Office of Drug Pricing. [See section II for audit steps]. Auditors have an ethical and legal responsibility to perform quality audits conducted in accordance with Government Auditing Standards, Current revision, developed by the Comptroller General of the United States. Patient confidentiality requirements must also be observed. Audit reports must be prepared at the completion of the audit. Copies of the audit report shall be prepared in accordance with the reporting standards for performance audits in Government Auditing Standards, Current Revision. The cost of a manufacturer audit will be borne by the manufacturer, as provided by section 340B(a)(5)(C) of the PHS Act.

(a) Number of Audits

Consistent with Government auditing standards, the organization performing the audit shall coordinate with other auditors, when appropriate, to avoid duplicating work already completed or that may be planned. Only one audit will be permitted at any one time. When specific allegations involving the drugs of more than one manufacturer have been made concerning an entity's failure to comply with section 340B(a)(5) (A) and (B), the Office of Drug Pricing will determine whether an audit should be performed by the (1) Government or (2) the manufacturer.

(b) Scope of Audits

The manufacturer must submit an audit workplan describing the audit to the Office of Drug Pricing for review. The workplan will be reviewed for reasonable purpose and scope. Further, a determination will be made that only those records of the covered entity that directly pertain to the potential violation(s) will be accessed including those systems and processes (e.g., purchasing, distribution, dispensing, and billing) that would assist in identifying a violation.

(c) Duration of Audits

Audits shall be performed in the minimum time necessary with the minimum intrusion on the covered entity's operations.

II. Audit Steps

(a) The manufacturer shall notify the covered entity in writing when it believes the covered entity has violated provisions of section 340B. The manufacturer and the covered entity shall have at least 30 days from the date of notification to attempt in good faith to resolve the matter.

(b) The manufacturer has the option to proceed to the informal dispute resolution process described later in the notice without an audit, if it believes it has sufficient evidence of a violation absent an audit. If the matter is not resolved and the manufacturer desires to perform an audit, the manufacturer must file a request for a covered entity audit with the Office of Drug Pricing. [See section "FOR FURTHER INFORMATION" for address.] The request must set forth a clear description of the reasonable cause to believe that a violation of section 340B(a)(5) (A) or (B) has occurred, along with sufficient facts and evidence in support of the request. In addition, the manufacturer shall provide copies of any documents supporting its claims.

(c) The Office of Drug Pricing will conduct a preliminary review of the documentation submitted to determine if reasonable cause exists. If the Office of Drug Pricing finds that there is reasonable cause to believe that a violation of section 340B(a)(5) (A) or (B) has occurred, the audit will be permitted, and the manufacturer will be notified accordingly. In cases where the Office of Drug Pricing determines that the audit shall be performed by the Government, the Office of Drug Pricing will so advise the manufacturer and the covered entity.

(d) The filing of a request for an audit does not affect any statutory obligations of the parties as defined in section 340B of the PHS Act. During the audit process, a manufacturer must continue to sell covered outpatient drugs at or below the section 340B ceiling price to the covered entity being audited.

(e) Upon approval of the request for a covered entity audit, the manufacturer

shall then submit an audit workplan to the Office of Drug Pricing for approval. The Office of Drug Pricing, after consultation with the PHS Office of Cost and Audit Management, will evaluate the manufacturer's workplan, and approval will be based on criteria set forth in the Audit Program section, Field Work Standards for Performance Audits, Government Audit Standards, Current Revision. The audit workplan shall describe in detail the following:

(1) Audit objectives (what the audit is to accomplish), scope (type of data to be reviewed, systems and procedures to be examined, officials of the covered entity to be interviewed, and expected time frame for the audit), and methodology (processes used to gather and analyze data and to provide evidence to reach conclusions and recommendations);

(2) Skill and knowledge of the audit organization's personnel to staff the assignment, their supervision, and the intended use of consultants, experts, and specialists;

(3) Tests and procedures to be used to assess the covered entity's system of internal controls;

(4) Procedures to be used to determine the amounts to be questioned should violations of section 340B(a)(5) (A) and (B) be discovered; and

(5) Procedures to be used to protect patient confidentiality.

(f) When the audit workplan has been approved, the Office of Drug Pricing shall notify the: (1) Manufacturer of the approval of the audit, and (2) covered entity of a pending manufacturer audit. The covered entity will have at least 15 days from the date of receipt of the notice to prepare for the audit.

(g) Suggested audit procedures include the following:

(1) Review the covered entity's policies and procedures regarding the procurement, inventory, distribution, dispensing, and billing for covered outpatient drugs.

(2) Assess internal controls applicable to the policies and procedures identified above (#1) when necessary to satisfy the audit objectives.

(3) Review the covered entity's policies and procedures to prevent the resale or transfer of drugs to a person or persons who are not patients of the covered entity.

(4) Test compliance with the policies and procedures identified above (#3) when necessary to satisfy the audit objectives.

(5) Review the covered entity's records of drug procurement and distribution and determine whether the covered entity obtained a discount only for those programs authorized to receive discounts by section 340B of the PHS Act.

(6) If a covered entity does not use an all inclusive billing system (per encounter or visit), but instead bills outpatient drugs using a cost based billing system, determine whether the covered entity has provided its Medicaid provider number to the Office of Drug Pricing and billed Medicaid at the actual acquisition cost.

(h) Where the manufacturer's auditors conclude that there has been a violation of the requirements of section 340B(a)(5)(A) or (B), the manufacturer's auditors shall identify (1) the procedures or lack of adherence to existing procedures which caused the violation, and (2) the dollar amounts involved.

(i) Following completion of the audit field work, the manufacturer's auditors shall provide a verbal briefing of the audit findings to the covered entity to ensure a full understanding of the facts.

(j) An audit report must be prepared at the completion of the audit in accordance with reporting standards for performance audits of the Government Auditing Standards, Current Revision. The manufacturer shall submit a copy of the audit report to the covered entity. The covered entity shall provide its response to the manufacturer on the audit report's findings and recommendations within 60 days from the date of receipt of the audit report. When the covered entity agrees with the audit report's findings and recommendations either in full or in part, the covered entity shall include in its response to the manufacturer a description of the actions planned or taken to address the audit findings and recommendations. When the covered entity does not agree with the audit report's findings and recommendations, the covered entity shall provide its rationale for the disagreement to the manufacturer.

(k) Informational copies of the audit report shall also be submitted to the Office of Drug Pricing (see section **For Further Information Contact** for the address), the Office of Inspector General, Office of Audit Services, PHS Audits Division at room 1–30, Park Building, 12420 Parklawn Drive, Rockville, MD 20857, and the PHS Cost and Audit Management Branch, room 17A–50, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857.

(l) If a dispute concerning the audit findings and recommendations arises, the parties may file a request for informal dispute resolution with the Office of Drug Pricing. All dispute resolution procedures developed by the Office of Drug Pricing shall be followed.

Informal Dispute Resolution

The Office of Drug Pricing is proposing an informal process for the resolution of certain disputes between manufacturers, covered entities, and PHS concerning compliance with the provisions of section 340B of the PHS Act. PHS expects parties to utilize this informal process before resorting to other remedies which may be available.

I. Types of Disputes Covered

Disputes resolved by these procedures include:

(a) A manufacturer believes a covered entity is in violation of the prohibition against resale or transfer of a covered outpatient drug provided in section 340B(a)(5)(B) of the PHS Act, or the prohibition against duplicate discounts or rebates provided in section 340B(a)(5)(A) of the PHS Act;

(b) A covered entity believes that a manufacturer is charging a price for a covered outpatient drug that exceeds the ceiling price as determined by section 340B(a)(1) of the PHS Act;

(c) A manufacturer is conditioning the sale of covered outpatient drugs to a covered entity on the entity's provision of assurances or other compliance with the manufacturer's requirements that are based upon section 340B provisions;

(d) A manufacturer has refused to sell a covered outpatient drug to a covered entity at or below the ceiling price as determined by section 340B(a)(1) of the PHS Act;

(e) A manufacturer believes that a covered entity is dispensing a covered outpatient drug in an unauthorized service (e.g., inpatient services or ineligible clinics within the same health system);

(f) A manufacturer believes that a covered entity has not complied with the audit requirements under section 340B(a)(5)(C) of the PHS Act, or the auditors of the manufacturer have not abided by the approved workplan or audit guidelines.

II. Review Process

Prior to the filing of a request for review with the Office of Drug Pricing, the parties must attempt, in good faith, to resolve the dispute. All parties involved in the dispute must maintain written documentation as evidence of a good faith attempt to resolve the dispute. Such evidence includes documentation of meetings, letters, or telephone calls between the disputing parties that concern the dispute.

If the dispute has not been resolved after a good faith attempt, a party may submit a written request for a review of the dispute to the Director of the Office of Drug Pricing. [See address in "For Further Information Contact" section].

The party requesting the review may not rely only upon allegations but is required to set forth specific facts showing that there is a genuine and substantial issue of material fact in dispute that requires a review.

The request for review shall include a clear description of the dispute, shall identify all the issues in the dispute, and shall contain a full statement of the party's position with respect to such issue(s) and the pertinent facts and reasons in support of the party's position. In addition to the required statement, the party shall provide copies of any documents supporting its claim and evidence that a good faith effort was made to resolve the dispute. These materials must be tabbed and organized chronologically and accompanied by an indexed list identifying each document.

The filing of the dispute does not affect any statutory obligations of the parties as defined in section 340B of the PHS Act. During the review process, for example, a manufacturer must continue to sell covered outpatient drugs at or below the section 340B ceiling price to all covered entities, including the covered entity involved in the dispute.

The Director, Bureau of Primary Health Care, shall appoint a committee to review the documentation submitted by the disputing parties and to make a proposed determination. A minimum of three individuals shall be appointed (one of whom shall be designated as a chairperson) either on an ad hoc, case-by-case basis, or as regular members of the review committee. The chairperson shall be from the Office of Drug Pricing and the committee members shall be from other sections of PHS (e.g., chief pharmacist, auditor).

Upon receipt of a request for a review, the chairperson of the review committee will send a letter to the party alleged to have committed a violation. The letter will include (1) the name of the party making the allegation(s), (2) the allegation(s), (3) documentation supporting the party's position, and (4) a request for a response to or rebuttal of the allegations within 30 calendar days of the receipt of the letter. 7 days from the date of the postmark of the letter will be allowed for mailing and processing through the organization.

Upon receipt of the response or rebuttal, the review committee chairperson will review all documentation. The request and rebuttal information will be reviewed for (1) evidence that a good faith effort was made to resolve the dispute, (2) completeness, (3) adequate documentation supporting the issues, and (4) the reasonableness of the allegations. If the documentation is adequate, the review committee will be convened to consider the matter.

The reviewing committee may, at its discretion, invite parties to discuss the pertinent issues with the committee and to submit such additional information as the committee deems appropriate.

The reviewing committee will propose to dismiss the dispute, if it conclusively appears from the data, information, and factual analyses contained in the request for a review and rebuttal documents that there is no genuine and substantial issue of fact in dispute. This proposed finding of the committee will be submitted to the Director of the Office of Drug Pricing for consideration and approval. A written decision of dismissal will be sent to each party and will contain the Director's findings and conclusions in detail and reasons why the request for a review did not raise a genuine and substantial issue of fact.

With all other proposed findings, the review committee will prepare a written document containing the findings and detailed reasons supporting the proposed decision. The document is to be signed by the chairperson and each of the other committee members. The chairperson will submit the proposed findings to the Director of the Office of Drug Pricing for consideration and approval. The Director's written decision will be sent with a transmittal letter to both parties.

If the covered entity or the manufacturer does not agree with the Office of Drug Pricing's determination, the covered entity or the manufacturer may appeal within 30 days after receiving such a determination to the Administrator of the Health Resources and Services Administration who will appoint a review official or committee.

III. Penalties

If the final determination is that a manufacturer has violated the provisions of section 340B of the PHS Act or the PHS pharmaceutical pricing agreement, the manufacturer's agreement with PHS could be terminated or other actions taken as deemed appropriate. If the final determination is that an entity has violated section 340B prohibitions against resale or transfer of covered outpatient drugs, the prohibition against duplicate discounts and rebates (or billing Medicaid more than the actual acquisition cost of the drug), or other statutory prohibitions, the entity shall be liable to the manufacturer of the covered outpatient drug that is the subject of the violation in an amount equal to the reduction in the price of the drug for the period of the violation, as provided by section 340B(a)(5)(D) of the PHS Act. The entity may also be excluded from the drug discount program, if the conduct warrants such a sanction.

After the dispute is resolved, any disputed amounts plus the rate of interest must be paid or credited to an account balance no later than 30 days following a final determination. Interest will begin to accrue from the time the manufacturer is deemed to have been out of compliance with section 340B (or provisions of the PHS Pharmaceutical Pricing Agreement) or the entity is deemed to have violated prohibitions of section 340B. The interest rate will be based upon an annual rate established by the Secretary of the Treasury after considering private consumer rates of interest prevailing at the time of the violation. This rate, utilized by the Department of Health and Human Services (HHS) in the collection of debts owed to the United States, may be revised quarterly by the Secretary of the Treasury and is published by the HHS Assistant Secretary for Management and Budget in the **Federal Register**. See 45 CFR 30.13 Parties will apply the interest rate for the quarter in which the violation occurred, and this rate will remain fixed for the duration of the time in which interest accrues.

(The reporting requirements of this document are subject to Office of Management and Budget (OMB) clearance under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501–3520, and will not be implemented until such clearance has been obtained)

Dated: June 6, 1994.

Ciro V. Sumaya,

Administrator, Health Resources and Services Administration.

[FR Doc. 94–14089 Filed 6–9–94; 8:45 am]

BILLING CODE 4160–15–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Community Planning and Development

[Docket No. N–94–1917; FR–3350–N–87]

Federal Property Suitable as Facilities To Assist the Homeless

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice identifies unutilized, underutilized, excess, and surplus Federal property reviewed by HUD for suitability for possible use to assist the homeless.

ADDRESSES: For further information, contact Barbara Richards, room 7262, Department of Housing and Urban Development, 451 Seventh Street SW.,

Washington, DC 20410; telephone (202) 708–4300; TDD number for the hearing- and speech-impaired (202) 708–2565 (these telephone numbers are not toll-free), or call the toll-free Title V information line at 1–800–927–7588.

SUPPLEMENTARY INFORMATION: In accordance with 56 FR 23789 (May 24, 1991) and section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), as amended, HUD is publishing this Notice to identify Federal buildings and other real property that HUD has reviewed for suitability for use to assist the homeless. The properties were reviewed using information provided to HUD by Federal landholding agencies regarding unutilized and underutilized buildings and real property controlled by such agencies or by GSA regarding its inventory of excess or surplus Federal property. This Notice is also published in order to comply with the December 12, 1988 Court Order in *National Coalition for the Homeless* v. *Veterans Administration*, No. 88–2503–OG (D.D.C.).

Properties reviewed are listed in this Notice according to the following categories: Suitable/available, suitable/unavailable, suitable/to be excess, and unsuitable. The properties listed in the three suitable categories have been reviewed by the landholding agencies, and each agency has transmitted to HUD: (1) Its intention to make the property available for use to assist the homeless, (2) its intention to declare the property excess to the agency's needs, or (3) a statement of the reasons that the property cannot be declared excess or made available for use as facilities to assist the homeless.

Properties listed as suitable/available will be available exclusively for homeless use for a period of 60 days from the date of this Notice. Homeless assistance providers interested in any such property should send a written expression of interest to HHS, addressed to Judy Breitman, Division of Health Facilities Planning, U.S. Public Health Service, HHS, room 17A–10, 5600 Fishers Lane, Rockville, MD 20857; (301) 443–2265. (This is not a toll-free number.) HHS will mail to the interested provider an application packet, which will include instructions for completing the application. In order to maximize the opportunity to utilize a suitable property, providers should submit their written expressions of interest as soon as possible. For complete details concerning the processing of applications, the reader is encouraged to refer to the interim rule governing this program, 56 FR 23789 (May 24, 1991).

For properties listed as suitable/to be excess, that property may, if subsequently accepted as excess by GSA, be made available for use by the homeless in accordance with applicable law, subject to screening for other Federal use. At the appropriate time, HUD will publish the property in a Notice showing it as either suitable/available or suitable/unavailable.

For properties listed as suitable/unavailable, the landholding agency has decided that the property cannot be declared excess or made available for use to assist the homeless, and the property will not be available.

Properties listed as unsuitable will not be made available for any other purpose for 20 days from the date of this Notice. Homeless assistance providers interested in a review by HUD of the determination of unsuitability should call the toll free information line at 1–800–927–7588 for detailed instructions or write a letter to Barbara Richards at the address listed at the beginning of this Notice. Included in the request for review should be the property address (including zip code), the date of publication in the **Federal Register**, the landholding agency, and the property number.

For more information regarding particular properties identified in this Notice (i.e., acreage, floor plan, existing sanitary facilities, exact street address), providers should contact the appropriate landholding agencies at the following addresses: U.S. Navy: John J. Kane, Deputy Division Director, Dept. of Navy, Real Estate Operations, Naval Facilities Engineering command, 200 Stovall Street, Alexandria, VA 22332–2300; (703) 325–0474; GSA: Leslie Carrington, Federal Property Resources Services, GSA, 18th and F Streets NW, Washington, DC 20405; (202) 208–0619; Dept. of Interior: Lola D. Knight, Property Management specialist, Dept. of Interior, 1849 C St. NW, Mailstop 5512–MIB, Washington, DC 20240; (202) 208–4080; U.S. Army: Elaine Sims, CECPW–FP, U.S. Army Center for Public Works, 7701 Telegraph Road, Alexandria, VA 22310–3862; (703) 355–3475; Dept. of Energy: Tom Knox, Acting Team Leader, Facilities Planning and Acquisition Branch, FM–20, Forrestal Bldg., Room 6H–058, Washington, DC 20585; (202) 586–1191; (These are not toll-free numbers).

Dated: June 3, 1994.

Jacquie M. Lawing,

Deputy Assistant Secretary for Economic Development.

TITLE V, FEDERAL SURPLUS PROPERTY PROGRAM FEDERAL REGISTER REPORT FOR 06/10/94

Suitable/Available Properties

Buildings (by State)

Colorado

3 Bldgs.
Former U.S. Forest Service Admin. Site
Fox Lane
Beaulah Co: Pueblo CO 81023–
Landholding Agency: GSA
Property Number: 549330002
Status: Excess
Comment: 1100 sq. ft. 2-story house, 600 sq. ft. 1-story house and 1800 sq. ft. garage, most recent use—classroom, storage, residence
GSA Number: 7–GR–CO–525

Land (by State)

Kansas

Parcels #2 and #3
Fall River Lake
Sections 25 and 26 Co: Greenwood KS
Landholding Agency: GSA
Property Number: 319010066
Status: Excess
Comment: 64.24 acres, most recent use—recreation
GSA Number: 7–D–KS–0513

Puerto Rico

Parcel C
Naval Station, Roosevelt Roads
Vieques PR 00765–
Landholding Agency: GSA
Property Number: 549340004
Status: Excess
Comment: 96.41 acres, subject to water/sewer easement, access restrictions, most recent use—buffer zone
GSA Number: 2–N–PR–486

Suitable/Unavailable Properties

Land (by State)

Arizona

Quartermaster Depot
4th Avenue and Colorado River
Yuma Co: Yuma AZ 85364–
Landholding Agency: Interior
Property Number: 619420001
Status: Unutilized
Comment: Less than 1 acre, dirt and shrubbery along the river, lease restrictions, historical site

Unsuitable Properties

Buildings (by State)

Alabama

Bldg. 402–C
Alabama Army Ammunition Plant
Childersburg Co: Talladega AL 35044–
Landholding Agency: Army
Property Number: 219420124
Status: Unutilized
Reason: Secured Area

Bldg. 233, Fort McClellan
Anniston Co: Calhoun AL 36205–5000

Landholding Agency: Army
Property Number: 219420125
Status. Unutilized
Reason: Extensive deterioration

Bldg. 283, Fort McClellan
Anniston Co: Calhoun AL 36205–5000
Landholding Agency: Army
Property Number: 219420126
Status: Unutilized
Reason: Extensive deterioration

Bldg. 686, Fort McClellan
Anniston Co: Calhoun AL 36205–5000
Landholding Agency: Army
Property Number: 219420127
Status: Unutilized
Reason: Extensive deterioration

Facility 731, Fort McClellan
Anniston Co: Calhoun AL 36205–5000
Landholding Agency: Army
Property Number: 219420128
Status: Unutilized
Reason: Extensive deterioration

Bldg. 732, Fort McClellan
Anniston Co: Calhoun AL 36205–5000
Landholding Agency: Army
Property Number: 219420129
Status: Unutilized
Reason: Extensive deterioration

Bldg. 733, Fort McClellan
Anniston Co: Calhoun AL 36205–5000
Landholding Agency: Army
Property Number: 219420130
Status: Unutilized
Reason: Extensive deterioration

Bldg. 1386, Fort McClellan
Anniston Co: Calhoun AL 36205–5000
Landholding Agency: Army
Property Number: 219420131
Status: Unutilized
Reason: Extensive deterioration

Arkansas

Bldg. 251, Fort Chaffee
Ft. Chaffee Co: Sebastian AR 72905–5000
Landholding Agency: Army
Property Number: 219420132
Status: Unutilized
Reason: Extensive deterioration

Bldg. 1095, Fort Chaffee
Ft. Chaffee Co: Sebastian AR 72905–5000
Landholding Agency: Army
Property Number: 219420133
Status: Unutilized
Reason: Extensive deterioration

Bldg. 1185, Fort Chaffee
Ft. Chaffee Co: Sebastian AR 72905–5000
Landholding Agency: Army
Property Number: 219420134
Status: Unutilized
Reason: Extensive deterioration

Bldg. 1342, Fort Chaffee
Ft. Chaffee Co: Sebastian AR 72905–5000
Landholding Agency: Army
Property Number: 219420135
Status: Unutilized
Reason: Extensive deterioration

Bldg. 1590, Fort Chaffee
Ft. Chaffee Co: Sebastian AR 72905–5000
Landholding Agency: Army
Property Number: 219420136
Status: Unutilized
Reason: Extensive deterioration

Bldg. 1680, Fort Chaffee
Ft. Chaffee Co: Sebastian AR 72905–5000
Landholding Agency: Army
Property Number: 219420137
Status: Unutilized
Reason: Extensive deterioration

Bldg. 12–600
Pine Bluff Arsenal
Pine Bluff Co: Jefferson AR 71602–9500
Landholding Agency: Army
Property Number: 219420138
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 12–610
Pine Bluff Arsenal
Pine Bluff Co: Jefferson AR 71602–9500
Landholding Agency: Army
Property Number: 219420139
Status: Unutilized
Reason: Secured Area

Bldg. 16–420
Pine Bluff Arsenal
Pine Bluff Co: Jefferson AR 71602–9500
Landholding Agency: Army
Property Number: 219420140
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 16–430
Pine Bluff Arsenal
Pine Bluff Co: Jefferson AR 71602–9500
Landholding Agency: Army
Property Number: 219420141
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 16–450
Pine Bluff Arsenal
Pine Bluff Co: Jefferson AR 71602–9500
Landholding Agency: Army
Property Number: 219420142
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Colorado

Bldg. T–200, Fort Carson
Colorado Spring Co: El Paso Co 80913–
Landholding Agency: Army
Property Number: 219420143
Status: Unutilized
Reason: Extensive deterioration

Georgia

Bldg. 34603, Fort Gordon
Ft. Gordon Co: Richmond GA 30905–
Landholding Agency: Army
Property Number: 219420144
Status: Unutilized
Reason: Extensive deterioration

Bldg. 51201, Fort Gordon
Ft. Gordon Co: Richmond GA 30905–
Landholding Agency: Army
Property Number: 219420145
Status: Unutilized
Reason: Extensive deterioration

Bldg. P–133
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420146
Status: Unutilized
Reason: Extensive deterioration

Bldg. T–220
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420147
Status: Unutilized
Reason: Extensive deterioration

Bldg. T–422
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420148
Status: Unutilized
Reason: Extensive deterioration

Bldg. T–708
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420149
Status: Unutilized
Reason: Extensive deterioration

Bldg. T–1007
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420150
Status: Unutilized
Reason: Extensive deterioration

Bldg. S–1200
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420151
Status: Unutilized
Reason: Extensive deterioration

Bldg. 917
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420152
Status: Unutilized
Reason: Extensive deterioration

Bldg. 8667
Hunter Army Airfield
Savannah Co: Chatham GA 31409–
Landholding Agency: Army
Property Number: 219420153
Status: Unutilized
Reason: Within airport runway clear zone

Bldg. 08, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420155
Status: Unutilized
Reason: Extensive deterioration

Bldg. T153, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420156
Status: Unutilized
Reason: Extensive deterioration

Bldg. 156, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420157
Status: Unutilized
Reason: Extensive deterioration

Bldg. 339, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420158
Status: Unutilized
Reason: Extensive deterioration

Bldg. T–369, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420159

Status: Unutilized
Reason: Extensive deterioration
Bldg. T–372, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420160
Status: Unutilized
Reason: Extensive deterioration
Bldg. 625, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420161
Status: Unutilized
Reason: Extensive deterioration
Bldg. 701, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420162
Status: Unutilized
Reason: Extensive deterioration
Bldg. 708, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420163
Status: Unutilized
Reason: Extensive deterioration
Bldg. 927, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420164
Status: Unutilized
Reason: Extensive deterioration
Bldg. 1008, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420165
Status: Unutilized
Reason: Extensive deterioration
Bldg. 1310, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420166
Status: Unutilized
Reason: Extensive deterioration
Bldg. 1312, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420167
Status: Unutilized
Reason: Extensive deterioration
Bldg. 8021, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420168
Status: Unutilized
Reason: Extensive deterioration
Bldg. T9721, Fort Stewart
Hinesville Co: Liberty GA 31314–
Landholding Agency: Army
Property Number: 219420169
Status: Unutilized
Reason: Other
Comment: Detached latrine

Hawaii

Bldg. P–1519 A/B
Schofield Barracks, Hauula Loop
Wahiawa HI 96786–
Landholding Agency: Army
Property Number: 219420154
Status: Unutilized
Reason: Extensive deterioration

Illinois

Bldg. 103
Charels Melvin Price Support Center
Granite City Co: Madison IL 62040–
Landholding Agency: Army
Property Number: 219420182
Status: Unutilized
Reason: Secured Area, Extensive deterioration
Bldg. 114
Charels Melvin Price Support Center
Granite City Co: Madison IL 62040–
Landholding Agency: Army
Property Number: 219420183
Status: Unutilized
Reason: Secured Area, Extensive deterioration
Bldg. 417
Charles Melvin Price Support Center
Granite City Co: Madison IL 62040–
Landholding Agency: Army
Property Number: 219420184
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Indiana

Bldg. TC124
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420170
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldg. 738
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420171
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldg. 739
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420172
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldg. 741
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420173
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldg. 1503
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420174
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldgs. 1516, 1517
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420175
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
11 Bldgs.
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Location: #2701, 2703–2704, 2706, 2709, 2713, 2716–2718, 2722, 2730, 2735
Landholding Agency: Army
Property Number: 219420176
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
5 Bldgs.
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Location: #2708, 2725, 2728, 2732–2733
Landholding Agency: Army
Property Number: 219420177
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldg. 2731
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420178
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldgs. 2740, 2747, 2749
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420179
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldgs. 3056, 3059, 3062–3067
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420180
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area
Bldg. 6666
Indiana Army Ammunition Plant
Charlestown Co: Clark IN 47111–
Landholding Agency: Army
Property Number: 219420181
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Kansas

Bldgs. 133–1, 133–2, 134
Sunflower Army Ammunition Plant
DeSoto Co: Johnson KS 66018–
Landholding Agency: Army
Property Number: 219420185
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Floodway, Secured Area
Bldgs. 136, 137
Sunflower Army Ammunition Plant
DeSoto Co: Johnson KS 66018–
Landholding Agency: Army
Property Number: 219420186
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Floodway, Secured Area
Bldgs. 154–4 & A, B, C, F
Sunflower Army Ammunition Plant
DeSoto Co: Johnson KS 66018–
Landholding Agency: Army
Property Number: 219420187
Status: Unutilized

Reason: Within 2000 ft. of flammable or explosive material, Floodway, Secured Area

Bldg. T–991, Fort Riley
Ft. Riley Co: Geary KS 66442–
Landholding Agency: Army
Property Number: 219420188
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. T–992, Fort Riley
Ft. Riley Co: Geary KS 66442–
Landholding Agency: Army
Property Number: 219420189
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. T–1975, Fort Riley
Ft. Riley Co: Geary KS 66442–
Landholding Agency: Army
Property Number: 219420190
Status: Unutilized
Reason: Extensive deterioration

Bldg. T–1984, Fort Riley
Ft. Riley Co: Geary KS 66442–
Landholding Agency: Army
Property Number: 219420191
Status: Unutilized
Reason: Extensive deterioration

Kentucky

Bldg. A6932, Fort Campbell
Ft. Campbell Co: Christian KY 42223–
Landholding Agency: Army
Property Number: 219420192
Status: Unutilized
Reason: Extensive deterioration

Bldg. A7008, Fort Campbell
Ft. Campbell Co: Christian KY 42223–
Landholding Agency: Army
Property Number: 219420193
Status: Unutilized
Reason: Extensive deterioration

Bldg. 06861, Fort Campbell
Ft. Campbell Co: Christian KY 42223–
Landholding Agency: Army
Property Number: 219420194
Status: Unutilized
Reason: Extensive deterioration

Minnesota

Bldg. 119A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420195
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420196
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420197
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119H
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420198
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119P
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420199
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119R
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420200
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119S
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420201
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119T
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420202
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 119U
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420203
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 121B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420204
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 121A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420205
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 125
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420206
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 126
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420207
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 127
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420208
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 128
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420209
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 129A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420210
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 129B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420211
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 130
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420212
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 131
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420213
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 132A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420214
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 132B
Twin Cities Army Ammunition Plant

New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420215
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 135
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420216
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 136
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420217
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 137
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420218
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material

Bldg. 138A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420219
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 138B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420220
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 138C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420221
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 139A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420222
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 139B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420223
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 139C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420224
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 139D
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420225
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 140A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420226
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 140B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420227
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 140C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420228
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 141A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420229
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 141B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420230
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 142
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420231
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 143
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420232
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 144A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420233
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 144C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420234
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 144D
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420235
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 144E
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420236
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 144F
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420237
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 144G
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420238
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 144H
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420239
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420240
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420241
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420242
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149D
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420243
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149E
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420244
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149F
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420245
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149G
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420246
Status: Unutilized
Reason: 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149H
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420247
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149I
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420248
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149J
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420249
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149K
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420250
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149L
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420251
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149M
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420252
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 149N
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420253
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 159
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420254
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material

Bldg. 165
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420255
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 177
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420256
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 180
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420257
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 191
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420258
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 192A
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420259
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 192B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420260
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 195
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420261
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 196
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420262
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 199
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420263
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 303
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420264
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 304
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420265
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 314
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420266
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 315
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420267
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 327
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420268
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 328
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420269
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 329
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army

Property Number: 219420270
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 330
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420271
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 338B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420272
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 338C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420273
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 338D
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420274
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 372
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420275
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 519B
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420276
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 530
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420277
Status: Unutilized
Reason: Secured Area

Bldg. 701
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420278
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 908
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420279
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 917C
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420280
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 1190
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420280
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. 1490
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420282
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Bldg. 5154
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420283
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material, Secured Area

Housing Area
Twin Cities Army Ammunition Plant
New Brighton Co: Ramsey MN 55112–
Landholding Agency: Army
Property Number: 219420284
Status: Unutilized
Reason: Within 2000 ft. of flammable or explosive material

New York

Bldg. 3008, Stewart Gardens
Stewart Army Subpost
New Windsor Co: Orange NY 12553–
Landholding Agency: Army
Property Number: 219420285
Status: Unutilized
Reason: Extensive deterioration

Bldg. 195
71 Princeton Avenue
Upton Co: Suffolk NY 11973–
Landholding Agency: Energy
Property Number: 219420004
Status: Excess
Reason: Extensive deterioration

Bldg. 196
31 S. Grove Street
Upton Co: Suffolk NY 11973–
Landholding Agency: Energy
Property Number: 419420005
Status: Excess
Reason: Extensive deterioration

Bldg. 562B (Silo)
11 N. Fifth Street
Upton Co: Suffolk NY 11973–
Landholding Agency: Energy
Property Number: 419420006
Status: Excess
Reason: Extensive deterioration

North Carolina

Bldg. 2–1150, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420286
Status: Unutilized
Reason: Extensive deterioration

Bldg. 2–1152, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420287
Status: Unutilized
Reason: Extensive deterioration

Bldg. 2–2823, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420288
Status: Unutilized
Reason: Extensive deterioration

Bldg. 8–3053, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420289
Status: Unutilized
Reason: Extensive deterioration

Bldg. 8–3755, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420290
Status: Unutilized
Reason: Extensive deterioration

Bldg. 8–4545, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420291
Status: Unutilized
Reason: Extensive deterioration

Bldg. 8–4643, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420292
Status: Unutilized
Reason: Extensive deterioration

Bldg. A–2031, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420293
Status: Unutilized
Reason: Extensive deterioration

Bldg. A–2033, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420294
Status: Unutilized
Reason: Extensive deterioration

Bldg. A–2762, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420295
Status: Unutilized
Reason: Extensive deterioration

Bldg. A–4069, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420296
Status: Unutilized
Reason: Extensive deterioration

Bldg. D–2538, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420297
Status: Unutilized
Reason: Extensive deterioration

Bldg. H–5889, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420298
Status: Unutilized
Reason: Extensive deterioration

Bldg. H–5979, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420299
Status: Unutilized
Reason: Extensive deterioration

Bldg. H–5981, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420300
Status: Unutilized
Reason: Extensive deterioration

Bldg. H–6177, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420301
Status: Unutilized
Reason: Extensive deterioration

Bldg. M–1934, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420302
Status: Unutilized
Reason: Extensive deterioration

Bldg. O–9024, Fort Bragg
Ft. Bragg Co: Cumberland NC 28307–
Landholding Agency: Army
Property Number: 219420303
Status: Unutilized
Reason: Extensive deterioration

Bldg. 79
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420008
Status: Excess
Reason: Secured Area

Bldg. 281
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420009
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 282
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420010
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 88
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420011
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 98
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420012
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 99
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420013
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1234
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420014
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1235
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420015
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1246
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420016
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1390
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420017
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1710
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420018
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1742
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420019
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1743
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420020
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1744
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420021
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 1745
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420022
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 3450
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420023
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 8067
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420024
Status: Excess
Reason: Secured Area, Extensive deterioration

Bldg. 3546
Marine Corps Air Station
Havelock Co: Craven NC 28533–
Landholding Agency: Navy
Property Number: 779420025
Status: Excess
Reason: Secured Area, Extensive deterioration

Pennsylvania

Bldg. T–3–109
Fort Indiantown Gap
Annville Co: Lebanon PA 17003–5011
Landholding Agency: Army
Property Number: 219420118
Status: Excess
Reason: Extensive deterioration

Bldg. T–13–117
Fort Indiantown Gap
Annville Co: Lebanon PA 17003–5011
Landholding Agency: Army
Property Number: 219420119
Status: Excess
Reason: Extensive deterioration

Bldg. T–14–319
Fort Indiantown Gap
Annville Co: Lebanon PA 17003–5011
Landholding Agency: Army
Property Number: 219420120
Status: Excess
Reason: Other
Comment: Detached Latrine

Bldg. T–14–520
Fort Indiantown Gap
Annville Co: Lebanon PA 17003–5011
Landholding Agency: Army
Property Number: 219420121
Status: Excess
Reason: Other
Comment: Detached Latrine

Bldg. T–14–575
Fort Indiantown Gap
Annville Co: Lebanon PA 17003–5011
Landholding Agency: Army
Property Number : 219420122
Status: Excess
Reason: Other
Comment: Detached Latrine

Bldg. T–14–576
Fort Indiantown Gap
Annville Co: Lebanon PA 17003–5011
Landholding Agency: Army
Property Number : 219420123

Status: Excess
Reason: Other
Comment: Detached Latrine

Tennessee

Bldg. 309–3
Volunteer Army Ammunition Plant
Chattanooga Co: Hamilton TN 37422–
Landholding Agency: Army
Property Number : 219420304
Status: Unutilized
Reason: Within 2,000 ft. of flammable or explosive material, Secured Area, Extensive deterioration

Bldg. T–1048
Volunteer Army Ammunition Plant
Chattanooga Co: Hamilton TN 37422–
Landholding Agency: Army
Property Number : 219420305
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. T–1071
Volunteer Army Ammunition Plant
Chattanooga Co: Hamilton TN 37422–
Landholding Agency: Army
Property Number: 219420306
Status: Unutilized
Resons: Secured Area Extensive deterioration

Bldg. T–1074
Volunteer Army Ammunition Plant
Chattanooga Co: Hamilton TN 37422–
Landholding Agency: Army
Property Number : 219420307
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Texas

Bldg. P–4200
Fort Sam Houston
San Antonio Co: Bexar TX 78234–5000
Landholding Agency: Army
Property Number : 219420309
Status: Unutilized
Reason: Extensive deterioration

Bldg. P–4202
Fort Sam Houston
San Antonio Co: Bexar TX 78234–5000
Landholding Agency: Army
Property Number : 219420310
Status: Unutilized
Reason: Extensive deterioration

Bldg. P–4217
Fort Sam Houston
San Antonio Co: Bexar TX 78234–5000
Landholding Agency: Army
Property Number : 219420311
Status: Unutilized
Reason: Extensive deterioration

Bldg. P–4298
Fort Sam Houston
San Antonio Co: Bexar TX 78234–5000
Landholding Agency: Army
Property Number : 219420312
Status: Unutilized
Reason: Extensive deterioration

Bldg. P–4299
Fort Sam Houston
San Antonio Co: Bexar TX 78234–5000
Landholding Agency: Army
Property Number : 219420313
Status: Unutilized
Reason: Extensive deterioration

Bldg. 399
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number: 219420314
Status: Unutilized
Reason: Secured Area Extensive deterioration

Bldg. 450
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number : 219420315
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 460
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number : 219420316
Status: Unutilized
Reason: Secured Area

Bldg. 501
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number : 219420317
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 507
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number : 219420318
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 509
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number : 219420319
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 510
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number : 219420320
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 526
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number : 219420321
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 532
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number: 219420322
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 567
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number: 219420323
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 575
Red River Army Depot Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number: 219420324
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 586
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number: 219420325
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 587
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number: 219420326
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 673
Red River Army Depot
Texarkana Co: Bowie TX 75507–5000
Landholding Agency: Army
Property Number: 219420327
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Utah

Bldg. 6040
Dugway Proving Ground
Dugway Co: Tooele UT 84022–
Landholding Agency: Army
Property Number: 219420328
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Bldg. 7885
Dugway Proving Ground
Dugway Co: Tooele UT 84022–
Landholding Agency: Army
Property Number: 219420329
Status: Unutilized
Reason: Secured Area, Extensive deterioration

Virginia

Natl. Marine Fisheries Lab
Greenbackville Co: Accomack VA 23356–
Location: Off of County Road 679, Adjacent and south of Maryland-Virginia State Line; east of Greenbackville
Landholding Agency: GSA
Property Number: 549420005
Status: Excess
Reason: Other
Comment: Structural damage
GSA Number: 4–C–VA–654(A)

Land (by State)

Texas

Land—Approx. 50 acres
Lone Star Army Ammunition Plant
Texarkana Co: Bowie TX 75504–9100
Landholding Agency: Army
Property Number: 219420308
Status: Unutilized

Reason: Secured Area

[FR Doc. 94–14005 Filed 6–9–94; 8:45 am]

BILLING CODE 4210–29–M

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[NV–050–93–4370–03]

Hearing to Discuss the Use of Helicopters and Motorized Vehicles to Gather Wild Horses

AGENCY: Bureau of Land Management, Interior.

ACTION: Public hearing to discuss the use of helicopters and motorized vehicles to gather wild horses during FY 94.

SUMMARY: In accordance with Public Law 92–195, as amended by Public Law 94–579 and Public Law 95–514, this notice sets forth the public hearing date to obtain public input into the use of helicopters and motorized vehicles to gather wild horses on public lands within the Las Vegas District during FY 94. The hearing will convene at 2 p.m. on Friday, July 1, 1994, in the Conference Room of the Las Vegas District BLM Office, 4765 Vegas Drive, Las Vegas, Nevada. The hearing is open to the public. Interested persons may make oral or written statements. Anyone wishing to make oral comments should contact Gary McFadden, Las Vegas District Wild Horse Specialist, by July 1, 1994 at (702) 647–5000. Written statements must be received by this date also and may be submitted to the District Manager, Las Vegas District, P.O. Box 26569, Las Vegas, Nevada.

FOR FURTHER INFORMATION CONTACT: Gary McFadden (702) 647–5000.

Dated: May 27, 1994.

Gary Ryan,

Acting District Manager.

[FR Doc. 94–14111 Filed 6–9–94; 8:45 am]

BILLING CODE 4310–HC–M

[NM–940–4110–03; OKNM 56774]

Proposed Reinstatement of Terminated Oil and Gas Lease; New Mexico

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice.

SUMMARY: Under the provisions of Pubic Law 97–451, a petition for reinstatement of Oil and Gas Lease OKNM 56774, Alfalfa County, Oklahoma, was timely filed and was accompanied by all required rentals and royalties accruing from October 1, 1993, the date of termination. No valid lease has been issued affecting the land. The lessee gas agreed to new lease terms for rentals and royalties at rates of $5.00 per acre or fraction thereof and 16⅔ percent, respectively. Payment of a $500.00 administrative fee has been made. Having met all the requirements for reinstatement of the lease as set out in section 31 (d) and (e)), the Bureau of Land Management is proposing to reinstate the lease effective October 1, 1993, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited above, and the reimbursement for cost of publication of this notice.

FOR FURTHER INFORMATION CONTACT: Dolores L. Vigil, BLM, New Mexico State Office, (505) 438–7580.

Dated: May 31, 1994.

Dolores L. Vigil,

Chief, Adjudication Section.

[FR Doc. 94–14182 Filed 6–9–94; 8:45 am]

BILLING CODE 4310–FB–M

Fish and Wildlife Service

Endangered and Threatened Wildlife and Plants; Notice of availability of Final Florida Panther Habitat Preservation Plan

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice.

SUMMARY: The Florida Panther Interagency Committee (FPIC), composed of representatives from the U.S. Fish and Wildlife Service (Service), National Park Service, Florida Game and Fresh Water Fish Commission, and the Florida Department of Environmental Protection, approved the final Florida Panther Habitat Preservation Plan (Plan) January 3, 1994. The constituent elements of the Plan include: (1) A characterization and identification of occupied and potential Florida panther habitat (grouped into 11 ecological units) in 10 south Florida counties (Charlotte, Collier, Dade, DeSoto, Glades, Hendry, Highlands, Lee, Manatee, and Sarasota); (2) identification of threats to occupied and potential Florida panther habitat in south Florida, and (3) identification of 23 possible Florida panther habitat preservation options. The overall goal of the Plan is to ensure a sustainable population of Florida panther in south Florida.

The Plan is available in paper and electronic formats. Copies of the Plan can be obtained by making requests to the address(es) below.

SUPPLEMENTARY INFORMATION: The following is a brief chronology and update on the Plan. A Habitat Preservation Working Group, comprised of U.S. Fish and Wildlife Service, National Park Service, Florida Game and Fresh Water Fish Commission, and Florida Department of Environmental Protection, began drafting the Plan April 10, 1991. A **Federal Register** Notice announced the draft Plan was available for public review and comment on February 19, 1993. The Florida Panther Technical Advisory Council reviewed the draft Plan on April 8, 1993, and provided technical comments under existing Service policy regarding panther issues. The comment period closed on April 30, 1993. Thirty-one letters of support and 33 letters of opposition to the draft Plan were received before the comment period closed. Three hundred and thirteen letters of support and 96 letters of opposition were received after the comment period closed. All comments were taken into consideration in subsequent revisions of the Plan. The Plan was approved by the FPIC on January 3, 1994. The FPIC chairman and Technical Subcommittee members presented the final Plan to the public at a town meeting on February 3, 1994, in Ft. Myers, Florida, as requested by the Florida Farm Bureau. As of this date, approximately 900 copies of the final Plan have been distributed.

Copies of Plan, as well as a set of maps depicting more detailed information on areas of Panther habitat, have been deposited at the main branch of each of the following county libraries: Charlotte, Collier, Dade, DeSoto, Glades, Hendry, Highlands, Lee, Manatee, and Sarasota. Additional copies of the Plan are available from the U.S. Fish and Wildlife Service free of charge (see **ADDRESSES** below). FPIC representatives are available, upon written request, to meet with special interest groups or individuals to discuss the Plan and answer questions.

For a paper copy of the Plan, or for more information concerning any of the information presented in this notice, please contact: Mr. Andrew C. Eller, Jr., U.S. Fish and Wildlife Service, Assistant Florida Panther Coordinator, 3860 Tollgate Blvd., Suite 37, Naples, Florida 33942, telephone: 813/353–2814.

Florida State University has made the Plan (Volume I) available to Internet users. Graphics are not included. The system is case sensitive and commands should be typed in lower case only. There are three commands: (1) Telnet freenet.fsu.edu; (2) visitor; and (3)

panther. For more details contact Mr. Hilly Levitz at Email: levitz @cs.fsu.edu.

The Florida Game and Fresh Water Fish Commission has made data and maps used in the development of the Plan available on an electronic database. For more information contact Mr. Randy Kautz, Office of Environmental Services, 620 South Meridian Street, Tallahassee, Florida 32399–1600, telephone: 904/488–6661.

Dated: May, 27, 1994.

Warren T. Olds, Jr.,

Acting Regional Director.

[FR Doc. 94–14163 Filed 6–9–94; 8:45 am]

BILLING CODE 4310–55–P

Hart Mountain National Antelope Refuge, OR; Environmental Statements

AGENCY: Fish and Wildlife Service, U.S. Department of the Interior.

ACTION: Notice of availability.

SUMMARY: This notice advises the public that the Final Environmental Impact Statement (FEIS) on the proposed comprehensive management plan for Hart Mountain National Antelope Refuge, Lake County, Oregon, is available for public review. Five alternatives are being considered, including the Preferred Alternative. This notice is being furnished pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969.

DATES: The review period ends on July 11, 1994 (30 days from the publication of this notice in the **Federal Register**).

ADDRESSES: Written comments should be addressed to: Refuge Complex Manager, Sheldon-Hart Mountain Refuge Complex, P.O. Box 111, Lakeview, OR 97630.

Copies of the FEIS may be inspected at locations listed in Supplementary Information.

FOR FURTHER INFORMATION CONTACT: Ruth Anne Miller, Outdoor Recreation Planner, Sheldon-Hart Mountain Refuge Complex, P.O. Box 111, Lakeview, Oregon 97630, (503) 947–3315.

SUPPLEMENTARY INFORMATION: The Service developed and analyzed five alternatives for the management of wildlife, habitat, and public use of Hart Mountain National Antelope Refuge. The purpose of this FEIS is to recommend a course of action that would best guide the management of the Refuge's resources.

The FEIS analyzes five alternative approaches to resolving the Refuge's core problems, which are: (1) Unnaturally high densities of shrubs and junipers throughout Refuge uplands, and lack of periodic fire in these habitats; (2) eroded stream channels and deficiency of riparain vegetation along a majority or Refuge streams; and (3) insufficient resources and inadequate facilities to manage the increasing number of Refuge visitors. These problems are the underlying factors currently preventing Refuge goals from being achieved, and thus provide a focal point for the proposed comprehensive management plan.

The five alternatives being considered are: (1) Baseline Management, which continues emphasis on a livestock grazing program as the primary means of managing Refuge vegetation; (2) Featured Species Management, which combines the uses of livestock grazing, prescribed burning and herbicides to manage vegetation; (3) Habitat Restoration Alternative, which would emphasize restoration of Refuge habitats, although not to the extent proposed by the Ecosystem Management Alternative; (4) Native Community Restoration (Preferred Alternative), which proposes an ecosystems management approach to restoration of Refuge habitats and natural processes; and (5) Custodial Maintenance, which emphasizes the total exclusion of human intervention.

The Preferred Alternative, if implemented, would (1) reduce shrub and juniper cover on 22,000 to 40,000 acres within 15 years following implementation of the comprehensive management plan, primarily through prescribed burning; (2) allow riparian areas to restore passively, except in limited areas where prescribed burning, willow plantings, and check dams would be used; (3) discontinue the use of livestock on Refuge lands during the next 15 years; (4) redesign one of the existing campgrounds and close the other; (5) create three additional camping areas as mitigation; (6) maintain 162 miles of roads open to the public; (7) continue limited quality hunts for pronghorn, mule deer, and bighorn sheep; and (8) recommend 80,541 acres for further study for potential wilderness designation, and 11,276 acres for further study for potential Research Natural Areas designation.

Copies of the FEIS may be viewed at the following locations:

U.S. Fish and Wildlife Service, Div. of Refuges & Wildlife, Third floor, 911 NE. 11th Avenue, Portland, Oregon 97232–4181

Sheldon-Hart Mountain Refuge Complex, 18 South g. Street, Third floor, Lakeview, Oregon 97630

Lake County Library, 513 Center Street, Lakeview, Oregon 97630

Harney County Library, 80 West D Street, Burns, Oregon 97720

Klamath County Library, 126 South 3rd Street, Klamath Falls, Oregon, 97601

Deschutes County Library, 507 NW Wall Street, Bend, Oregon 97701

Kerr Library, Oregon State University, Corvallis, Oregon 97331

Central Library, Multnomah County Library System, 801 SW 10th Street, Portland Oregon 97205.

Individuals desiring a copy of the FEIS for review should immediately contact the individual in the For Further Information Contact Section. Copies have been sent to all agencies and individuals who participated in the scoping process and were added to the mailing list, and to those people that requested to be added to the mailing list.

Dated: May 25, 1994.

Thomas J. Dwyer,

Acting Regional Director, Region 1, Portland, Oregon.

[FR Doc. 94–13370 Filed 6–9–94; 8:45 am]

BILLING CODE 4310–55–M

Minerals Management Service

Availability of Outer Continental Shelf Official Protraction Diagrams

AGENCY: Minerals Management Service, Interior.

ACTION: Publication of New North American Datum (NAD) 83 Outer Continental Shelf (OCS) Official Protraction Diagrams.

Notice is hereby given that effective with this publication, the following NAD 83-based outer continental shelf (OCS) Official Protraction Diagrams (OPD's) for the Cook Inlet/Shelikof Strait area are on file and available in the Alaska OCS Region office, Anchorage, Alaska. They reflect current baseline and boundary information portrayed on a metric NAD 83 cadastre. These OPD's should be used for the Offshore Program within the Cook Inlet/Shelikof Strait area.

Description	Date
NO 4–6, Ugashik	Jan. 3, 1994.
NO 5–1, Iliamna	Jan. 3, 1994.
NO 5–2, Seldovia	Jan. 3, 1994.
NO 5–3, Mt. Katmai	Jan. 3, 1994.
NO 5–4, Afognak	Jan. 3, 1994.
NO 5–5, Karluk	Jan. 3, 1994.
NO 5–8, Kenai	Jan. 3, 1994.

ADDRESSES: Copies of these OPD's may be purchased for $2.00 each from the Library, Minerals Management Service, Alaska OCS Region, 949 East 36th

Avenue, Anchorage, Alaska 99508–4302, (907) 271–6435.

Technical comments or questions pertaining to these maps should be directed to Leasing and Environment, Chief, Leasing Activities Section, (907) 271–6691.

Dated: June 1, 1994.

Robert J. Brock,

Acting Regional Director, Alaska OCS Region.

[FR Doc. 94–14167 Filed 6–9–94; 8:45 am]

BILLING CODE 4310–MR–M

National Park Service

Weir Farm National Historic Site, Wilton and Ridgefield, CT—Amendment Notice to the Draft General Management Plan / Draft Environmental Impact Statement and Notice of Availability and Public Comment Period

This is to append the notice of Friday, May 6, 1994 (FR Vol.59/#97–23744) to clarify that the Draft Environmental Impact Study/Draft General Management Plan (DEIS/DGMP) is being duly filed with the Environmental Protection Agency (EPA). Please refer to the customary Environmental Protection Agency listing of such actions which will appear in the Friday, June 6 or Friday, June 17, 1994 edition. The EPA notice will initiate a sixty-day review period for the DEIS/DGMP.

At the midpoint of the review period, the National Park Service will hold a public meeting in the immediate area of Weir Farm National Historic Site in the Wilton/Ridgefield area of Connecticut. Please watch out for time and place of the meeting which will be announced in the local media.

During the comment period, interested persons may review the document and provide written comments to the Superintendent, Weir Farm National Historic Site, 735 Nod Hill Road, Wilton, CT 06897.

June 3, 1994.

Robert W. McIntosh,

Deputy Regional Director.

[FR Doc. 94–14116 Filed 6–9–94; 8:45am]

BILLING CODE 4310–70–P

INTERNATIONAL TRADE COMMISSION

Ceiling Fans From the People's Republic of China; Request for Comments Concerning the Institution of a Section 751(b) Review Investigation

AGENCY: United States International Trade Commission.

ACTION: Request for comments regarding the institution of a section 751(b) review investigation concerning the Commission's affirmative determination in investigation No. 731–TA–473 (Final), Certain Electric Fans from the People's Republic of China (China).

SUMMARY: The Commission invites comments from the public on whether changed circumstances exist sufficient to warrant the institution of an investigation pursuant to section 751(b) of the Tariff Act of 1930 (19 U.S.C. 1675(b)) (the Act) to review the Commission's affirmative determination in the above investigation. The purpose of the proposed review investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of ceiling fans from China if the existing antidumping order on such merchandise were to be modified or revoked.[1] Ceiling fans are provided for in subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States.

FOR FURTHER INFORMATION CONTACT: Vera Libeau (202–205–3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW. Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. Information can also be obtained by calling the Office of Investigations' remote bulletin board system for personal computers at 202–205–1895 (N,8,1).

SUPPLEMENTARY INFORMATION:

Background

On October 25, 1991, the Department of Commerce gave notice that imports of certain electric fans (including ceiling fans) from China were being sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act (19 U.S.C. 1673) (an amendment to its determination, modifying the margins accorded to specific companies, was published in the **Federal Register** on December 9, 1991 (56 F.R. 64240)), and on December 2, 1991, the Commission determined, pursuant to section 735(b)(1) of the Act (19 U.S.C. 1673d(b)(1)), that an industry in the United States was materially injured by reason of imports of ceiling fans.[2] Commerce thereby ordered that dumping duties be imposed. On March 2, 1994, however, Commerce published in the **Federal Register** a revision to its original dumping determination, effectively excluding one of the Chinese producers from the order and reducing the margin for non-specified firms (59 FR 9956). Consequently, on May 4, 1994, counsel for Encon Industries, Inc., an importer of the subject merchandise, filed a request with the Commission to review its earlier affirmative injury determination pursuant to section 751(b) of the Act (19 U.S.C. 1675(b)).

Written Comments Requested

Pursuant to section 207.45(b)(2) of the Commission's Rules of Practice and Procedure (19 CFR 207.45(b)(2)), the Commission requests comments concerning whether the alleged changed circumstances, brought about by Commerce's revision of its dumping order, are sufficient to warrant institution of a review investigation.

Written Submissions

In accordance with section 201.8 of the Commission's rules (19 CFR 201.8), the signed original and 14 copies of all written submissions must be filed with the Secretary to the Commission, 500 E Street, SW., Washington, DC 20436. All comments must be filed no later than 30 days after the date of publication of this notice in the **Federal Register**. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request business confidential treatment under section 201.6 of the Commission's rules (19 CFR 201.6). Such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. Each sheet must be clearly marked at the top "Confidential Business Information." The Commission will either accept the submission in confidence or return it. All nonconfidential written submissions will be available for public inspection in the Office of the Secretary.

Copies of the request for review of the injury determination and any other documents in this matter are available for public inspection during regular

[1] Although the scope of the Commerce's investigation included both ceiling fans and oscillating fans, the Commission found these fans to be separate like products of separate industries and determined accordingly on the question of injury.

[2] The Commission also determined that an industry in the United States was materially injured by reason of LTFV imports of oscillating fans; however, that determination is not at issue in the petition.

business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission; telephone 202–205–2000.

Issued: June 7, 1994.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 94–14153 Filed 6–9–94; 8:45 am]

BILLING CODE 7020–02–P

INTERSTATE COMMERCE COMMISSION

[Finance Docket No. 32507]

Cen-Tex Rail Link, Ltd.—Acquisition and Operation Exemption—Certain Lines of The Atchison, Topeka and Santa Fe Railway Co.

Cen-Tex Rail Link, Ltd. (Cen-Tex), a noncarrier, has filed a notice of exemption to acquire and operate approximately 151 miles of rail line owned by The Atchison, Topeka and Santa Fe Railway Company (ATSF) as follows: (1) Between Fort Worth, TX (approximately milepost 1 + 1,541 feet on ATSF's Dublin Subdivision) and Ricker, TX (approximately 134 + 2,171 feet on ATSF's Dublin Subdivision), and between a point on the foregoing segment near Cresson, TX (approximately milepost 18 + 133 feet on ATSF's Cresson Subdivision), and Cleburne, TX (approximately milepost 0 + 1,167.1 feet on ATSF's Cresson Subdivision).[1]

This proceeding is related to a petition for exemption filed concurrently in *Joel T. Williams, III, Roy C. Coffee, Jr., Rafael Fernandez-Macgregor, Bristol Investment Co., Inc.—Continuance in Control Exemption—Cen-Tex Rail Link, Ltd. and South Orient Railroad Company, Ltd.*, in Finance Docket No. 32478, wherein Joel T. Williams, III *et al.* have concurrently filed a petition for exemption to continue in control of Cen-Tex and South Orient Railroad Company, Ltd. when the former becomes a rail carrier upon consummation of the transaction described in this notice.

Cen-Tex will also acquire incidental overhead trackage rights: (i) On the ATSF line between Ricker, TX (approximately milepost 134 + 2,171 feet on ATSF's Dublin Subdivision) and San Angelo Junction, TX (approximately milepost 0 + 330 feet on ATSF's San Angelo Subdivision), (ii) on the ATSF line between milepost 1 + 1,541 feet (ATSF Dublin Subdivision) and milepost 368.5 (ATSF Fort Worth Subdivision) for certain intermodal produce shipments, and (iii) on the ATSF line between milepost 1 + 1,541 feet and milepost 0 + 4,752 feet on ATSF's Dublin Subdivision, to reach other carriers in Ft. Worth, TX. Cen-Tex's acquisition of the properties is expected to be consummated and operations to begin upon or soon after the effective date of this exemption.[2]

Any comments must be filed with the Commission and served on: Kevin M. Sheys, Oppenheimer Wolff & Donnelly, 1020 19th St., NW., Suite 400, Washington, DC 20036.

This notice is filed under 49 CFR 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10505(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Decided: June 3, 1994.

By the Commission, David M. Konschnik, Director, Office of Proceedings.

Sidney L. Strickland, Jr.,

Secretary.

[FR Doc. 94–14129 Filed 6–9–94; 8:45am]

BILLING CODE 7035–01–P

[Docket No. AB–167 (Sub-No. 1121X)]

Consolidated Rail Corporation—Abandonment Exemption—In Clark County, OH

Consolidated Rail Corporation (Conrail) has filed a notice of exemption under 49 CFR 1152 Subpart F—*Exempt Abandonments* to abandon approximately 8.1 miles of rail line from approximately milepost 124.5+ in Glen Echo to approximately milepost 132.6± [1] in Springfield, Clark County, OH.

Conrail has certified that: (1) No local traffic has moved over the line for at least 2 years; (2) there is no overhead traffic on the line; (3) no formal complaint filed by a user of rail service on the line (or by a State or local government entity acting on behalf of such user) regarding cessation of service over the line either is pending with the Commission or with any U.S. District Court or has been decided in favor of the complainant within the 2-year period; and (4) the requirements at 49 CFR 1105.7 (environmental), 49 CFR 1105.8 (historic requirement), 49 CFR 1105.11 (transmittal letter), 49 CFR 1105.12 (newspaper publication) and 49 CFR 1152.50(d)(1) (notice to governmental agencies) have been met.

As a condition to use of this exemption, any employee adversely affected by the abandonment shall be protected under *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979). To address whether this condition adequately protects affected employees, a petition for partial revocation under 49 U.S.C. 10505(d) must be filed.

Provided no formal expressions of intent to file an offer of financial assistance (OFA) has been received, this exemption will be effective on July 10, 1994, unless stayed pending reconsideration. Petitions to stay that do not involve environmental issues,[2] formal expressions of intent to file an OFA under 49 CFR 1152.27(c)(2),[3] and trail use/rail banking statements under 49 CFR 1152.29[4] must be filed by June 21, 1994. Petitions to reopen or requests for public use conditions under 49 CFR 1152.28 must be filed by June 30, 1994, with: Office of the Secretary, Case Control Branch, Interstate Commerce Commission, Washington, DC 20423.

A copy of any petition filed with the Commission should be sent to applicant's representatives: Robert S.

[1] ATSF will retain limited overhead trackage rights between Fort Worth and Ricker, TX, while transferring all other rights on the line to Cen-Tex.

[2] Shortly after consummation, Cen-Tex will sell the subject rail lines (but not the incidental trackage rights and other assets) to the Centex Rural Rail Transportation District. However, Cen-Tex will retain all of its common carrier operating rights on the lines under a permanent freight railroad operations easement.

[1] Grand Trunk Western Railroad (GTW) maintains overhead trackage rights over a portion of the line from milepost 129.1 to milepost 132.6. We interpret this to mean that GTW has no local trackage rights on this portion of the line. In *Missouri Pac. R. Co.—Aban.—Osage & Morris Count., KS*, 9 I.C.C.2d 1228 (1993) (*Missouri Pac.*), the Commission held that a railroad that certifies that there has been no local traffic on the line, including that of the railroad with trackage rights, can use the exemption procedures to abandon the line without the holder of trackage rights receiving discontinuance authority subject to certain conditions.

Accordingly, because of GTW's existing trackage rights, Conrail may only discontinue service at this time. The effectiveness of this notice as to the abandonment will be contingent upon: (1) GTW obtaining Commission approval or exemption to discontinue its trackage rights; and (2) Conrail informing any party requesting public use or trail use if and when such trackage rights are discontinued. *See Missouri Pac., supra*. Requests for public use or trail use conditions will not be acted upon until GTW has relinquished its trackage rights.

[2] A stay will be routinely issued by the Commission in those proceedings where an informed decision on environmental issues (whether raised by a party or by the Commission's Section of Environmental Analysis in its independent investigation) cannot be made prior to the effective date of the notice of exemption. *See Exemption of Out-of-Service Rail Lines*, 5 I.C.C.2d 377 (1989). Any entity seeking a stay involving environmental concerns is encouraged to file its request as soon as possible in order to permit the Commission to review and act on the request before the effective date of this exemption.

[3] *See Exempt. of Rail Abandonment—Offers of Finan. Assist.*, 4 I.C.C.2d 164 (1987).

[4] The Commission will accept a late-filed trail use request as long as it retains jurisdiction to do so.

Natalini, Two Commerce Square, 2001 Market Street, P. O. Box 41416, Philadelphia, PA 19101–1416.

If the notice of exemption contains false or misleading information, the exemption is void *ab initio.*

Conrail has filed an environmental report which addresses the effects of the abandonment, if any, on the environment and historic resources. The Section of Environmental Analysis (SEA) will issue an environmental assessment (EA) by June 15, 1994. Interested persons may obtain a copy of the EA by writing to SEA (Room 3219, Interstate Commerce Commission, Washington, DC 20423) or by calling Elaine Kaiser, Chief of SEA, at (202) 927–6248. Comments on environmental and historic preservation matters must be filed within 15 days after the EA is available to the public.

Environmental, historic preservation, public use, or trail use/rail banking conditions will be imposed, where appropriate, in a subsequent decision. Decided: June 3, 1994.

By the Commission, David M. Konschnik, Director, Office of Proceedings.

Sidney L. Strickland, Jr.,

Secretary.

[FR Doc. 94–14130 Filed 6–9–94; 8:45 am]

BILLING CODE 7035–01–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Village Drug Revocation of Registration

On March 18, 1994, the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration (DEA), issued an Order to Show Cause to Village Drug (Respondent), of El Segundo, California, proposing to deny Respondent's application for a DEA Certificate of Registration as a practitioner. The Order to Show Cause alleged that Respondent's registration would be inconsistent with the public interest as that term is used in 21 U.S.C. 823(f).

Specifically the Order to Show Cause alleged that: Respondent's pharmacy license as well as the pharmacist's license of Bernard P. Kastigar (Mr. Kastigar), the owner/operator of Respondent, were suspended for thirty days and placed on three years probation in 1985 by the Board of Pharmacy, Department of Consumer Affairs, State of California (Pharmacy Board); in 1988, based upon violations of the Pharmacy Board's probation order, Mr. Kastigar's pharmacist license was again suspended for thirty days and placed on probation for an additional three years; between 1991 and 1993, Mr. Kastigar dispensed Percodan, a Schedule II controlled substance, and anabolic steroids, Schedule III controlled substances, to several individuals without a valid physician's authorization; on October 21, 1993, Mr. Kastigar pled guilty to and was convicted of one count of unlawfully furnishing a controlled substance, in the Municipal Court for the South Bay Judicial District, County of Los Angeles, State of California; and Mr. Kastigar materially falsified an application for a DEA Certificate of Registration, submitted on June 4, 1993, by indicating on such application that he had never surrendered a DEA Certificate of Registration, when in fact Respondent's DEA Certificate of Registration had been surrendered on April 27, 1993, and by also indicating on the application that he had never had a state license suspended or placed on probation, when in fact his pharmacist's license as well as Respondent's license had been suspended and placed on probation by the Pharmacy Board.

The Order to Show Cause was sent to Respondent by registered mail. More than thirty days have passed since the Order to Show Cause was received by Respondent and the DEA has received no response thereto. Pursuant to 21 CFR 11301. 54(d) and 1301.54(e), Respondent is deemed to have waived his opportunity for a hearing. Accordingly, the Deputy Administrator now enters his final order in this matter without a hearing and based upon the investigative file. 21 CFR 1301.57.

In 1983, the Pharmacy Board filed an accusation against Respondent pharmacy and Mr. Kastigar alleging, *inter alia,* that an audit revealed significant shortages for a number of controlled substances and that Mr. Kastigar filled numerous controlled substance prescriptions issued under circumstances in which he knew or should have known that such prescriptions were not issued for a legitimate medical reason. Based upon a consent decree, Respondent and Mr. Kastigar admitted the allegations. Both agreed to a thirty day suspension and a three year probationary term, effective June 28, 1985.

On October 20, 1987, the Pharmacy Board issued another accusation against Mr. Kastigar based upon allegations that he dispensed propoxyphene, a Schedule IV controlled substance, to an individual without a valid physician's authorization. Mr. Kastigar entered into a second consent decree with the Pharmacy Board. Again, he admitted to the accusations and his pharmacist's license was suspended for another thirty days and placed on probation for another three years, effective June 24, 1988.

Subsequent investigation by the California Bureau of Narcotics Enforcement revealed that Mr. Kastigar dispensed Percodan, a Schedule II controlled substance, and anabolic steroids, a Schedule III controlled substance, to several individuals without a physician's authorization between January 1991 and April 1993. A search warrant was served on Respondent pharmacy on March 25, 1993. Mr. Kastigar was interviewed at that time and admitted some of the allegations concerning the unlawful dispensing of the Percodan and anabolic steroids.

On April 26, 1993, Mr. Kastigar was charged in the Municipal Court for the South Bay Judicial District, County of Los Angeles, State of California, with eleven counts of the unlawful furnishing of controlled substances and two counts of dispensing controlled substances without a medical purpose. On September 23, 1993, Mr. Kastigar entered into a plea agreement whereby he agreed to plea no contest to one felony count of the unlawful furnishing of a controlled substance and agreed to a sentence of three years probation. The conditions of the probation included, *inter alia,* 250 hours of community service, a $15,000 fine, the surrender of his pharmacist's license and surrender of medicare and medicaid privileges. On October 21, 1993, Mr. Kastigar entered the plea pursuant to the agreement and was convicted and sentenced pursuant to the plea agreement.

Mr. Kastigar voluntarily surrendered Respondent pharmacy's previous DEA Certificate of Registration, AK2083119, on April 27, 1993. On June 4, 1993, Mr. Kastigar submitted an application to obtain a new DEA Certificate of Registration for Respondent pharmacy. On this application, he indicated that he had never surrendered a DEA Certificate of Registration. He also indicated on this application that he never had a state professional license suspended or placed on probation, notwithstanding that the California Pharmacy Board had taken action against both Respondent and its owner in 1985 and 1988, as noted above.

In evaluating whether Respondent's registration by the Drug Enforcement Administration would be inconsistent with the public interest, the Deputy Administrator considers the factors enumerated in 21 U.S.C. 823(f). They are as follows:

(1) The recommendation of the appropriate State licensing board or professional disciplinary authority.

(2) The applicant's experience in dispensing, or conducting research with respect to controlled substances.

(3) The applicant's conviction record under Federal or State laws relating to the manufacture, distribution, or dispensing of controlled substances.

(4) Compliance with applicable State, Federal or local laws relating to controlled substances.

(5) Such other conduct which may threaten the public health and safety.

In determining whether a registration would be inconsistent with the public interest, the Deputy Administrator is not required to make findings with respect to each of the factors listed above. Instead, he has the discretion to give each factor the weight he deems appropriate, depending upon the facts and circumstances of each case. See *David E. Trawick, D.D.S.*, Docket No. 88–69, 53 FR 5326 (1988).

In this proceeding factors one, two, three, and five apply. Factor one is applicable based upon the California Board of Pharmacy's suspensions and probation terms imposed on the licenses of Respondent pharmacy and the pharmacist's license of Mr. Kastigar in 1985 and 1988. Factor two applies because Respondent dispensed controlled substances without a physician's authorization or for no legitimate medical reason on a number of occasions between 1983 and 1993. Factor three is applicable based upon the conviction of Mr. Kastigar in the Municipal Court for the South Bay Judicial District, County of Los Angeles, State of California, of one count of unlawfully furnishing controlled substances. Factor five applies because Mr. Kastigar made two material falsifications on the application he submitted for a new DEA Certificate of Registration on June 4, 1993.

No evidence of explanation or mitigating circumstances has been offered by Respondent. Therefore, the Deputy Administrator concludes that Respondent's application for a DEA Certificate of Registration must be denied.

Accordingly, the Deputy Administrator of the Drug Enforcement Administration, pursuant to the authority vested in him by 21 U.S.C. 823 and 824 and 28 CFR 0.100(b) and 0.104, hereby orders that the application executed by Village Drug, on June 4, 1993, for a DEA Certificate or Registration as a retail pharmacy, be, and it hereby is, denied. This order is effective June 10, 1994.

Dated: June 3, 1994.

Stephen H. Greene,

Deputy Administrator.

[FR Doc. 94–14161 Filed 6–9–94; 8:45 am]

BILLING CODE 4410–09–M

DEPARTMENT OF LABOR

Employment Standards Administration

Wage and Hour Division

Minimum Wages for Federal and Federally Assisted Construction; General Wage Determination Decisions

General wage determination decisions of the Secretary of Labor are issued in accordance with applicable law and are based on the information obtained by the Department of Labor from its study of local wage conditions and data made available from other sources. They specify the basic hourly wage rates and fringe benefits which are determined to be prevailing for the described classes of laborers and mechanics employed on construction projects of a similar character and in the localities specified therein.

The determinations in these decisions of prevailing rates and fringe benefits have been made in accordance with 29 CFR part 1, by authority of the Secretary of Labor pursuant to the provisions of the Davis-Bacon Act of March 3, 1931, as amended (46 Stat. 1494, as amended, 40 U.S.C. 276a) and of other Federal statutes referred to in 29 CFR part 1, Appendix, as well as such additional statutes as may from time to time be enacted containing provisions for the payment of wages determined to be prevailing by the Secretary of Labor in accordance with the Davis-Bacon Act. The prevailing rates and fringe benefits determined in these decisions shall, in accordance with the provisions of the foregoing statutes, constitute the minimum wages payable on Federal and federally assisted construction projects to laborers and mechanics of the specified classes engaged on contract work of the character and in the localities described therein.

Good cause is hereby found for not utilizing notice and public comment procedure thereon prior to the issuance of these determinations as prescribed in 5 U.S.C. 553 and not providing for delay in the effective date as prescribed in that section, because the necessity to issue current construction industry wage determinations frequently and in large volume causes procedures to be impractical and contrary to the public interest.

General wage determination decisions, and modifications and supersedeas decisions thereto, contain no expiration dates and are effective from their date of notice in the **Federal Register**, or on the date written notice is received by the agency, whichever is earlier. These decisions are to be used in accordance with the provisions of 29 CFR parts 1 and 5. Accordingly, the applicable decision, together with any modifications issued, must be made a part of every contract for performance of the described work within the geographic area indicated as required by an applicable Federal prevailing wage law and 29 CFR part 5. The wage rates and fringe benefits, notice of which is published herein, and which are contained in the Government Printing Office (GPO) document entitled "General Wage Determinations Issued Under the Davis-Bacon and Related Acts," shall be the minimum paid by contractors and subcontractors to laborers and mechanics.

Any person, organization, or governmental agency having an interest in the rates determined as prevailing is encouraged to submit wage rate and fringe benefit information for consideration by the Department. Further information and self-explanatory forms for the purpose of submitting this data may be obtained by writing to the U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division, Division of Wage Determinations, 200 Constitution Ave, NW., room S–3014, Washington, DC 20210.

Withdrawn General Wage Determination Decision

This is to advise all interested parties that the Department of Labor is withdrawing, from the date of this notice, General Wage Determination Nos. VA940045 and VA940055 dated February 11, 1994.

Agencies with construction projects pending, to which these wage decisions would have been applicable, should utilize Wage Decision VA940029. Contracts for which bids have been opened shall not be affected by this notice. Also, consistent with 29 CFR 1.6(c)(2)(i)(A), when the opening of bids is less than ten (10) days from the date of this notice, this action shall be effective unless the agency finds that there is insufficient time to notify bidders of the change and the finding is documented in the contract file.

New General Wage Determination Decisions

The numbers of the decisions added to the Government Printing Office document entitled "General Wage Determinations Issued Under the Davis-

Bacon and Related Acts" are listed by Volume and State.

Volume III

Tennessee
TN940053 (Jun. 10, 1994)
TN940054 (Jun. 10, 1994)
TN940055 (Jun. 10, 1994)
TN940056 (Jun. 10, 1994)

Modification to General Wage Determination Decisions

The number of decisions listed in the Government Printing Office document entitled "General Wage Determinations Issued Under the Davis-Bacon and Related Acts" being modified are listed by Volume and State. Dates of publication in the **Federal Register** are in parentheses following the decisions being modified.

Volume I

Massachusetts
MA940001 (Feb. 11, 1994)
MA940002 (Feb. 11, 1994)
MA940003 (Feb. 11, 1994)
MA940005 (Feb. 11, 1994)
MA940007 (Feb. 11, 1994)
MA940008 (Feb. 11, 1994)
MA940009 (Feb. 11, 1994)
MA940013 (Feb. 11, 1994)
MA940015 (Feb. 11, 1994)
NY940002 (Feb. 11, 1994)
NY940003 (Feb. 11, 1994)
NY940004 (Feb. 11, 1944)
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NY940006 (Feb. 11, 1994)
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NY940049 (Feb. 11, 1994)
NY940050 (Feb. 11, 1994)
NY940051 (Feb. 11, 1994)
Puerto Rico
PR940002 (Feb. 11, 1994)

Volume II

Virginia
VA940029 (Feb. 11, 1994)

Volume III

Florida
FL940001 (Feb. 11, 1994)
FL940009 (Feb. 11, 1994)
FL940015 (Feb. 11, 1994)
FL940017 (Feb. 11, 1994)
FL940032 (Feb. 11, 1994)
Georgia
GA940003 (Feb. 11, 1994)
GA940031 (Feb. 11, 1994)
Tennessee
TN940001 (Feb. 11, 1994)
TN940041 (Feb. 11, 1994)

Volume IV

Indiana
IN940001 (Feb. 11, 1994)
IN940002 (Feb. 11, 1994)
IN940003 (Feb. 11, 1994)
IN940004 (Feb. 11, 1994)
IN940005 (Feb. 11, 1994)
IN940006 (Feb. 11, 1994)
IN940016 (Feb. 11, 1994)
IN940017 (Feb. 11, 1994)
IN940018 (Feb. 11, 1994)

Volume IV

Kansas
KS940006 (Feb. 11, 1994)
KS940009 (Feb. 11, 1994)
KS940012 (Feb. 11, 1994)
KS940025 (Feb. 11, 1994)
Nebraska
NE940001 (Feb. 11, 1994)
NE940003 (Feb. 11, 1994)
NE940005 (Feb. 11, 1994)
NE940009 (Feb. 11, 1994)
NE940010 (Feb. 11, 1994)
NE940011 (Feb. 11, 1994)

Volume VI

Colorado
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CO940009 (Feb. 11, 1994)
CO940010 (Feb. 11, 1994)
CO940011 (Feb. 11, 1994)
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CO940020 (Feb. 11, 1994)
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CO940024 (Feb. 11, 1994)
Idaho
ID940003 (Feb. 11, 1994)

General Wage Determination Publication

General wage determinations issued under the Davis-Bacon and related Acts, including those noted above, may be found in the Government Printing Office (GPO) document entitled "General Wage Determinations Issued Under The Davis-Bacon And Related Acts". This publication is available at each of the 50 Regional Government Depository Libraries and many of the 1,400 Government Depository Libraries across the country. Subscriptions may be purchased from: Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, (202) 783–3238.

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Signed at Washington, DC, this 3rd day of June 1994.

Alan L. Moss,

Director, Division of Wage Determinations.

[FR Doc. 94–13896 Filed 6–9–94; 8:45 am]

BILLING CODE 4510–27–M

Pension and Welfare Benefits Administration

[Prohibited Transaction Exemption 94–43; Exemption Application No. D–9282, et al.]

Grant of Individual Exemptions; Fidelity Management Trust Company, et al.

AGENCY: Pension and Welfare Benefits Administration, Labor.

ACTION: Grant of individual exemptions.

SUMMARY: This document contains exemptions issued by the Department of Labor (the Department) from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (the Act) and/or the Internal Revenue Code of 1986 (the Code).

Notices were published in the **Federal Register** of the pendency before the Department of proposals to grant such exemptions. The notices set forth a summary of facts and representations contained in each application for exemption and referred interested persons to the respective applications for a complete statement of the facts and representations. The aplicaitons have been available for public inspection at the Department in Washington, DC. The notices also invited interested persons to submit comments on the requested exemptions to the Department. In addition the notices stated that any interested person might submit a written request that a public hearing be held (where appropriate). The applicants have represented that they have complied with the requirements of the notification to interested persons. No public comments and no requests for

a hearing, unless otherwise stated, were received by the Department.

The notices of proposed exemption were issued and the exemptions are being granted solely by the Department because, effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978 (43 FR 47713, October 17, 1978) transferred the authority of the Secretary of the Treasury to issue exemptions of the type proposed to the Secretary of Labor.

Statutory Findings

In accordance with section 408(a) of the Act and/or section 4975(c)(2) of the Code and the procedures set forth in 29 CFR part 2570, subpart B (55 FR 32836, 32847, August 10, 1990) and based upon the entire record, the Department makes the following findings:

(a) The exemptions are administratively feasible;

(b) They are in the interests of the plans and their participants and beneficiaries; and

(c) They are protective of the rights of the participants and beneficiaries of the plans.

Fidelity Management Trust Company Located in Boston, Massachusetts

[Prohibited Transaction Exemption 94–43; Exemption Application No. D–9282]

Exemption

The restrictions of sections 406(a)(1)(A) and 406(b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) of the Code, shall not apply to the cross-trading of securities by Fidelity Management Trust Company (Fidelity) on behalf of employee benefit plan accounts for which Fidelity acts as fiduciary.

Part I—General Conditions

(A) Each Plan participating in Fidelity's cross-trading program has assets of at least $25 million;

(B) A Plan's participation in the cross-trade program is subject to a written authorization executed in advance by a fiduciary with respect to each such Plan;

(C) The authorization referred to in section (B) of this Part I is terminable at will without penalty to such Plan, upon receipt by Fidelity of written notice of such termination;

(D) Before an authorization is made, the authorizing Plan fiduciary must be furnished with any reasonably available information necessary for the authorizing fiduciary to determine whether the authorization should be made, including (but not limited to) a copy of this exemption, an explanation of how the authorization may be terminated, a detailed disclosure of the procedures implemented in Fidelity's cross-trade practices, and any other reasonably available information regarding the matter that the authorizing fiduciary requests;

(E) Each cross-trade transaction involves only securities for which there is a generally recognized market;

(F) Each cross-trade transaction is effected at the current market value for the security on the date of the transactions, which shall be, for equity securities, the closing price for the security on the date of the transaction, and for debt securities, as determined in accordance with paragraph (b) of Rule 17a–7 issued by the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940;

(G) Fidelity will not charge any Plan affected by a cross-trade transaction any fee or commission for such transaction;

(H) At least every three months, and not later than 45 days following the period to which it relates, Fidelity will furnish the authorizing Plan fiduciary with a report disclosing (1) a list of all cross-trade transactions engaged in on behalf of the Plan, and (2) with respect to each cross-trade transaction, the highest and lowest prices at which the securities involved in the transaction were traded on the date of such transaction;

(I) The authorizing Plan fiduciary will be furnished with a summary of certain additional information at least once per year. The summary must be furnished within 45 days after the end of the period to which it relates, and must contain the following: (1) A description of the total amount of Plan assets involved in cross-trade transactions during the period, (2) a description of Fidelity's cross-trade practices, (3) A statement that the Plan fiduciary's authorization of cross-trade transactions may be terminated upon receipt by Fidelity of the fiduciary's written notice to that effect, and (4) a statement that the Plan fiduciary's authorization of the cross-trade transaction will continue in effect unless it is terminated; and

(J) The Accounts involved in cross-trade transactions will not include assets of any Plan established or maintained by Fidelity or its affiliates.

Part II—Specific Conditions

(A) Index Accounts

(1) The index of the Account is based on an index which represents the investment performance of a specific segment of the public market for equity or debt securities in the United States and/or foreign countries. The organization creating and maintaining the index must be (a) engaged in the business of providing financial information, evaluations, advice or securities brokerage services to institutional clients, (b) a publisher of financial news or information, or (c) a public stock exchange or association of securities dealers. The index must be created and maintained by an organization independent of Fidelity and its affiliates. The index must be a generally accepted standardized index of securities which is not specifically tailored for the use of Fidelity or its affiliates.

(2) The transaction takes place within three business days of the "triggering event" giving rise to the cross-trade transaction. A triggering event is defined as:

(a) A change in the composition or weighting of the index underlying an Index Account; or

(b) A change in the overall level of investment in an Index Account as a result of investments and withdrawals made on the Index Account's opening date (the regularly-scheduled date on which investments in or withdrawals from an Index Account may be made).

(3) Fidelity maintains or causes to be maintained for a period of six years from the date of the transaction the records necessary to enable the persons described in section (4) of this Part II (A) to determine whether the conditions of this exemption have been met, except that a prohibited transaction will not be considered to have occurred if, due to circumstances beyond the control of Fidelity or its affiliates, the records are lost or destroyed prior to the end of the six-year period.

(4) (a) Except as provided in subsection (b) of this section (4) and notwithstanding any provisions of subsections (a)(2) and (b) of section 504 of the Act, the records referred to in section (3) of this Part II are unconditionally available at their customary location for examination during normal business hours by—

(1) Any duly authorized employee or representative of the Department or the Internal Revenue Service,

(2) Any fiduciary of a Plan participating in an Index Account who has authority to acquire or dispose of the interests of the Plan or any duly authorized employee or representative of such fiduciary,

(3) Any contributing employer to any Plan participating in an Index Account or any duly authorized employee or representative of such employer, and

(4) Any participant or beneficiary of any Plan participating in an Index Account, or any duly authorized employee or

representative of such participant or beneficiary.

(b) None of the persons described in paragraphs (2) through (4) of subsection (a) of this section (4) shall be authorized to examine trade secrets of Fidelity, any of its affiliates, or commercial or financial information which is privileged or confidential.

(B) Managed Accounts

(1) An independent fiduciary of each Plan must specifically authorize each cross-trade transaction in accordance with the following procedure:

(a) No more than three business days prior to the execution of any cross-trade transaction, Fidelity must inform an independent fiduciary of each Plan involved in the cross-trade transaction that Fidelity proposes to buy or sell specified securities in a cross-trade transaction if an appropriate opportunity is available, the current trading price for such securities, and the total number of shares to be acquired or sold by each such Plan.

(b) Prior to each cross-trade transaction, the transaction must be authorized either orally or in writing by the independent fiduciary of each Plan involved in the cross-trade transaction;

(c) If a cross-trade transaction is authorized orally by an independent fiduciary, Fidelity will provide written confirmation of such authorization in a manner reasonably calculated to be received by such independent fiduciary within one business day from the date of such authorization;

(d) The authorization referred to in this Part II(B) will be effective for a period of three business days; and

(e) No more than ten days after the completion of a cross-trade transaction, the independent fiduciary authorizing the cross-trade transaction must be provided a written confirmation of the transaction and the price at which the transaction was executed;

(2) A cross-trade transaction will be effected only where the transaction involves less than five percent of the aggregate average daily trading volume for the securities involved in the transaction for the week immediately preceding the authorization of the transaction. A cross-trade transaction may exceed this limit only by express authorization of independent fiduciaries on behalf of Plans affected by the transaction; and

(3) The cross-trade transaction is effected at a price which is within ten percent of the closing price of the security on the day before the date on which Fidelity receives authorization by the independent Plan fiduciary to engage in the cross-trade transaction.

Part III—Definitions

(A) "Account" means an account holding assets of one or more employee benefit plans which are subject to the Act (the Plans), for which Fidelity or an affiliate of Fidelity acts as a fiduciary;

(B) "Affiliate" means any person, directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with Fidelity;

(C) "Cross-trade transaction" means a purchase and sale of securities between ERISA Accounts or between an ERISA Account and a non-ERISA account for which Fidelity or an affiliate of Fidelity acts as a trustee or investment manager;

(D) "Index Account" means an Account for which Fidelity and the Plan sponsor or other named fiduciary have agreed that the investment of the assets in question will be designed to replicate the capitalization-weighted composition of a stock or bond index; and

(E) "Managed Account" means an Account for which Fidelity and the Plan sponsor or other named fiduciary have agreed that the investment of the assets in question will be managed actively at the discretion of Fidelity, pursuant to written guidelines as to which types of securities to buy or sell for the Account.

Written Comments: The Department received one written comment and no requests for a hearing. The comment was submitted by the applicant, Fidelity Management Trust Company. The applicant addresses two matters which are summarized as follows:

(1) The applicant notes a typographical error in Part III of the proposed exemption: Within the definition of "Cross-trade transaction", the word "account" should not be capitalized. The applicant represents that, as described elsewhere in the Notice of Proposed Exemption, cross-trade transactions covered by the proposed exemption may occur between an account holding assets of one or more employee benefit plans which are subject to the Act ("Account") and a non-ERISA account managed by the applicant or an affiliate ("account").

(2) The applicant wishes to supplement the summary of facts and representations of the notice of proposed exemption (the Summary), by clarifying and revising its explanation of the manner in which opportunities for cross-trading transactions are allocated among accounts under its management, which is found in section 10 of the Summary. The applicant represents that subsequent to the publication of the Summary, it determined that its cross-trading program will be effected pursuant to a non-discretionary pro-rata allocation system. For example, in the event that the number of shares of a particular security which an Account proposes to sell on a given day is less than the number of shares of such security which other Fidelity-advised accounts propose to buy on that date, the direct cross-trade opportunity will be allocated among potential buyers on a pro-rata basis. A similar procedure would apply where the number of shares of a particular security to be sold by Fidelity-advised accounts is less than the number of such shares which an Account and one or more other Fidelity-advised accounts proposes to buy on that date. Thus, the Accounts participating in Fidelity's cross-trade program will have opportunities to participate on a proportional basis in all cross-trade transactions during the operation of the cross-trade program. The applicant represents that this aspect of Fidelity's cross-trading program is among the information which will be disclosed in writing to the fiduciaries of the pension plans which invest in the Accounts.

After careful consideration of the entire record, the Department has determined to grant the exemption, as supplemented by the applicant's comment.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, refer to the notice of proposed exemption published on December 10, 1993 at 58 FR 64978.

FOR FURTHER INFORMATION CONTACT: Ronald Willett of the Department, telephone (202) 219–8881. (This is not a toll-free number.)

Lone Star Industries, Inc. Master Retirement Trust (the Master Trust) Located in Chicago, Illinois

[Prohibited Transaction Exemption No. 94–44; Application No. D–9295]

Exemption

Section I—Transactions

Effective September 10, 1990, the restrictions of sections 406(a), 406(b)(1), 406(b)(2), and 407(a) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1) (A) through (E) of the Code, shall not apply to:

(a) The lease (the Lease) by the Master Trust of a certain parcel of real property (the Property) located in Rancho Cordova, California, to RMC Lonestar (RMC), a party in interest with respect to plans participating in the Master Trust (the Plans);

(b) The obligations and guarantees to the Master Trust by Lone Star

Industries, Inc. (LSI), a party in interest with respect to the Plans, arising under the terms of the Lease on the Property, subsequent to the assignment by LSI of its leasehold interest in the Property to RMC; and

(c) The payment in the amount of $6,000,000 by LSI to the Master Trust in exchange for a release of LSI's obligation to perform under the terms of a certain yield guarantee agreement signed December 18, 1992, by LSI and the Master Trust; provided that the conditions set forth in section II below are met.[1]

Section II—Conditions

This exemption is conditioned upon the adherence to the material facts and representations described herein and in the application for exemption and upon the satisfaction of the following requirements:

(a) The Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) enters and order confirming the modified amended consolidated plan of reorganization filed by LSI and its affiliates, pursuant to Chapter 11 of the Bankruptcy Code;

(b) The obligations and guarantees of LSI to the Master Trust under the Lease are assumed by LSI and continue after the plan of reorganization is confirmed by the Bankruptcy Court;

(c) LSI pays the $6,000,000 in a single lump-sum payment in cash to the Master Trust, not later than sixty (60) days following the later of (1) the date of the order of the Bankruptcy Court approving the payment, or (2) the date the grant of this exemption is published in the **Federal Register**;

(d) Morrison, Karsten, Ramzy & Arthur, Inc. (MKRA), acting as independent qualified fiduciary on behalf of the Master Trust (the I/F), has negotiated, reviewed, and approved the transactions, and has determined that the transactions were feasible, in the interest of, and protective of the participants and beneficiaries of the Plans invested in the Master Trust, as of the effective date of this exemption;

(e) MKRA at the time of its appointment was unrelated to LSI, RMC, and any other parties involved in the Lease and will at all times remain independent of such parties;

(f) The provisions of the amendment to the Lease, executed in December 1992 (the First Amendment) become effective on the date that the grant of this exemption is published in the **Federal Register**;

(g) The terms of the Lease, as modified by the First Amendment, are at least as favorable to the Master Trust, the Plans, and their participants and beneficiaries, as those which could have been obtained by the Master Trust in an arm's length negotiation with an unrelated third party under similar circumstances;

(h) From September 10, 1990, to June 1, 1993, the Northern Trust Company (the Trustee), an independent party with respect to LSI, RMC, and their affiliates, managed the Property on behalf of the Master Trust and monitored and enforced the terms of the Lease;

(i) From June 1, 1993, MKRA managed the Property on behalf of the Master Trust and monitored and enforced the terms of the Lease, and MKRA or its successors, will act as I/F with respect to the Property and will monitor and enforce the provisions of the Lease as long as such Property is leased to a party in interest;

(j) MKRA or its successors will monitor the fair market value of the Master Trust in order to insure that the fair market value of the Property will at no time exceed twenty percent (20%) of the total fair market value of the assets of the Master Trust;

(k) LSI has either paid directly or reimbursed the Master Trust for any fees, other than trustee and investment management fees, incurred in connection with the transactions with respect to the ownership of the Property by the Master Trust, and in the future, the Master Trust will incur no fees in connection with the transactions, other than fees paid to the trustee and to the investment manager; and

(l) LSI has filed Forms 5330 and paid the excise taxes with respect to the Lease of the Property for years 1987–1989 and, LSI, not later than sixty (60) days after the date the grant of this exemption is published in the **Federal Register**, will file Forms 5330 and will pay the excise taxes for the period after December 31, 1989, and before the effective date of this exemption.

EFFECTIVE DATE: This exemption will be effective as of September 10, 1990.

Written Comments

In the Notice of Proposed Exemption (the Notice), the Department invited all interested persons to submit written comments and any requests for a hearing on the proposed exemption within forty-five (45) days from the date of the publication of the Notice in the **Federal Register**. All written comments and requests for a hearing were to have been received by the Department by April 22, 1994.

As of the close of the comment period, the Department had received eight (8) letters from interested persons commenting on the proposed exemption in addition to comment letters from the applicant. In this regard, the Department forwarded copies of the commentators' letters to the applicant and requested that the applicant address in writing the concerns raised.

In a letter dated May 4 1994, the applicant responded to the commentators, as requested by the Department. In this regard, the applicant stated that in general the concerns of the commentators did not identify any factual issues or express any direct objection to the exemption. The comments from the commentators on the proposed exemption were summarized by the applicant as follows: (1) Some of the comment letters were generally opposed to anything that would adversely affect their pension; (2) others of the comment letters expressed general concerns regarding the effect of the exemption on pension benefits; and (3) one comment letter supported the exemption.

In the opinion of the applicant the one favorable comment letter would appear to need no response. In response to the adverse comment letters, the applicant notes that the granting of the exemption in and of itself does not affect the security of pensions payable from the Plans participating in the Master Trust. In this regard, the applicant maintains: (1) That the granting of the exemption does not reduce the obligation to pay benefits of any of the Plans participating in the Master Trust; (2) that the exemption does not affect the duty of the sponsoring employer to comply with the funding requirements of applicable law; (3) that the I/F has determined that the terms of the agreement reached with LSI result in an overall transaction that is equal to or superior to transactions that could be negotiated with unrelated third parties; (4) that the terms of the agreement provide for LSI to pay $6 million to the Master Trust; (5) that based on the terms agreed to and the receipt of the $6 million dollar payment, the I/F has determined that the Master Trust is assured an internal rate of return in excess of 11% on the Property; and (6) that the terms of the agreement provide the Master Trust with significant opportunity to obtain an advantageous investment return with very little downside risk. Based on these considerations, the applicant maintains that no adverse effect on pension benefits payable by the Plans participating in the Master Trust should occur if the exemption is granted.

[1] For purposes of this exemption, references to specific provisions of Title I of the Act, unless otherwise specified, refer also to the corresponding provisions of the Code.

Two of the commentators requested that the Department schedule a hearing on the matter, in accordance section 29 CFR 2570.46 of the Department's regulations which provides that the Department in its discretion may convene a hearing if requested by any interested persons who may be adversely affected by the exemption and where such exemption proposes to grant relief from section 406(b) of the Act. In response to this request for a hearing, the applicant points out that the commentators do not object to any specific issue in connection with the grant of the exemption, but expresses only general concern for how the exemption might affect health insurance, life insurance, and monthly pension benefits.

The Department's regulations regarding the right to a hearing state that a request for hearing must include "a statement of the issues to be addressed and a general description of the evidence to be presented at the hearing. Further, the regulations state that the Department will grant a request for hearing "where a hearing is necessary to fully explore material factual issues identified by the person requesting the hearing" or may decline to hold a hearing "where the factual issues identified can be fully explored through the submission of evidence in written form." The Department has concluded that the issues identified by the commentators, who requested a hearing, have been full explored in the case record including the material submitted by the applicant in response to the comments. Accordingly, the Department has determined not to hold a public hearing.

In addition to the above comments and request for a hearing received from interested persons, the applicant informed the Department in submissions dated April 8, 1994, and April 22, 1994, of certain factual changes to the information contained in the application and technical clarifications to the language of the Notice. The following items represents a summary of the comments submitted to the Department by the applicant subsequent to the publication of the Notice:

(1) LSI informed the Department that the Bankruptcy Court had entered an order on March 31, 1994, that approved the $6 million dollar payment by LSI to the Master Trust. Subsequently, the Department was informed that on April 14, 1994, LSI emerged from bankruptcy protection and that in connection with such emergence, LSI made the $6 million payment to the Master Trust that is a condition, as set forth in Section II(c), of this exemption. In this regard, such condition provides that LSI pay "* * * the $6,000,000 in a single lump-sum payment in cash to the Master Trust, not later than sixty (60) days following the later of (1) the date of the order of the Bankruptcy Court approving the payment, or (2) the date the grant of this exemption is published in the **Federal Register**." In the opinion of LSI, since the condition of the exemption states that the payment be made no later than a specified date, that LSI's payment of the $6 million dollars before the publication of the final exemption complies with the condition for grant of the exemption. The Department agrees with the position as expressed by LSI;

(2) LSI commented on the language concerning the condition of the exemption, as set forth in Section II(g), which states that "the terms of the Lease, as modified by the First Amendment, are at least as favorable to the Master Trust, the Plans, and their participants and beneficiaries, as those which could have been obtained by the Master Trust in an arm's length negotiations with an unrelated third party under similar circumstances." With respect to the language in this sentence from Section II(g), the Department wishes to correct a typographical error in that the word, "negotiations," written in the plural should read "negotiation," in the singular. Accordingly, the Department has made this change in the language of Section II(g) in the granted exemption.

Further in the language quoted in the paragraph above from Section II(g), LSI points out that the I/F's opinion regarding the transaction, including the Lease of the Property, is that the overall transaction, taking into account all of its provisions including the $6 million dollar payment, is equal to or superior to transactions that could be negotiated with unrelated third parties. To the extent the inclusion of the language in Section II(g) referring to "under similar circumstances" is intended to include the other term of the overall transaction, LSI states that the condition is accurate as it relates to opinions provided by the I/F. The Department concurs with LSI's position;

(3) LSI requested modification of the language in Section II(k) which provides, in part that, "LSI has either paid directly or reimbursed the Master Trust for any fees, other than trustee and investment management fees, incurred with respect to the ownership of the Property by the Master Trust." In the opinion of LSI the quoted language in the sentence above implies that the Master Trust has paid no fees in connection with ownership of the Property other than trustee or investment manager fees. LSI believes that this language is over broad, because it is not limited to those fees incurred in connection with the transactions. For this reason, LSI suggests adding after the word, "incurred," the phrase, "in connection with the transactions." The Department has no objection to LSI's proposed modification, and accordingly, has amended the language of Section II(k);

(4) LSI proposes clarification of the language of Section II(l) which states that "LSI has filed Forms 5330 and paid the excise taxes with respect to the Lease of the Property for the years 1987–1989 and will file Forms 5330 and pay the excise taxes for the period after December 31, 1989, and before the effective date of this exemption." Because the effective date of this exemption is September 10, 1990, LSI believes that this provision should be revised to clarify that the excise taxes for the period after December 31, 1989, must be paid within sixty (60) days of the date the grant of this exemption is published in the **Federal Register**. For this reason, LSI suggests adding before the words, "will file," the phrase, "LSI not later than sixty (60) days after the date the grant of this exemption is published in the **Federal Register**." The Department has no objection to LSI's proposed modification, and accordingly, has amended the language of Section II(l);

(5) LSI requests modification of the language in the third sentence of paragraph number one in the Summary of Facts and Representations in the Notice which states that, "In addition, LSI is a major source of ready-mixed concrete and precast concrete products and is a leading importer of cement and clinker." In this regard, LSI has brought to the Department's attention a more current description of LSI's business. Accordingly, LSI requests that the sentence be amended to read "In addition, LSI is a leading producer of cement, ready-mixed concrete, sand and gravel, crushed stone, and construction materials." The Department has made the requested change to the description of LSI; and

(6) LSI requests modification of the representation in the fourth sentence in the fourth full paragraph of paragraph number six of the Summary of Facts and Representations which states that, "It is represented that the royalty payments actually made by RMC have exceeded the minimum guaranteed royalty amounts for the years 1989 through 1992." In this regard, LSI has informed the Department that the date 1992

should be corrected to read 1991. The Department has made this change as requested by LSI.

As the Department concurs with the requested the modifications and clarifications to the language of the proposed exemption, such changes are hereby incorporated into the exemption, as granted. Accordingly, after giving full consideration to the record, including the comments by interested persons and the responses of the applicant, the Department has determined to grant the exemption, as described herein. In this regard, the comments submitted to the Department have been included as part of the public record of the exemption application. The complete application file, including all supplemental submissions received by the Department, is made available for public inspection in the Public Documents Room of the Pension Welfare Benefits Administration, room N–5507, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, DC 20210.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption refer to the Notice published on March 8, 1994, 59 FR 10832.

FOR FURTHER INFORMATION CONTACT: Angelena C. Le Blanc, of the Department, telephone (202) 219–8883. (This is not a toll-free number.)

General Motors Hourly-Rate Employees Pension Plan; General Motors Retirement Program for Salaried Employees; Saturn Individual Retirement Plan for Represented Team Members; and Saturn Personal Choices Retirement Plan for Non-Represented Team Members (Collectively, the Plans) Located in New York, New York

[Prohibited Transaction Exemption 94–45; Application Nos. D–8402 and D–8405]

Exemption

Section I—Transactions

The restrictions of section 406(a) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1) (A) through (D) of the Code, shall not apply to the following transactions if the conditions set forth in Section II below are met:

(a) The acquisition or sale of a net profits interest (NPI), a royalty interest (Royalty), or a production payment contract (Production Payment), in oil and gas properties (the Properties) between the Plans and oil and gas companies or their affiliates that are parties in interest with respect to the Plans (collectively, the Companies);

(b) Any loan by the Plans to the Companies where such loans are secured by interests in the Properties, including loans with conversion rights to acquire a NPI, Royalty, or Production Payment in the Properties;

(c) The acquisition or sale between the Plans and the Companies of any stock or debt securities which are convertible into such stock, issued by the Companies (Company Securities); and

(d) The acquisition or sale between the Plans and the Companies of any interests in certain limited partnerships which invest in such Properties where the Company is a general partner and/or operating owner for the Properties (Company Partnership Interest), or interests in certain joint ventures which invest in such Properties where the Company is a joint venturer and/or operating owner for the Properties (Company Venture Interest).

Section II—Conditions

(a) A "qualified oil and gas investment manager" (as defined below) fully reviews each transaction before recommending the transaction to the Pension Investment Committee of General Motors Corporation (the PIC) or, as of December 1, 1992, to the General Motors Investment Management Corporation (GMIMCo), fiduciaries of the Plans. The decision to enter into the transaction is made by the PIC or GMIMCo, which retains final approval authority over the transaction. The "qualified oil and gas investment manager" negotiates the transaction and manages the oil and gas investments for the Plans, in its capacity as a fiduciary for the Plans, and monitors all transactions on behalf of the Plans in order to take any appropriate action necessary to safeguard the interests of the Plans.

(b) The Companies and their affiliates are independent of and unrelated to:

(i) The General Motors Corporation (GMC);

(ii) Any person directly or indirectly controlling, controlled by, or under common control with GMC;

(iii) Any officer or director of GMC or any of its subsidiaries or affiliated companies;

(iv) Any partnership in which GMC is a 10 percent or more (directly or indirectly in capital or profits) partner; and

(v) Any "qualified oil and gas investment manager" which acts for the Plans with respect to an oil and gas transaction covered by the exemption, or any other person who exercises discretionary authority, responsibility or control or who provides investment advice for the investment of the Plans' assets involved in oil and gas transactions.

(c) In any transaction where the Plans acquire a NPI, Royalty, Production Payment, Company Security, Company Partnership Interest, or Company Venture Interest from the Companies, the Plans pay a purchase price which is no greater than the fair market value of such interests or securities based on an appraisal developed by the Plans' fiduciaries or an independent, qualified appraiser selected by the Plans' fiduciaries.

(d) In any transaction where the Plans sell a NPI, Royalty, Production Payment, Company Security, Company Partnership Interest, or Company Venture Interest to the Companies, the Plans receive a price which is no less than the fair market value of such interests or securities based on an appraisal developed by the Plans' fiduciaries or an independent, qualified appraiser selected by the Plans' fiduciaries.

(e) In instances involving the acquisition of the Properties by a Company from a third party with a simultaneous sale of a NPI, Royalty, or Production Payment by the Company to the Plans, the Plans pay a purchase price which reflects the fair market value of the interest as agreed to by the Plans' fiduciaries in arms-length negotiations directly involving the Plans, the Company, and the third party seller.

(f) In instances involving the sale of a NPI, Royalty, or Production Payment by the Plans to a Company in connection with the Company's simultaneous sale of a WI in the Properties to a third party, the Plans receive a sales price which reflects the fair market value of the interest as agreed to by the Plans' fiduciaries in arm's-length negotiations directly involving the Plans, the Company, and the third party buyer.

(g) In any loan by the Plans to a Company in connection with an oil and gas investment, the Plans obtain terms which include: (1) An interest rate that is commensurate with the prevailing market rate for such loans at the time of the transaction, as determined by the Plans' fiduciaries in accordance with rates quoted by established commercial lenders offering similar loans; and (ii) a security interest in designated oil and gas investment interests in the Properties, which have a fair market value that equals at least 150% of the amount loaned by the Plans throughout the duration of such loan, based on an appraisal of such interests developed by the Plans' fiduciaries or by an

independent, qualified appraiser selected by the Plans' fiduciaries.

(h) All other terms of each such transaction are not less favorable to the Plans than the terms generally available in an arm's-length transaction between unrelated parties.

(i) The amount of each Plan's total assets involved in all transactions with the Companies represents no more than three percent (3%) of such Plan's total assets as of the date of approval of each transaction by the PIC or GMIMCo.

(j) No investment management fee, advisory fee, underwriting fee, brokerage or sales commission, or similar compensation is paid to the Companies by the Plans with regard to the transactions.

(k) GMC maintains for the duration of each transaction and for six years thereafter records necessary to enable persons described below in subsection (1) to determine whether the conditions of this exemption have been met, except that (1) a prohibited transaction will not be considered to have occurred if, due to circumstances beyond the control of GMC or an affiliate, the records are lost or destroyed prior to the end of the six-year period, and (2) no party in interest, other than GMC and its affiliates, shall be subject to the civil penalty that may be assessed under section 502(i) of the Act or to taxes imposed by section 4975(a) and (b) of the Code if the records are not maintained or are not available for examination as required by subsection (1) below; and

(l)(1) Except as provided in subsection (1)(2) and notwithstanding any provisions of section 504(a)(2) and (b) of the Act, the records referred to in subsection (k) are unconditionally available at their customary location for examination during normal business hours by—

(i) Any duly authorized employee or representative of the Department or the Internal Revenue Service, and

(ii) Any participant or beneficiary of the Plans or duly authorized representative of such participant or beneficiary.

(2) None of the persons described in subsection (l)(1)(ii) shall be authorized to examine trade secrets of the Companies or any commercial or financial information which is privileged or confidential.

Section III—Definitions

For purposes of this exemption,

(a) The term "Company" means a publicly or privately owned oil and gas exploration, development and operating company or partnership which is independent of all unrelated to GMC, its affiliates, and various Plan fiduciaries described in Section II(a) above.

(b) The term "affiliate" of a Company means any entity directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company.

(c) The term "control," for purposes of the above definition, means the power to exercise a controlling influence over the management or policies of an entity.

(d) The term "qualified oil and gas investment manager" means a fiduciary as defined in section 3(21) of the Act which: (i) Is independent of and unrelated to any of the Companies and their affiliates (as defined above); (ii) is a financial institution or business organization that in the normal course of business advises institutional investors regarding oil and gas investments; (iii) acknowledges in writing to the Plans that is will manage specific oil and gas investments on behalf of the Plans, in its capacity as a fiduciary of the Plans, as designated by the PIC or GMIMCo; and (iv) satisfies the definition of "qualified professional asset manager" (QPAM) under Section V(a) of Prohibited Transaction Exemption 84–14 (PTE 84–14, 49 FR 9494, March 13, 1984), except for the fact that either the PIC or GMIMCo retains final approval authority for all oil and gas investments recommended by such fiduciary.

(e) The term "Property" or "Properties" means any oil and gas properties such as long-term leasehold interests in oil and gas producing fields and the oil and gas in place on the properties. Such "Property" may include an interest in the oil and gas wells, platforms, wellheads, piping, as well as the gas gathering system or processing facility through which gas produced from the wells is either transported to the gas pipeline for shipment to various end users or treated before delivery to the end users.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, refer to the notice of proposed exemption published on December 29, 1993 at 58 FR 68958.

EFFECTIVE DATE: The effective date of this exemption is May 8, 1990.

TEMPORARY NATURE OF EXEMPTION: This exemption will be effective for all transactions described herein which have been entered into by the Plans and the Companies since May 8, 1990. However, this exemption will not apply to any transactions which are entered into with the Companies after five years from the date on which this exemption is published in the **Federal Register**.

NOTICE TO INTERESTED PERSONS: The applicant represents that it was unable to notify interested persons within the time period specified in the **Federal Register** notice published on December 29, 1993. The applicant states that all interested persons were notified, in the manner agreed upon between the applicant and the Department, by January 28, 1994. Interested persons were advised that they had until February 28, 1994 to comment on the proposed exemption.

WRITTEN COMMENTS AND MODIFICATIONS: The applicant submitted a comment letter which requests that certain modifications be made to the notice of proposed exemption (the Proposal).

The applicant states that the Plans covered by the exemption should include the Saturn Individual Retirement Plan for Represented Team Members and the Saturn Personal Choices Retirement Plan for Non-Represented Team Members (the Saturn Plans), whose assets are now included in the trusts which hold the assets of the other Plans sponsored by GMC and its subsidiaries or affiliated companies. The applicant has confirmed that the participants of the Saturn Plans received notice of the proposed exemption in the same manner and during the same time period as the other participants of the Plans. Therefore, the Department has modified the Proposal to include such Plans.

With respect to the Summary of Facts and Representations in the Proposal (the Summary), the applicant wishes to add the following additional information for purposes of clarification:

First, Paragraph 1of the Summary should state that Mellon Bank, N.A. (Mellon), in addition to Bankers Trust Company, is a trustee of the Plans. However, Mellon does not have any discretionary authority over the investment management of the assets held in the Plans relating to the subject transactions.

Second, Paragraph 6 of the Summary should be clarified to reflect the following:

(a) The Company may receive additional compensation, in the form of operating fees, if the Company operates some or all of the Properties pursuant to agreements with the Plans which allow the Company to operate the Properties (Operating Agreements). In addition, a conveyance of a NPI (the Conveyance) may allow the Company to recoup certain general or administrative expenses incurred by the Company as WI owner of the Properties. Such

operating fees or expenses are disclosed in detail in the Operating Agreement and the Conveyance, respectively, and are not subject to arbitrary changes by the Company. The applicant states that increases in any operating fees generally involve expenses related to the operation of a Property and are not related to any element of operation within the Company's control, such as the ability to increase the level of production on a Property. The nature and extent of any operating fees under an Operating Agreement, and any general or administrative expenses under a Conveyance, will be reviewed, approved and monitored by the 'qualified oil and gas investment manager" acting for the Plans.[2]

(b) The Company's annual report provided to the Plans containing detailed information on the Company's activities with respect to the Properties during the preceding year is not "audited" by the "qualified oil and gas investment manager" each year, but is "audited" at intervals recommended by the investment manager and authorized by GMIMCo. However, the "qualified oil and gas investment manager" will review the information throughout the year for problems or mistakes which will be corrected by the Company.

Paragraph 10 of the Summary should be clarified to reflect the fact that, as previously noted, the Company may receive additional compensation for operating the Properties in the form of operating fees pursuant to an Operating Agreement and may recoup certain general or administrative expenses as permitted by the Conveyance.

Paragraph 12 of the Summary should be clarified to reflect the fact that GMIMCo has appointed other "qualified oil and gas investment managers" for the Plans, in addition to RPI Institutional Services, Inc., and such managers have met all the requirements of Section III(d) of the Proposal.

Paragraph 14 of the Summary should be clarified to reflect the correct NPI sharing percentages of the May 8, 1990 NPI transaction with Callon Offshore Production Inc. (Callon). The applicant states that although the Plans did in fact pay 98% of the $28 million purchase price, the Plans received a 98% NPI in the Properties which will continue until the Plans recoup their entire share of the purchase price. After the Plans receive their entire investment in the NPI acquisition, there will be a reversion to an 88% NPI for the Plans at that point in time. The applicant believes that this clarification is important because the Plans will receive all of their investment in the Properties before Callon is able to collect from its additional NPI percentage.

The Department also received eleven comment letters from participants in the Plans regarding the Proposal. Two of the commenters were opposed to the granting of the exemption. One of these commenters was concerned that the oil and gas transactions are risky investments for the Plans and that any appraisal of such assets by the Plans may be overvalued. The other commenter stated that he was opposed to the exemption because GMC may either knowingly or unknowingly exercise a controlling influence over various oil and gas suppliers when it buys oil and gas to meet its own energy needs and that such influence may be to the detriment of the Plans' oil and gas investments. This commenter also stated that GMC's oil and gas purchasing power could be used to affect certain local markets. Many of the Commenters stated that they supported the granting of the exemption, but only if GMC offers an "early retirement package" to all salaried employees, regardless of job classification, that meet certain age and service criteria. Some of these commenters noted that notices regarding the Proposal were posted late and that interested persons were not given enough time to reply.

By letter dated March 18, 1994, the applicant responded to these comments.

First, with respect to the comment that oil and gas transactions are risky investments for the Plans and that appraisals of such assets may be overvalued, the applicant states that the subject transactions under the terms and conditions described in the Proposal are in the best interests of the Plans and their participants and beneficiaries. The applicant represents that oil and gas investments can be reasonable and appropriate for a large pension plan, such as the Plans, and that the subject transactions have been and will continue to be carefully monitored by GMIMCo. The oil and gas transactions by the Plans under the requested exemption will represent only a small percentage of each Plan's total assets (see Section II(i) above) and the existing investments have yielded the Plans a high rate of return (see Paragraph 11 of the Summary). The applicant states that any activity by GMIMCo or the "qualified oil and gas investment manager" acting for the Plans that is outside the scope of activity described to the Department in the Proposal, including any methods for overvaluing the fair market value of proposed or existing oil and gas assets of the Plans, would be a breach of fiduciary duty in violation of the Act. In addition, such activity would be outside the scope of the conditions of the Proposal and would not be subject to the prohibited transaction relief which would be afforded by the exemption.

Second, regarding the comment that GMC may exercise a controlling influence over various oil and gas suppliers when GMC buys oil and gas to meet its own energy needs and that such influence may be to the detriment of the Plans' oil and gas investments, the applicant states that the comment is without merit and is inconsistent with the facts and representations contained in the Proposal. The applicant maintains that GMC has a de minimus involvement with any oil and gas suppliers when acquiring oil and gas to run its own operations. With respect to GMC's relationship to any such suppliers in the subject oil and gas transactions by the Plans, the applicant states that the definition of "Company" in Section III(a) of the Proposal excludes any operating company or partnership which is related to GMC or its affiliates. In addition, the oil and gas investments covered by the Proposal involve the Plans' in a passive investment role, with very limited control over the actual sale or distribution of oil and gas obtained from the Properties.

Third, with respect to whether notification of interested persons was adequate and timely, the applicant states that all notices, together with copies of the Proposal as published in the **Federal Register** on December 29, 1993, were posted and distributed by GMC in all primary business locations on or prior to January 28, 1994. In addition, each of the appropriate unions received copies of the notices and the Proposal. These notices, a copy of which has been submitted to the Department by the applicant, informed interested persons of their right to comment on the Proposal in writing to the Department on or before February 28, 1994. An authorized representative of GMC has provided the Department with a declaration under penalty of perjury attesting to the truth of the information regarding GMC's notice to interested persons as required by the Department's regulations (see 29 CFR 2570.43). Thus, the applicant represents that GMC has complied with the Department's exemption procedures regarding notification of interested

[2] The applicant states that any fees or expenses received by a Company for operation of a Property in connection with a NPI owned by the Plans will meet section 408(b)(2) of the Act. However, the Department is providing no opinion as to whether payment of any fees or expenses to a Company under the circumstances described herein would meet section 408(b)(2) of the Act and the regulations thereunder (see 29 CFR 2550.408b–2).

persons in the manner agreed to between the applicant and the Department.

Fourth, with respect to comments which linked the Proposal to GMC providing an early retirement benefits package to its employees, the applicant states that matters concerning the eligibility of Plan participants to certain benefits are totally unrelated to the Proposal. Since the Proposal only involves investing assets of the Plans in specific oil and gas investments and has nothing to do with any early retirement benefits for GMC employees, the applicant requests that the Department not link the granting of an exemption to any requirement that GMC provide early retirement benefits for its employees.

The Department agrees with the applicant that the merits of granting an exemption for the subject oil and gas investments by the Plans should be judged independent of any decisions by GMC regarding the eligibility of participants to certain benefits under the terms of the Plans. In addition, the Department believes that the applicant has adequately addressed all of the issues raised by the commenters and that the subject oil and gas transactions, under the terms and conditions described herein, are in the interests and protective of the Plans and their participants and beneficiaries.

Accordingly, after consideration of the entire record, the Department has determined to grant the exemption as modified.

FOR FURTHER INFORMATION CONTACT: Mr. E.F. Williams of the Department at (202) 219–8194. (This is not a toll-free number.)

Alberici Companies Retirement Plan (the Plan) Located in St. Louis, Missouri

[Prohibited Transaction Exemption 94–46; Application No. D–9633]

Exemption

The restrictions of sections 406(a), 406 (b)(1) and (b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1) (A) through (E) of the Code shall not apply to the cash sale (the Sale) by the Plan of Group Annuity Policy No. GA–3363 (the GAP) issued by the New England Life Insurance Company (New England Life) to Alberici Corporation, the Plan sponsor and a party in interest with respect to the Plan; provided that the following conditions are satisfied: (1) The Sale is a one-time transaction for cash; (2) the Plan receives no less than the fair market value of the GAP at the time of the Sale or, the cost of the GAP to the Plan, whichever is greater; (3) the Plan does not suffer any loss nor incur any expenses in connection with the transaction; and (4) the Trustees of the Plan have determined that the proposed transaction is appropriate for and in the best interests of the Plan and its participants and beneficiaries.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, refer to the notice of proposed exemption published on April 22, 1994 at 59 FR 19254.

FOR FURTHER INFORMATION CONTACT: Ms. Virginia J. Miller of the Department, telephone (202) 219–8971. (This is not a toll-free number.)

Laney & Duke Terminal Warehouse Co., Inc. Profit Sharing Plan and Trust (the Plan) Located in Jacksonville, Florida

[Prohibited Transaction Exemption 94–48; Exemption Application No. D–9552]

Exemption

The restrictions of sections 406(a), 406 (b)(1) and (b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1) (A) through (E) of the Code, shall not apply to the sale of two adjacent commercial buildings (collectively; the Buildings) by the Plan to Laney & Duke Terminal Warehouse Co. Inc. (the Employer), the Plan sponsor and a party in interest with respect to the Plan; provided that the following conditions are satisfied:

(1) The Plan will receive the greater of: (1) $1,958,000, representing the Plan's total investment in the Buildings; or (2) the aggregate fair market value of the Buildings as determined at the time of the sale by an independent, qualified appraiser;

(2) The sale will be a one-time transaction; and

(3) The Plan will pay no costs or commissions as a result of this transaction.

For a more complete statement of facts and representations supporting the Department's decision to grant this exemption refer to the notice of proposed exemption published on April 22, 1994 at 59 FR 19252/19253.

FOR FURTHER INFORMATION CONTACT: Ekaterina A. Uzlyan of the Department, telephone (202) 219–8883. (This is not a toll-free number.)

Atlanta Consulting Group, Inc. Retirement Plan (the Plan) Located in Atlanta, Georgia

[Prohibited Transaction Exemption 94–49; Exemption Application No. D–9638]

Exemption

The restrictions of section 406(a), 406 (b)(1) and (b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1) (A) through (E) of the Code, shall not apply to the cash sale (the Sale) of certain shares of stock (the Stock) from the Plan to Atlanta Consulting Group, Inc., a party in interest with respect to the Plan.

This exemption is conditioned upon the following requirements: (1) All terms and conditions of the Sale are at least as favorable to the Plan as those obtainable in an arm's-length transaction; (2) the Sale is a one-time cash transaction; (3) the Plan is not required to pay any commissions, costs or other expenses in connection with the Sale; and (4) the Plan receives a sales price equal to the greater of: (a) The fair market value of the Stock on the date of the Sale; or (b) the Stock's original acquisition price of $25,000.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption refer to the Notice published on April 22, 1994 at 59 FR 19260.

FOR FURTHER INFORMATION CONTACT: Kathryn Parr of the Department, telephone (202) 219–8971. (This is not a toll-free number.)

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) These exemptions are supplemental to and not in derogation of, any other provisions of the Act and/

or the Code, including statutory or administrative exemptions and transactional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(3) The availability of these exemptions is subject to the express condition that the material facts and representations contained in each application are true and complete and accurately described all material terms of the transaction which is the subject of the exemption. In the case of continuing exemption transactions, if any of the material facts or representations described in the application change after the exemption is granted, the exemption will cease to apply as of the date of such change. In the event of any such change, application for a new exemption may be made to the Department.

Signed at Washington, DC, this 7th day of June 1994.

Ivan Strasfeld,

Director of Exemption Determinations, Pension and Welfare Benefits Administration, U.S. Department of Labor.

[FR Doc. 94–14169 Filed 6–9–94; 8:45 am]

BILLING CODE 4510–29–M

[Application No. D–9681, et al.]

Proposed Exemptions; NatWest Securities Corporation, Inc.

AGENCY: Pension and Welfare Benefits Administration, Labor.

ACTION: Notice of Proposed Exemptions.

SUMMARY: This document contains notices of pendency before the Department of Labor (the Department) of proposed exemptions from certain of the prohibited transaction restriction of the Employee Retirement Income Security Act of 1974 (the Act) and/or the Internal Revenue Code of 1986 (the Code).

Written Comments and Hearing Requests

Unless otherwise stated in the Notice of Proposed Exemption, all interested persons are invited to submit written comments, and with respect to exemptions involving the fiduciary prohibitions of section 406(b) of the Act, requests for hearing within 45 days from the date of publication of this **Federal Register** notice. Comments and request for a hearing should state: (1) The name, address, and telephone number of the person making the comment or request, and (2) the nature of the person's interest in the exemption and the manner in which the person would be adversely affected by the exemption. A request for a hearing must also state the issues to be addressed and include a general description of the evidence to be presented at the hearing. A request for a hearing must also state the issues to be addressed and include a general description of the evidence to be presented at the hearing.

ADDRESSES: All written comments and request for a hearing (at least three copies) should be sent to the Pension and Welfare Benefits Administration, Office of Exemption Determinations, room N–5649, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210. Attention: Application No. stated in each Notice of Proposed Exemption. The applications for exemption and the comments received will be available for public inspection in the Public Documents Room of Pension and Welfare Benefits Administration, U.S. Department of Labor, room N–5507, 200 Constitution Avenue, NW., Washington, DC 20210.

Notice to Interested Persons

Notice of the proposed exemptions will be provided to all interested persons in the manner agreed upon by the applicant and the Department within 15 days of the date of publication in the **Federal Register.** Such notice shall include a copy of the notice of proposed exemption as published in the **Federal Register** and shall inform interested persons of their right to comment and to request a hearing (where appropriate).

SUPPLEMENTARY INFORMATION: The proposed exemptions were requested in applications filed pursuant to section 408(a) of the Act and/or section 4975(c)(2) of the Code, and in accordance with procedures set forth in 29 CFR part 2570, subpart B (55 FR 32836, 32847, August 10, 1990). Effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978 (43 FR 47713, October 17, 1978) transferred the authority of the Secretary of the Treasury to issue exemptions of the type requested to the Secretary of Labor. Therefore, these notices of proposed exemption are issued solely by the Department.

The applications contain representations with regard to the proposed exemptions which are summarized below. Interested persons are referred to the applications on file with the Department for a complete statement of the facts and representations.

NatWest Securities Corporation, Inc. (NatWest) Located in New York, New York

[Application No. D–9681]

Proposed Exemption

I. Transactions

A. Effective December 22, 1993, the restrictions of sections 406(a) and 407(a) of the Act and the taxes imposed by section 4975(a) and (b) of the Code by reason of section 4975(c)(1)(A) through (D) of the Code shall not apply to the following transactions involving trusts and certificates evidencing interests therein:

(1) The direct or indirect sale, exchange or transfer of certificates in the initial issuance of certificates between the sponsor or underwriter and an employee benefit plan when the sponsor, servicer, trustee or insurer of a trust, the underwriter of the certificates representing an interest in the trust, or an obligor is a party in interest with respect to such plan;

(2) The direct or indirect acquisition or disposition of certificates by a plan in the secondary market for such certificates; and

(3) The continued holding of certificates acquired by a plan pursuant to subsection I.A.(1) or (2).

Notwithstanding the foregoing, section I.A. does not provide an exemption from the restrictions of sections 406(a)(1)(E), 406(a)(2) and 407 for the acquisition or holding of a certificate on behalf of an Excluded Plan by any person who has discretionary authority or renders investment advice with respect to the assets of that Excluded Plan.[1]

B. Effective December 22, 1993, the restrictions of sections 406(b)(1) and 406(b)(2) of the Act and the taxes imposed by section 4975(a) and (b) of the Code by reason of section 4975(c)(1)(E) of the Code shall not apply to:

(1) The direct or indirect sale, exchange or transfer of certificates in the initial issuance of certificates between the sponsor or underwriter and a plan when the person who has discretionary authority or renders investment advice with respect to the investment of plan assets in the certificates is (a) an obligor with respect to 5 percent or less of the fair market value of obligations or receivables contained in the trust, or (b) an affiliate of a person described in (a); if:

[1] Section I.A. provides no relief from sections 406(a)(1)(E), 406(a)(2) and 407 for any person rendering investment advice to an Excluded Plan within the meaning of section 3(21)(A)(ii) and regulation 29 CFR 2510.3–21(c).

(i) The plan is not an Excluded Plan;

(ii) solely in the case of an acquisition of certificates in connection with the initial issuance of the certificates, at least 50 percent of each class of certificates in which plans have invested is acquired by persons independent of the members of the Restricted Group and at least 50 percent of the aggregate interest in the trust is acquired by persons independent of the Restricted Group;

(iii) A plan's investment in each class of certificates does not exceed 25 percent of all of the certificates of that class outstanding at the time of the acquisition; and

(iv) Immediately after the acquisition of the certificates, no more than 25 percent of the assets of a plan with respect to which the person has discretionary authority or renders investment advice are invested in certificates representing an interest in a trust containing assets sold or serviced by the same entity.[2] For purposes of this paragraph B.(1)(iv) only, an entity will not be considered to service assets contained in a trust if it is merely a subservicer of that trust;

(2) The direct or indirect acquisition or disposition of certificates by a plan in the secondary market for such certificates, provided that the conditions set forth in paragraphs B.(1)(i), (iii) and (iv) are met; and

(3) The continued holding of certificates acquired by a plan pursuant to subsection I.B.(1) or (2).

C. Effective December 22, 1993, the restrictions of sections 406(a), 406(b) and 407(a) of the Act, and the taxes imposed by section 4975 (a) and (b) of the Code by reason of section 4975(c) of the Code, shall not apply to transactions in connection with the servicing, management and operation of a trust; provided:

(1) Such transactions are carried out in accordance with the terms of a binding pooling and servicing arrangement; and

(2) The pooling and servicing agreement is provided to, or described in all material respects in the prospectus or private placement memorandum provided to, investing plans before they purchase certificates issued by the trust.[3]

Notwithstanding the foregoing, section I.C. does not provide an exemption from the restrictions of section 406(b) of the Act or from the taxes imposed by reason of section 4975(c) of the Code for the receipt of a fee by a servicer of the trust from a person other than the trustee or sponsor, unless such fee constitutes a "qualified administrative fee" as defined in section III.S.

D. Effective December 22, 1993, the restrictions of sections 406(a) and 407(a) of the Act, and the taxes imposed by sections 4975 (a) and (b) of the Code by reason of sections 4975(c)(1) (A) through (D) of the Code, shall not apply to any transactions to which those restrictions or taxes would otherwise apply merely because a person is deemed to be a party in interest or disqualified person (including a fiduciary) with respect to a plan by virtue of providing services to the plan (or by virtue of having a relationship to such service provider described in section 3(14) (F), (G), (H) or (I) of the Act or section 4975(e)(2) (F), (G), (H) or (I) of the Code), solely because of the plan's ownership of certificates.

II. General Conditions

A. The relief provided under part I is available only if the following conditions are met:

(1) The acquisition of certificates by a plan is on terms (including the certificate price) that are at least as favorable to the plan as they would be in an arm's length transaction with an unrelated party;

(2) The rights and interests evidenced by the certificates are not subordinated to the rights and interests evidenced by other certificates of the same trust;

(3) The certificates acquired by the plan have received a rating at the time of such acquisition that is in one of the three highest generic rating categories from either Standard & Poor's Corporation (S&P's), Moody's Investors Service, Inc. (Moody's), Duff & Phelps Inc. (D&P) or Fitch Investors Service, Inc. (Fitch);

(4) The trustee is not an affiliate of any member of the Restricted Group. However, the trustee shall not be considered to be an affiliate of a servicer solely because the trustee has succeeded to the rights and responsibilities of the servicer pursuant to the terms of a pooling and servicing agreement providing for such succession upon the occurrence of one or more events of default by the servicer;

(5) The sum of all payments made to and retained by the underwriters in connection with the distribution or placement of certificates represents not more than reasonable compensation for underwriting or placing the certificates; the sum of all payments made to and retained by the sponsor pursuant to the assignment of obligations (or interests therein) to the trust represents not more than the fair market value of such obligations (or interests); and the sum of all payments made to and retained by the servicer represents not more than reasonable compensation for the servicer's services under the pooling and servicing agreement and reimbursement of the servicer's reasonable expenses in connection therewith; and

(6) The plan investing in such certificates is an "accredited investor" as defined in Rule 501(a)(1) of Regulation D of the Securities and Exchange Commission under the Securities Act of 1933.

B. Neither any underwriter, placement agent, sponsor, trustee, servicer, insurer, or any obligor, unless it or any of its affiliates has discretionary authority or renders investment advice with respect to the plan assets used by a plan to acquire certificates, shall be denied the relief provided under Part I, if the provision of subsection II.A.(6) above is not satisfied with respect to acquisition or holding by a plan of such certificates, provided that (1) such condition is disclosed in the prospectus or private placement memorandum; and (2) in the case of a private placement of certificates, the trustee obtains a representation from each initial purchaser which is a plan that it is in compliance with such condition, and obtains a covenant from each initial purchaser to the effect that, so long as such initial purchaser (or any transferee of such initial purchaser's certificates) is required to obtain from its transferee a representation regarding compliance with the Securities Act of 1933, any such transferees will be required to make a written representation regarding compliance with the condition set forth in subsection II.A.(6) above.

III. Definitions

For purposes of this exemption:

A. *Certificate* means:

(1) A certificate

(a) That represents a beneficial ownership interest in the assets of a trust; and

(b) That entitles the holder to pass-through payments of principal, interest.

[2] For purposes of this exemption, each plan participating in a commingled fund (such as a bank collective trust fund or insurance company pooled separate account) shall be considered to own the same proportionate undivided interest in each asset of the commingled fund as its proportionate interest in the total assets of the commingled fund as calculated on the most recent preceding valuation date of the fund.

[3] In the case of a private placement memorandum, such memorandum must contain substantially the same information that would be disclosed in a prospectus if the offering of the certificates were made in a registered public offering under the Securities Act of 1933. In the Department's view, the private placement memorandum must contain sufficient information to permit plan fiduciaries to make informed investment decisions.

and/or other payments made with respect to the assets of such trust; or

(2) A certificate denominated as a debt instrument—

(a) That represents an interest in a Real Estate Mortgage Investment Conduit (REMIC) within the meaning of section 860D(a) of the Internal Revenue Code of 1986; and

(b) That is issued by and is an obligation of a trust; with respect to certificates defined in (1) and (2) for which NatWest or any of its affiliates which is subject to the jurisdiction of the United States courts is either (i) the sole underwriter or the manager or co-manager of the underwriting syndicate, or (ii) a selling or placement agent. For purposes of this exemption, references to "certificates representing an interest in a trust" include certificates denominated as debt which are issued by a trust.

B. *Trust* means an investment pool, the corpus of which is held in trust in the United States and consists solely of:

(1) Either

(a) Secured consumer receivables that bear interest or are purchased at a discount (including, but not limited to, home equity loans and obligations secured by shares issued by a cooperative housing association);

(b) Secured credit instruments that bear interest or are purchased at a discount in transactions by or between business entities (including, but not limited to, qualified equipment notes secured by leases, as defined in section III.T);

(c) Obligations that bear interest or are purchased at a discount and which are secured by single-family residential, multi-family residential and commercial real property, (including obligations secured by leasehold interests on commercial real property);

(d) Obligations that bear interest or are purchased at a discount and which are secured by motor vehicles or equipment, or qualified motor vehicle leases (as defined in section III.U);

(e) "Guaranteed governmental mortgage pool certificates," as defined in 29 CFR 2510.3–101(i)(2);

(f) Fractional undivided interests in any of the obligations described in clauses (a)-(e) of this section B.(1);

(2) Property which had secured any of the obligations described in subsection B.(1);

(3) Undistributed cash or temporary investments made therewith maturing no later than the next date on which distributions are to be made to certificateholders; and

(4) rights of the trustee under the pooling and servicing agreement, and rights under any insurance policies, third-party guarantees, contracts of suretyship and other credit support arrangements with respect to any obligations described in subsection B.(1).

Notwithstanding the foregoing, the term "trust" does not include any investment pool unless: (1) The investment pool consists only of assets of the type which have been included in other investment pools, (ii) certificates evidencing interests in such other investment pools have been rated in one of the three highest generic rating categories by S&P's, Moody's, D&P, or Fitch for at least one year prior to the plan's acquisition of certificates pursuant to this exemption.

C. *Underwriter* means:

(1) NatWest;

(2) Any person directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with NatWest; or

(3) Any member of an underwriting syndicate or selling group of which NatWest or a person described in (2) is a manager or co-manager with respect to the certificates.

D. *Sponsor* means the entity that organizes a trust by depositing obligations therein in exchange for certificates.

E. *Master Service* means the entity that is a party to the pooling and servicing agreement relating to trust assets and is fully responsible for servicing, directly or through subservicers, the assets of the trust.

F. *Subservicer* means an entity which, under the supervision of and on behalf of the master servicer, services receivables contained in the trust, but is not a party to the pooling and servicing agreement.

G. *Servicer* means any entity which services receivables contained in the trust, including the master servicer and any subservicer.

H. *Trustee* means the trustee of the trust, and in the case of certificates which are denominated as debt instruments, also means the trustee of the indenture trust.

I. *Insurer* means the insurer or guarantor of, or provider of other credit support for, a trust.

Notwithstanding the foregoing, a person is not an insurer solely because it holds securities representing an interest in a trust which are of a class subordinated to certificates representing an interest in the same trust.

J. *Obligor* means any person, other than the insurer, that is obligated to make payments with respect to any obligation or receivable included in the trust. Where a trust contains qualified motor vehicle leases or qualified equipment notes secured by leases, *obligor* shall also include any owner of property subject to any lease included in the trust, or subject to any lease securing an obligation included in the trust.

K. *Excluded Plan* means any plan with respect to which any member of the Restricted Group is a "plan sponsor" within the meaning of section 3(16)(B) of the Act.

L. *Restricted Group* with respect to a class of certificates means:

(1) Each underwriter;

(2) Each insurer;

(3) The sponsor;

(4) The trustee;

(5) Each servicer;

(6) Any obligor with respect to obligations or receivables included in the trust constituting more than 5 percent of the aggregate unamortized principal balance of the assets in the trust, determined on the date of the initial issuance of certificates by the trust; or

(7) Any affiliate of a person described in (1)–(6) above.

M. *Affiliate* of another person includes:

(1) Any person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with such other person;

(2) Any officer, director, partner, employee, relative (as defined in section 3(15) of the Act), a brother, a sister, or a spouse of a brother or sister of such other person; and

(3) Any corporation or partnership of which such other person is an officer, director or partner.

N. *Control* means the power to exercise a controlling influence over the management or policies of a person other than an individual.

O. A person will be "independent" of another person only if:

(1) Such person is not an affiliate of that other person; and

(2) The other person, or an affiliate thereof, is not a fiduciary who has investment management authority or renders investment advice with respect to any assets of such person.

P. *Sale* includes the entrance into a forward delivery commitment (as defined in section Q below), provided:

(1) The terms of the forward delivery commitment (including any fee paid to the investing plan) are no less favorable to the plan than they would be in an arm's length transaction with an unrelated party;

(2) The prospectus or private placement memorandum is provided to an investing plan prior to the time the

plan enters into the forward delivery commitment; and

(3) At the time of the delivery, all conditions of this exemption applicable to sales are met.

Q. *Forward delivery commitment* means a contract for the purchase of sale of one or more certificates to be delivered at an agreed future settlement date. The term includes both mandatory contracts (which contemplate obligatory delivery and acceptance of the certificates) and optional contracts (which give one party the right but not the obligation to deliver certificates to, or demand delivery of certificates from, the other party).

R. *Reasonable compensation* has the same meaning as that term is defined in 29 CFR 2550.408c–2.

S. *Qualified Administrative Fee* means a fee which meets the following criteria:

(1) The fee is triggered by an act or failure to act by the obligor other than the normal timely payment of amounts owing in respect of the obligations;

(2) The servicer may not charge the fee absent the act or failure to act referred to in (1);

(3) The ability to charge the fee, the circumstances in which the fee may be charged, and an explanation of how the fee is calculated are set forth in the pooling and servicing agreement; and

(4) The amount paid to investors in the trust will not be reduced by the amount of any such fee waived by the servicer.

T. *Qualified Equipment Note Secured By A Lease* means an equipment note:

(a) Which is secured by equipment which is leased;

(b) Which is secured by the obligation of the lessee to pay rent under the equipment lease; and

(c) With respect to which the trust's security interest in the equipment is at least as protective of the rights of the trust as the trust would have if the equipment note were secured only by the equipment and not the lease.

U. *Qualified Motor Vehicle Lease* means a lease of a motor vehicle where:

(a) The trust holds a security interest in the lease;

(b) The trust holds a security interest in the leased motor vehicle; and

(c) The trust's security interest in the leased motor vehicle is at least as protective of the trust's rights as the trust would receive under a motor vehicle installment loan contract.

V. *Pooling and Servicing Agreement* means the agreement or agreements among a sponsor, a servicer and the trustee establishing a trust. In the case of certificates which are denominated as debt instruments, "Pooling and Servicing Agreement" also includes the indenture entered into by the trustee of the trust issuing such certificates and the indenture trustee.

EFFECTIVE DATE: This exemption, if granted, will be effective for transactions occurring on or after December 22, 1993.

Summary of Facts and Representations

1. NatWest is a corporation incorporated under the laws of the State of New York on March 28, 1986. NatWest, together with its affiliate NatWest International Securities, Inc. (NatWest International) is a broker-dealer registered as such under the Securities and Exchange Act of 1934, as amended. NatWest is an indirect wholly-owned subsidiary of National Westminster Bank Plc (NatWest Plc U.K.), an English banking institution. NatWest Plc U.K. operates in the United States through NatWest Bank Plc, N.Y. Branch (NatWest Bank Plc), which is a New York State licensed branch of NatWest Plc U.K. It derives its basic powers from the New York Banking law and is subject to the supervision of the New York Banking Department.

NatWest Capital Markets Ltd. (NatWest Capital) and NatWest Securities Ltd. (NatWest Securities) are registered and authorized as broker-dealers in the United Kingdom. NatWest Plc U.K., through its various affiliates, maintains a long-standing investment banking presence in key financial centers around the world, and is active on a global basis in dealing, making markets and distribution of a broad range of debt and equity securities of both governmental and private issuers, and has capabilities worldwide in corporate finance, financial advisory, foreign exchange transactions and asset securitization.

NatWest Plc U.K., NatWest Bank Plc, and their non-U.S. affiliates are active in structuring asset securitization transactions, both within the U.S. and overseas, which can involve facilitating or providing credit enhancement or placement agent services, in connection with the issuance and placement of asset-backed instruments in the form of medium-term notes, commercial paper or bank syndicated loans.

The U.K.-based NatWest affiliates have participated outside the U.S. in the underwriting or placement of mortgage-backed securities relating to U.K. mortgage loans.

Within the U.S., the underwriting and distribution activities of the NatWest affiliates have been limited to acting in a pure brokerage capacity for its U.S. institutional client base, and (through NatWest Bank Plc) acting as placement agent. NatWest Bank Plc is authorized under section 200 of the New York Banking to act as placement agent with respect to mortgage-backed and asset-backed securities (as well as other debt and equity securities). With respect to mortgage-backed or asset-backed securities transactions, NatWest Bank Plc acted on December 22, 1993, as the placement agent of certain privately placed mortgage-backed pass-through certificates for SWP Mortgage Securities Trust 1993–A, the assets of which consisted of multifamily apartment building mortgage loans sold by SWP Depositor, Inc. to the trust. NatWest requests that the exemption proposed herein apply to any and all transactions relating to the sale, holding and transfer of the pass-through certificates issued by that trust and the operation of that trust, including the servicing of its assets.

With respect to distributions or placements within the U.S., NatWest Capital and NatWest Securities may act as placement agent or underwriter (through the U.S.-based NatWest affiliates acting in an agency capacity or as brokers) with respect to mortgage-backed and asset-backed securities (as well as other debt and equity securities), consistent with the Federal Reserve Board's Regulation K (12 CFR section 211) and relevant U.S. securities laws and regulations. NatWest and/or NatWest International may in the future be making application to the Federal Reserve Board for authority (Section 20 Authority) and bank regulatory approval to act as placement agent and to underwrite and deal in mortgage-backed and asset-backed securities (as well as other debt and equity securities) under Section 20 of the Glass-Steagall Act (12 U.S.C. at 377). In the event that NatWest and/or NatWest International make such application to the Federal Reserve Board and receive Section 20 Authority, NatWest requests that the exemption proposed herein apply to the private placement and underwriting activities of NatWest and/or NatWest International.[4]

NatWest represents that any of its affiliates which acts as underwriter or placement agent with respect to a transaction for which the exemption proposed herein would be relied on will be subject to the jurisdiction of the United States courts (either because it is a U.S. entity, or, in the event that a foreign affiliate acts as underwriter or placement agent with respect to any such transaction, because the foreign

[4] As described herein, the term "NatWest" refers to NatWest and its affiliates unless the context otherwise requires.

affiliate will consent to personal jurisdiction in the U.S. courts. NatWest represents that in the event a foreign affiliate of NatWest acts as underwriter or placement agent, any sales of certificates to a plan will be effected through a U.S. entity (including NatWest or an affiliate) acting as an agent or broker. Further, NatWest represents that all sales of certificates that are effected in reliance on the exemption proposed herein will comply with applicable federal and state law.

Trust Assets

2. NatWest seeks exemptive relief to permit plans to invest in pass-through certificates representing undivided interests in the following categories of trusts: (1) Single and multi-family residential or commercial mortgage investment trusts;[5] (2) motor vehicle receivable investment trusts; (3) consumer or commercial receivables investment trusts; and (4) guaranteed governmental mortgage pool certificate investment trusts.[6]

3. Commercial mortgage investment trusts may include mortgages on ground leases or real property. Commercial mortgages are frequently secured by ground leases on the underlying property, rather than by fee simple interests. The separation of the fee simple interest and the ground lease interest is generally done for tax reasons. Properly structured, the pledge of the ground lease to secure a mortgage provides a lender with the same level of security as would be provided by a pledge of the related fee simple interest. The terms of the ground leases pledged to secure leasehold mortgages will in all cases be at least ten years longer than the term of such mortgages.[7]

Trust Structure

4. Each trust is established under a pooling and servicing agreement between a sponsor, a servicer and a trustee. The sponsor or servicer of a trust selects assets to be included in the trust. These assets are receivables which may have been originated, in the ordinary course of business, by a sponsor or servicer of the trust, an affiliate of the sponsor or servicer, or by an unrelated lender and subsequently acquired by the trust sponsor or servicer.

On or prior to the closing date, the sponsor acquires legal title to all assets selected for the trust, establishes the trust and designates an independent entity as trustee. On the closing date, the sponsor conveys to the trust legal title to the assets, and the trustee issues certificates representing fractional undivided interests in the trust assets. NatWest, or one or more broker-dealers (which may include NatWest), acts (or may act in the future) as underwriter or placement agent with respect to the sale of the certificates. In addition, NatWest anticipates privately placing certificates on both a firm commitment and an agency basis.

Certificateholders are entitled to receive monthly, quarterly or semi-annually installments of principal and/or interest, or lease payments due on the receivables, adjusted, in the case of payments of interest, to a specified rate—the pass-through rate—which may be fixed or variable.

When installments or payments are made on a semi-annual basis, funds are not permitted to be commingled with the servicer's assets for longer than would be permitted for a monthly-pay security. A segregated account is established in the name of the trustee (on behalf of certificateholders) to hold funds received between distribution dates. The account is under the sole control of the trustee, who invests the account's assets in short-term securities which have received a rating comparable to the rating assigned to the certificates. In some cases, the servicer may be permitted to make a single deposit into the account once a month. When the servicer makes such monthly deposits, payments received from obligors by the servicer may be commingled with the servicer's assets during the month prior to deposit. In no event will the period of time between the receipt of funds by the servicer and deposit of these funds in a segregated account exceed 45 days. Furthermore, in those cases where distributions are made semi-annually, the servicer will furnish a report on the operation of the trust to the trustee on a monthly basis. At or about the time this report is delivered to the trustee, it will be made available to certificateholders and delivered to or made available to each rating agency that has rated the certificates.

5. Some of the certificates will be multi-class certificates. NatWest requests exemptive relief for two types of multi-class certificates: "Strip" certificates and "fast-pay/slow-pay" certificates. Strip certificates are a type of security in which the stream of interest payments on receivables is split from the flow of principal payments and separate classes of certificates are established, each representing rights to disproportionate payments of principal and interest.[8]

"Fast-pay/slow-pay" certificates involve the issuance of classes of certificates having different stated maturities or the same maturities with different payment schedules. Interest and/or principal payments received on the underlying receivables are distributed first to the class of certificates having the earliest stated maturity of principal and/or earlier payment schedule, and only when that class of certificates has been paid in full (or has received a specified amount) will distributions be made with respect to the second class of certificates. Distributions on certificates having later stated maturities will proceed in like manner until all the certificateholders have been paid in full. The only difference between this multi-class pass-through arrangement and a single-class pass-through arrangement is the order in which distributions are made to certificateholders. In each case, certificateholders will have a beneficial ownership interest in the underlying assets. In neither case will the rights of a plan purchasing certificates be subordinated to the rights of another

[5] The Department notes that Prohibited Transaction Exemption (PTE) 83–1 (48 FR 895, January 7, 1983) a class exemption for mortgage pool investment trusts, would generally apply to trusts containing single-family residential mortgages, provided that the applicable conditions of PTE 83–1 are met. NatWest and its affiliates request relief for single-family residential mortgages in this exemption because it would prefer one exemption for all trusts of similar structure. However, NatWest and its affiliates have stated that they may still avail themselves of the exemptive relief provided by PTE 83–1.

[6] Guaranteed governmental mortgage pool certificates are mortgage-backed securities with respect to which interest and principal payable is guaranteed by the Governmental National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), or the Federal National Mortgage Association (FNMA). The Department's regulation relating to the definition of plan assets (29 CFR 2510.3–101(i)) provides that where a plan acquires a guaranteed governmental mortgage pool certificate, the plan's assets include the certificate and all of its rights with respect to such certificate under applicable law, but do not, solely by reason of the plan's holding of such certificate, include any of the mortgages underlying such certificate. The applicant is requesting exemptive relief for trusts containing guaranteed governmental mortgage pool certificates because the certificates in the trusts may be plan assets.

[7] Trust assets may also include obligations that are secured by leasehold interests on residential real property. See PTE 90–32 involving Prudential-Bache Securities, Inc. (55 FR 23147, June 6, 1990) at 23150.

[8] It is the Department's understanding that where a plan invests in REMIC "residential" interest certificates to which this exemption applies, some of the income received by the plan as a result of such investment may be considered unrelated business taxable income to the plan, which is subject to income tax under the Code. The Department emphasizes that the prudence requirements of section 404(a)91)(B) of the Act would require plan fiduciaries to carefully consider this and other tax consequences prior to causing plan assets to be invested in certificates pursuant to this exemption.

certificateholder in the event of default on any of the underlying obligations. In particular, if the amount available for distribution to certificateholders is less than the amount required to be so distributed, all senior certificateholders will share in the amount distributed on pro rata basis.[9]

6. For tax reasons, the trust must be maintained as an essentially passive entity. Therefore, both the sponsor's discretion and the servicer's discretion with respect to assets included in a trust are severely limited. Pooling and servicing agreements provide for the substitution of receivables by the sponsor only in the event of defects in documentation discovered within a short time after the issuance of trust certificates (within 120 days, except in the case of obligations having an original term of 30 years, in which case the period will not exceed two years). Any receivable so substituted is required to have characteristics substantially similar to the replaced receivable and will be at least as creditworthy as the replaced receivable.

In some cases, the affected receivable would be repurchased, with the purchase price applied as a payment on the affected receivable and passed through to certificateholders.

Parties to Transactions

7. The *originator* of a receivable is the entity that initially lends money to a borrower (obligor), such as a homeowner or automobile purchaser, or leases property to a lessee. The originator may either retain a receivable in its portfolio or sell it to a purchaser, such as a trust sponsor.

Originators of receivables included in the trusts will be entities that originate receivables in the ordinary course of their business, including finance companies, for whom such origination constitutes the bulk of their operations, financial institutions for whom such origination constitutes a substantial part of their operations, and any kind of manufacturer, merchant, or service enterprise for whom such origination is an incidental part of its operations. Each trust may contain assets of one or more originators. The originator of the receivables may also function as the trust sponsor or servicer.

8. The *sponsor* will be one of three entities: (i) A special-purpose or other corporation unaffiliated with the servicer, (ii) a special-purpose or other corporation affiliated with the servicer, or (iii) the servicer itself. Where the sponsor is not also the servicer, the sponsor's role will generally be limited to acquiring the receivables to be included in the trust, establishing the trust, designating the trustee, and assigning the receivables to the trust.

9. The *trustee* of a trust is the legal owner of the obligations in the trust. The trustee is also a party to or beneficiary of all the documents and instruments deposited in the trust, and as such is responsible for enforcing all the rights created thereby in favor of certificateholders.

The trustee will be an independent entity, and therefore will be unrelated to NatWest, the trust sponsor or the servicer. NatWest represents that the trustee will be a substantial financial institution or trust company experienced in trust activities. The trustee receives a fee for its services, which will be paid by the sponsor or servicer. The method of compensating the trustee will be specified in the pooling and servicing agreement and disclosed in the prospectus or private placement memorandum relating to the offering of the certificates.

10. The *servicer* of a trust administers the receivables on behalf of the certificateholders. The servicer's functions typically involve, among other things, notifying borrowers of amounts due on receivables, maintaining records of payments received on receivables and instituting foreclosure or similar proceedings in the event of default. In cases where a pool of receivables has been purchased from a number of different originators and deposited in a trust, it is common for the receivables to be "subserviced" by their respective originators and for a single entity to "master service" the pool of receivables on behalf of the owners of the related series of certificates. Where this arrangement is adopted, a receivable continues to be serviced from the perspective of the borrower by the local subservicer, while the investor's perspective is that the entire pool of receivables is serviced by a single, central master servicer who collects payments from the local subservicers and passes them through to certificateholders.

Receivables of the type suitable for inclusion in a trust invariably are serviced with the assistance of a computer. After the sale, the servicer keeps the sold receivables on the computer system in order to continue monitoring the accounts. Although the records relating to sold receivables are kept in the same master file as receivables retrained by the originator, the sold receivables are flagged as having been sold. To protect the investors' interest, the servicer ordinarily covenants that this "sold flag" will be included in all records relating to the sold receivables, including the master file, archives, tape extracts, and printouts.

The sold flags are invisible to the obligor, and do not affect the manner in which the servicer performs the billing, posting and collection procedures relating to the sold receivables. However, the servicer uses the sold flag to identify the receivables for the purpose of reporting all activity on those receivables after their sale to the investors.

Depending on the type of receivable and the details of the servicer's computer system, in some cases the servicer's internal reports can be adapted for investor reporting with little or no modification. In other cases, the servicer may have to perform special calculations to fulfill the investor reporting responsibilities. These calculations can be performed on the servicer's main computer, or on a small computer with data supplied by the main system. In all cases, the numbers produced for the investors are reconciled to the servicer's books and reviewed by public accountants.

The *underwriter* will be registered broker-dealer that acts as underwriter or placement agent with respect to the sale of the certificates. Public offerings of certificates are generally made on a firm commitment or agency basis. Private placements of certificates may be made on a firm commitment or agency basis.

It is anticipated that the lead or co-managing underwriter will make a market in certificates offered to the public.

In some cases, the originator and servicer of receivables to be included in a trust and the sponsor of the trust (though they themselves may be related) will be unrelated to NatWest. In other cases, however, NatWest (directly or through one or more of its U.S. banking affiliates) may originate or service receivables included in a trust, or may sponsor a trust.

Certificate Price, Pass-Through Rate and Fees

11. In some cases, the sponsor will obtain the receivables from various originators pursuant to existing contracts with such originators under which the sponsor will purchase the receivables at fair market value from originator or a finance company pursuant to a purchase and sale agreement related to the specific offering of certificates. In other cases,

[9] If a trust issue subordinate certificates, holders of such subordinate certificates may not share in the amount distributed on a pro rata basis. The Department notes that the exemption does not provide relief for plan investment in such subordinated certificates.

the sponsor will originate the receivables itself.

As compensation for the receivables transferred to the trust, the sponsor receives cash, or certificates representing the entire beneficial interest in the trust. The sponsor sells some or all of these certificates for cash to investors or securities underwriters.

12. The price of the certificates, both in the initial offering and in the secondary market, is affected by market forces including investor demand, the pass-through interest rate on the certificates in relation to the rate payable on investments of similar types and quality, expectations as to the effect on yield resulting from prepayment of underlying receivables, and expectations as to the likelihood of timely payment.

The pass-through rate for certificates is equal to the interest rate on receivables included in the trust minus a specified servicing fee.[10] This rate is generally determined by the same market forces that determine the price of a certificate. The price of a certificate and its pass-through, or coupon rate, together determine the yield to investors. If an investor purchases a certificate at less than par, that discount augments the stated pass-through rate; conversely, a certificate purchased at a premium yields less than the stated coupon.

13. As compensation for performing its servicing duties, the servicer (who may also be the sponsor or an affiliate thereof, and receive fees for acting as sponsor) will retain the difference between payments received on the receivables in the trust and payments payable (at the pass-through rate) to certificateholders, except that in some cases a portion of the payments on receivables may be paid to a third party, such as a fee paid to a provider of credit support. The servicer may receive additional compensation by having the use of the amounts paid on the receivables between the time they are received by the servicer and the time they are due to the trust (which time is set forth in the pooling and servicing agreement). The servicer, typically will be required to pay the administrative expenses of servicing the trust, including in some cases the trustee's fee, out of its servicing compensation.

The servicer is also compensated to the extent it may provide credit enhancement to the trust or otherwise arrange to obtain credit support from another party. This "credit support fee" may be aggregated with other servicing fees, and is either paid in a lump sum at the time the trust is established, or out of the interest income received on the receivables in excess of the pass-through rate.

14. The servicer may be entitled to retain certain administrative fees paid by a third party usually the obligor. These administrative fees fall into three categories: (a) prepayment fees; (b) late payment and payment extension fees; and (c) expenses, fees and charges associated with foreclosure or repossession, or other conversion of a secured position into cash proceeds, upon default of an obligation.

Compensation payable to the servicer will be set forth or referred to in the pooling and servicing agreement and described in reasonable detail in the prospectus or private placement memorandum relating to the certificates.

15. Payments on receivables may be made by obligors to the servicer at various times during the period preceding any date on which pass-through payments to the trust are due. In some cases, the pooling and servicing agreement may permit the servicer to place these payments in non-interest bearing accounts in itself or to commingle such payments with its own funds prior to the distribution dates. In these cases, the servicer would be entitled to the benefit derived from the use of the funds between the date of payment on a receivable and the pass-through date. Commingled payments may not be protected from the creditors of the servicer in the event of the servicer's bankruptcy or receivership. In those instances when payments on receivables are held in non-interest bearing accounts or are commingled with the servicer's own funds, the servicer is required to deposit these payments by a data specified in the pooling and servicing agreement into an account from which the trustee makes payments to certificateholders.

16. The underwriter will receive a fee in connection with the securities underwriting or private placement of certificates. In a fir commitment underwriting this fee would consist of the difference between what the underwriter receives for the certificates that it distributes and what it pays the sponsor for those certificates. In a private placement, the fee normally takes the form of an agency commission paid by the sponsor. In a best efforts underwriting in which the underwriter would sell certificates in a public offering on an agency basis, the underwriter would receive an agency commission rather than a fee based on the difference between the price at which the certificates are sold to the public and what it pays the sponsor. In some private placements the underwriter may buy certificates as principal, in which case its compensation would be the difference between what it receives for the certificates that it sells and what it pays the sponsor for these certificates.

Purchase of Receivables by the Servicer

17. The applicant represents that as the principal amount of the receivables in a trust is reduced by payment, the cost of administering the trust generally increases, making the servicing of the trust prohibitively expensive at some point. Consequently the pooling and servicing agreement generally provides that the servicer may purchase the receivables included in the trust when the aggregate unpaid balance payable on the receivables is reduced to a specified percentage (usually between 5 and 10 percent) of the initial balance.

The repurchase price for such an option is set at a level such that the certificateholders will receive the full amount on all of the receivables held by the trust plus the accrued interest at the pass-through rate plus the full amount of property, if any, that has been required by the trust through collections on or liquidations of the receivables.

Certificate Ratings

18. The certificates will have received one of the three highest ratings available from either S&P's, Moody's, D&P or Fitch. Insurance or other credit support (such as overcollateralization, surety bonds, letter of credit or guarantees) will be obtained by the trust sponsor to the extent necessary for the certificates to attain the desired rating. The amount of this credit support is set by the rating agencies at a level that is a multiple of the worst historical net credit loss experience for the type of obligations included in the issuing trust.

Provision of Credit Support

19. In some cases, the master servicer, or an affiliate of the master servicer, may provide credit support to the trust (i.e., act as an insurer). In these cases, the master servicer, in its capacity as servicer, will first advance funds to the full extent that it determines that such advances will be recoverable (a) out of late payments by the obligors, (b) from the credit support provider (which may be itself) or, (c) in the case of a trust that issues subordinated certificates, from amounts otherwise distributable to holders of subordinated certificates, and the master servicer will advance such funds in a timely manner. In some

[10] The pass-through rate on certificates representing interests in trusts holding leases is determined by breaking down lease payments, into "principal" and "interest" components based on an implicit interest rate.

transactions, the master servicer may not be obligated to advance funds, but instead would be called upon to provide funds to cover defaulted payments to the full extent of its obligations as insurer. Moreover, a master servicer typically can recover advances either from the provider of credit support or from the future payment stream. When the servicer is the provider of the credit support and provides its own funds to cover defaulted payments, it will do so either on the initiative of the trustee, or on its own initiative on behalf of the trustee, but in either event it will provide such funds to cover payments to the full extent of its obligations under the credit support mechanism.

If the master servicer fails to advance funds, fails to call upon the credit support mechanism to provide funds to cover defaulted payments, or otherwise fails in its duties, the trustee would be required and would be able to enforce the certificateholders' rights, as both a party to the pooling and servicing agreement and the owner of the trust estate, including rights under the credit support mechanism. Therefore, the trustee, who is independent of the servicer, will have the ultimate right to enforce the credit support arrangement.

When a master servicer advances funds, the amount so advanced is recoverable by the master servicer out of future payments on receivables held by the trust to the extent not covered by credit support. However, where the master servicer provides credit support to the trust, there are protections in place to guard against a delay in calling upon the credit support to take advantage of the fact that the credit support declines proportionally with the decrease in the principal amount of the obligations in the trust as payments on receivables are passed through to investors. These safeguards include:

(a) There is often a disincentive to postponing credit losses because the sooner repossession or foreclosure activities are commenced, the more value that can be realized on the security for the obligation;

(b) The master servicer has servicing guidelines which include a general policy as to the allowable delinquency period after which an obligation ordinarily will be deemed uncollectible. The pooling and servicing agreement will require the master servicer to follow its normal servicing guidelines and will set forth the master servicer's general policy as to the period of time after which delinquent obligations ordinarily will be considered uncollectible;

(c) As frequently as payments are due on the receivables included in the trust (monthly, quarterly, or semi-annually as set forth in the pooling and servicing agreement), the master servicer is required to report to the independent trustee the amount of all past-due payments and the amount of all servicer advances, along with other current information as to collections on the receivables and draws upon the credit support. Further, the master servicer is required to deliver to the trustee annually a certificate of an executive officer of the master servicer stating that a review of the servicing activities has been made under such officer's supervision, and either stating that the master servicer has fulfilled all of its obligations under the pooling and servicing agreement or, if the master servicer has defaulted under any of its obligations, specifying any such default. The master servicer's reports are reviewed at least annually by independent accountants to ensure that the master servicer is following its normal servicing standards and that the master servicer's reports conform to the master servicer's internal accounting records. The results of the independent accountants' review are delivered to the trustee;

(d) The credit support has a "floor" dollar amount that protects investors against the possibility that a large number of credit losses might occur towards the end of the life of the trust, whether due to servicer advances or any other cause. Once the floor amount has been reached, the master servicer lacks an incentive to postpone the recognition of credit losses because the credit support amount becomes a fixed dollar amount, subject to reduction only for actual draws. From the time that the floor amount is effective until the end of the life of the trust, there are no proportionate reductions in the credit support amount caused by reductions in the pool principal balance. Indeed, since the floor is a fixed dollar amount, the amount of credit support ordinarily increases as a percentage of the pool principal balance during the period that the floor is in effect. The protection provided by a floor dollar amount to the credit support applies particularly where the master servicer and the insurer are affiliated or are the same entity. (An entity should not be considered as insurer solely because it holds subordinated certificates.)

Disclosure

20. In connection with the original issuance of certificates, the prospectus or private placement memorandum will be furnished to investing plans. The prospectus or private placement memorandum will contain information material to a fiduciary's decision to invest in the certificates, including:

(a) Information concerning the payment terms of the certificates, the rating of the certificates, and any material risk factors with respect to the certificates;

(b) A description of the trust as a legal entity and a description of how the trust was formed by the seller/servicer or other sponsor of the transaction;

(c) Identification of the independent trustee for the trust;

(d) A description of the receivables contained in the trust, including the types of receivables, the diversification of the receivables, their principal terms and their material legal aspects;

(e) A description of the sponsor and servicer;

(f) A description of the pooling and servicing agreement, including a description of the seller's principal representations and warranties as to the trust assets and the trustee's remedy for any breach thereof; a description of the procedures for collection of payments on receivables and for making distributions to investors, and a description of the accounts into which such payments are deposited and from which such distributions are made; identification of the servicing compensation and any fees for credit enhancement that are deducted from payments on receivables before distributions are made to investors; a description of periodic statements provided to the trustee, and provided to or made available to investors by the trustee; and a description of the events that constitute events of default under the pooling and servicing contract and a description of the trustee's and the investors' remedies incident thereto;

(g) A description of the credit support;

(h) A general discussion of the principal federal income tax consequences of the purchase, ownership and disposition of the pass-through securities by a typical investor;

(i) A description of the underwriters' and/or placement agent's plan for distributing the pass-through securities to investors; and

(j) Information about the scope and nature of the secondary market, if any, for the certificates.

21. Reports indicating the amount of payments of principal and interest are provided to certificateholders at least as frequently as distributions are made to certificateholders. Certificateholders will also be provided with periodic information statements setting forth material information concerning the underlying assets, including, where applicable, information as to the amount

and number of delinquent and defaulted loans or receivables.

22. In the case of a trust that offers and sells certificates in a registered public offering, the trustee, the servicer or the sponsor will file such periodic reports as may be required to be filed under the Securities Exchange Act of 1934. Although some trusts that offer certificates in a public offering will file quarterly reports on Form 10–Q and Annual Reports on Form 10–K, many trusts obtain, by application to the Securities and Exchange Commission, a complete exemption from the requirement to file quarterly reports on Form 10–Q and a modification of the disclosure requirements for annual reports on Form 10–K. If such an exemption is obtained, these trusts normally would continue to have the obligation to file current reports on Form 8–K to report material developments concerning the trust and the certificates. While the Securities and Exchange Commission's interpretation of the periodic reporting requirements is subject to change, periodic reports concerning a trust will be filed to the extent required under the Securities Exchange Act of 1934.

23. At or about the time distributions are made to certificateholders, a report will be delivered to the trustee as to the status of the trust and its assets, including underlying obligations. Such report will typically contain information regarding the trust's assets, payments received or collected by the servicer, the amount of prepayments, delinquencies, servicer advances, defaults and foreclosures, the amount of any payments made pursuant to any credit support, and the amount of compensation payable to the servicer. Such report also will be delivered to or made available to the rating agency or agencies that have rated the trust's certificates.

In addition, promptly after each distribution date, certificateholders will receive a statement prepared by the trustee summarizing information regarding the trust and its assets. Such statement will include information regarding the trust and its assets, including underlying receivables. Such statement will typically contain information regarding payments and prepayments, delinquencies, the remaining amount of the guaranty or other credit support and a breakdown of payments between principal and interest.

Forward Delivery Commitments

24. NatWest represents that, to date, it has not entered into any forward delivery commitments in connection with the offering of pass-through certificates. However, NatWest states that it may contemplate entering into such commitments. NatWest notes that the utility of forward delivery commitments has been recognized with respect to the offering of similar certificates backed by pools of residential mortgages. As such, NatWest states that it may find it desirable in the future to enter into such commitments for the purchase of certificates.

Secondary Market Transactions

25. NatWest, to the extent it obtains Section 20 Authority (see rep. 1, above) would normally attempt to make a market for securities for which it is lead or co-managing underwriter in the future. It is also NatWest's general policy to facilitate sales by investors who have purchased certificates if NatWest has acted as placement agent in the original placement of the certificates and if such investors request NatWest's assistance. Such policy is in effect for the transaction entered into on December 22, 1993, as to which NatWest Bank Plc acted as placement agent.

Retroactive Relief

26. NatWest represents that it has engaged in one transaction related to mortgage-backed and asset-backed securities (see rep 1, above), based on the assumption that retroactive relief would not be granted. NatWest represents that the transaction was entered into in conformance with the exception contained in the Department's regulation relating to the definition of plan assets (29 CFR 2510.3–101) which applies where equity participation by benefit plan investors is not "significant". However, it is difficult to monitor whether the percentage interest of plans in a trust is at all times not "significant" for purposes of that regulation. Accordingly, relief is requested for transactions which have occurred on or after December 22, 1993.

Summary

27. In summary, the applicant represents that the transactions for which exemptive relief is requested satisfy the statutory criteria of section 408(a) of the Act due to the following:

(a) The trusts contain "fixed pools" of assets. There is little discretion on the part of the trust sponsor to substitute receivables contained in the trust once the trust has been formed;

(b) Certificates in which plans invest will have been rated in one of the three highest rating categories by S&P's, Moody's, D&P or Fitch. Credit support will be obtained to the extent necessary to attain the desired rating;

(c) All transactions for which NatWest seeks exemptive relief will be governed by the pooling and servicing agreement, which is made available to plan fiduciaries for their review prior to the plan's investment in certificates;

(d) Exemptive relief from sections 406(b) and 407 for sales to plans is substantially limited; and

(e) NatWest anticipates that it will make a secondary market in certificates with respect to which it acts as an underwriter in the future.

Discussion of Proposed Exemption

I. Differences Between Proposed Exemption and Class Exemption PTE 83–1

The exemptive relief proposed herein is similar to that provided in PTE 81–7 (46 FR 7520, January 23, 1981), Class Exemption for Certain Transactions Involving Mortgage Pool Investment Trusts, amended and restated as PTE 83–1 (48 FR 895, January 7, 1983).

PTE 83–1 applies to mortgage pool investment trusts consisting of interest-bearing obligations secured by first or second mortgages or deeds of trust on single-family residential property. The exemption provides relief from sections 406(a) and 407 for the sale, exchange or transfer in the initial issuance of mortgage pool certificates between the trust sponsor and a plan, when the sponsor, trustee or insurer of the trust is a party-in-interest with respect to the plan, and the continued holding of such certificates, provided that the conditions set forth in the exemption are met. PTE 83–1 also provides exemptive relief from section 406 (b)(1) and (b)(2) of the Act for the above-described transactions when the sponsor, trustee or insurer of the trust is a fiduciary with respect to the plan assets invested in such certificates, provided that additional conditions set forth in the exemption are met. In particular, section 406(b) relief is conditioned upon the approval of the transaction by an independent fiduciary. Moreover, the total value of certificates purchased by a plan must not exceed 25 percent of the amount of the issue, and at least 50 percent of the aggregate amount of the issue must be acquired by persons independent of the trust sponsor, trustee or insurer. Finally, PTE 83–1 provides conditional exemptive relief from section 406 (a) and (b) of the Act for transactions in connection with the servicing and operation of the mortgage trust.

Under PTE 83–1, exemptive relief for the above transactions is conditioned upon the sponsor and the trustee of the

mortgage trust maintaining a system for insuring or otherwise protecting the pooled mortgage loans and the property securing such loans, and for indemnifying certificate holders against reductions in pass-through payments due to defaults in loan payments or property damage. This system must provide such protection and indemnification up to an amount not less than the greater of one percent of the aggregate principal balance of all trust mortgages or the principal balance of the largest mortgage.

The exemptive relief proposed herein differs from that provided by PTE 83–1 in the following major respects: (1) The proposed exemption provides individual exemptive relief rather than class relief; (2) The proposed exemption covers transactions involving trusts containing a broader range of assets than single-family residential mortgages; (3) Instead of requiring a system for insuring the pooled receivables, the proposed exemption conditions relief upon the certificates having received one of the three highest ratings available from S&P's, Moody's, D&P or Fitch (insurance or other credit support would be obtained only to the extent necessary for the certificates to attain the desired rating); and (4) The proposed exemption provides more limited section 406(b) and section 407 relief for sales transactions.

II. Rating of Certificates

After consideration of the representations of the applicant and information provided by S&P's, Moody's, D&P and Fitch, the Department has decided to condition exemptive relief upon the certificates having attained a rating in one of the three highest generic rating categories from S&P's, Moody's, D&P or Fitch. The Department believes that the rating condition will permit the applicant flexibility in structuring trusts containing a variety of mortgages and other receivables while ensuring that the interests of plans investing in certificates are protected. The Department also believes that the ratings are indicative of the relative safety of investments in trusts containing secured receivables. The Department is conditioning the proposed excemptive relief upon each particular type of asset-backed security having been rated in one of the three highest rating categories for at least one year and having been sold to investors other than plans for at least one year.[11]

[11] In referring to different "types" of asset-backed securities, the Department means certificates representing interests in trusts containing different "types" of receivables, such as single family residential mortgages, multi-family residential mortgages, commercial mortgages, home equity loans, auto loan receivables, installment obligations for consumer durable secured by purchase money security interests, etc. The Department intends this condition to require that certificates in which a plan invests are of the type that have been rated (in one of the three highest generic rating categories by S&P's, D&P, Fitch or Moody's) and purchased by investors other than plans for at least one year prior to the plan's investment pursuant to the proposed exemption. In this regard, the Department does not intend to require that the particular assets contained in a trust must have been "seasoned" (e.g., originated at least one year prior to the plan's investment in the trust).

III. Limited Section 406(b) and Section 407(a) Relief for Sales

NatWest represents that in some cases a trust sponsor, trustee, servicer, insurer, and obligor with respect to receivables contained in a trust, or an underwriter and/or placement agent of certificates may be a pre-existing party in interest with respect to an investing plan.[12] In these cases, a direct or indirect sale or certificates by that party in interest to the plan would be a prohibited sale or exchange of property under section 406(a)(1)(A) of the Act.[13] Likewise, issues are raised under section 406(a)(1)(D) of the Act where a plan fiduciary causes a plan to purchase certificates where trust funds will be used to benefit a party in interest.

Additionally, NatWest represents that a trust sponsor, servicer, trustee, insurer, and obligor with respect to receivables contained in a trust, or an underwriter and/or placement agent of certificates representing an interest in a trust may be a fiduciary with respect to an investing plan. NatWest represents that the exercise of fiduciary authority by any of these parties to cause the plan to invest in certificates representing an interest in the trust would violate section 406(b)(1), and in some cases section 406(b)(2), of the Act.

Moreover, NatWest represents that to the extent there is a plan asset "look through" to the underlying assets of a trust, the investment in certificates by a plan covering employees of an obligor under receivables contained in a trust may be prohibited by sections 406(a) and 407(a) of the Act.

After consideration of the issues involved, the Department has determined to provide the limited sections 406(b) and 407(a) relief as specified in the proposed exemption.

[12] In this regard, we note that the exemptive relief proposed herein is limited to certificates with respect to which NatWest or any of its affiliates is either: (a) The sole underwriter or manager or comanager of the underwriting syndicate, or (b) a selling or placement agent.

[13] The applicant represents that where a trust sponsor is an affiliate of NatWest, sales to plans by the sponsor may be exempt under PTE 75–1, part II (relating to purchases and sales of securities by broker-dealers and their affiliates), if NatWest is not a fiduciary with respect to plan assets to be invested in certificates.

FOR FURTHER INFORMATION CONTACT: Gary H. Lefkowitz of the Department, telephone (202) 219–8881. (This is not a toll-free number.)

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest of disqualified person from certain other provisions of the Act and/or the Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(b) of the act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemptions, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(4) The proposed exemptions, if granted, will be subject to the express condition that the material facts and representations contained in each application are true and complete and accurately describe all material terms of the transaction which is the subject of the exemption. In the case of continuing exemption transactions, if any of the material facts or representations described in the application change after the exemption is granted, the exemption will cease to apply as of the date of such change. In the event of any such change, application for a new

exemption may be made to the Department.

Signed at Washington, DC, this 7th day of June, 1994.

Ivan Strasfeld,

Director of Exemption Determinations, Pension and Welfare Benefits Administration, U.S. Department of Labor.

[FR Doc. 94–14170 Filed 6–9–94; 8:45 am]

BILLING CODE 4510–29–M

LEGAL SERVICES CORPORATION

Grant Award for Legal Service State Support Center in the District of Columbia and the Virgin Islands

AGENCY: Legal Services Corporation.

ACTION: Announcement of intention to award grants.

SUMMARY: The Legal Services Corporation hereby announces its intention to award one-time, nonrecurring grants to the Neighborhood Legal Services Program of the District of Columbia and Legal Services of the Virgin Islands, Inc. for the purpose of planning for the establishment of a support program for their respective jurisdictions. The Corporation plans to award grants in the amount of $20,000 to each.

These one-time grants will be awarded pursuant to authority conferred by section 1006(a)(3) of the Legal Services Corporation Act of 1974, as amended. This public notice is issued with a request for comments and recommendations within a period of thirty (30) days from the date of publication of this notice. The grant award will not become effective and grant funds will not be distributed prior to expiration of this 30-day period.

DATES: All comments and recommendations must be received by 5 p.m. on or before July 10, 1994.

ADDRESSES: Comments should be sent to the Office of Program Services, Legal Services Corporation, 750 First Street, NE., 11th Floor, Washington, DC 20002–4250.

FOR FURTHER INFORMATION CONTACT: Phyllis Doriot, Office of Program Services, (202) 336–8825.

SUPPLEMENTARY INFORMATION: The Legal Services Corporation is the national organization charged with administering federal funds provided for civil legal service to the poor. Both programs are recipients of LSC funding for providing direct legal services to their service area. The amount of the 1994 support grants is consistent with the 1994 LSC Appropriations Act.

Dated: June 6, 1994.

John A. Tull,

Director, Office of Program Services.

[FR Doc. 94–14162 Filed 6–9–94; 8:45 am]

BILLING CODE 7050–01–P

NATIONAL CREDIT UNION ADMINISTRATION

Public Information Collection Requirement Submitted to OMB for Review

May 31, 1994.

The National Credit Union Administration submitted the following public information collection requirement to OMB for review and clearance under the Paperwork Reduction Act of 1980, Public Law 96–511. Copies of the submission may be obtained by calling the NCUA Clearance Officer listed. Comments regarding information collections should be addressed to the OMB reviewer listed and to the NCUA Clearance Officer, NCUA, Office of Administration, room 5107, 1775 Duke Street, Alexandria, VA 22314–3428.

National Credit Union Administration

OMB Number: 3133–0015.

Form Number: NCUA 4000, 4001, 4008, 4012, 4015, 4016, 9500, 9600 and 4401.

Type of Review: Review of revised collection.

Title: Federal Credit Union Charter Application and Field of Membership Amendments.

Description: Groups interested in establishing a federal credit union must submit an application to NCUA. This collection provides information regarding federal credit unions, procedures for organizing a federal credit union, and information requirements. Also, this collection provides guidance to existing credit unions for amending their field of membership.

Respondents: Federal credit unions and groups organizing a federal credit union.

Estimated Number of Respondents: 5,725.

Estimated Burden Hours per Response: 3.6 hours.

Frequency of Response: On occasion.

Estimated Total Reporting Burden: 20,303 hours.

Clearance Officer: Wilmer A. Theard (703) 518–6410, National Credit Union Administration, room 5107, 1775 Duke Street, Alexandria, VA 22314–3428.

OMB Reviewer: Gary Waxman (202) 395–7340, Office of Management and Budget, room 3208, New Executive Office Building, Washington, DC 20503.

Becky Baker,

Secretary of the NCUA Board.

[FR Doc. 94–14107 Filed 6–9–94; 8:45 am]

BILLING CODE 7535–01–M

NATIONAL ENDOWMENT FOR THE ARTS

Expansion Arts Advisory Panel, Panel Meeting Cancellation; Amended Notice of Meeting

ACTION: Notice of correction to **Federal Register** Notice regarding the Overview Section of the Expansion Arts Advisory Panel to the National Council on the Arts.

SUMMARY: This notice to announce the cancellation of the above panel meeting previously scheduled to meet on June 16, 1994 and published in **Federal Register** 59 FR 28567 on June 2, 1994.

EXPLANATION: Current new guidelines cover a two-year period, therefore there will be no opportunity for field input this session. Additionally, the Expansion Arts Program has no significant field data, new initiatives, or personnel action to report. Cancellation is deemed both prudent and cost-saving at this time.

Dated: June 6, 1994.

Yvonne M. Sabine,

Director, Office of Panel Operations, National Endowment for Arts.

[FR Doc. 94–14093 Filed 6–9–94; 8:45 am]

BILLING CODE 14093–M

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Arts

Theater Advisory Panel; Panel Meeting Postponement

ACTION: Notice of correction to **Federal Register** Notice regarding the Overview Section of the Theater Advisory Panel to the national Council on the Arts.

SUMMARY: This notice is to announce the postponement of the above panel meeting previously scheduled to meet on June 13–14, 1994 and published in the **Federal Register** 59 FR 27586 on May 27, 1994.

EXPLANATION: The Theater Program is entering a period of extensive research, analysis and planning. This meeting has been postponed until the program is farther along in the planning process.

Dated: June 7, 1994.

Yvonne M. Sabine,

Director, Office of Panel Operations, National Endowment for the Arts.

[FR Doc. 94–14278 Filed 6–9–94; 8:45 am]

BILLING CODE 7537–01–M

NUCLEAR REGULATORY COMMISSION

[Docket No. 030–19747 License No. 52–21082–01 IA 94–013]

In the Matter of Guillermo Velasquez, M.D. San Juan, PR

Confirmatory Order

I

Guillermo Velasquez, M.D. (Licensee) is the holder of expired Byproduct Materials License No. 52–21082–01 (license) issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR parts 30 and 35 on September 3, 1982. The license authorized the use of strontium-90 for ophthalmic radiotherapy in accordance with the conditions specified therein. The license was renewed in its entirety on August 21, 1987, and expired on August 31, 1992. The byproduct material remained in the possession of the Licensee until it was transferred to an authorized recipient on January 7, 1994 pursuant to an NRC Order to Transfer Byproduct Material to an Authorized Recipient (Effective Immediately) and Demand for Information issued July 21, 1993.

II

The Licensee did not submit an application for renewal of the license prior to its expiration, as required by 10 CFR 30.37, nor did the Licensee notify the Commission in writing, pursuant to 10 CFR 30.36, of a decision not to renew the license. Therefore, on September 11, 1992, NRC Region II issued a Notice of Violation (Notice) to the Licensee for failure to request renewal prior to expiration of the license or to file a notice of non-renewal or transfer of the byproduct material. The letter forwarding the Notice directed the Licensee to place the strontium-90 in storage and to discontinue use of the material until he obtained a new NRC license. In the alternative, the Licensee was directed to transfer the material to an authorized recipient if adequate storage was not available, or to submit an NRC Form 314 to the NRC if the Licensee chose to dispose of the byproduct material. During a December 4, 1992 telephone conversation between a Region II inspector and the Licensee, the Licensee stated that the source was locked in storage and that the Licensee had not used the source. The Licensee responded to the Notice on December 4, 1992, by requesting renewal of the license. Because the Licensee failed to provide the appropriate licensing fee, no action was taken by the NRC to renew the license and the Licensee was notified.

The NRC performed a routine inspection of the Licensee's facility in Rio Piedras, Puerto Rico on February 24, 1993. One purpose of this inspection was to determine the status of the strontium-90 source. The inspection revealed that the Licensee had continued to use the material: (1) After expiration of the license; (2) after receipt of the NRC letter and Notice dated September 11, 1992, which directed the Licensee to place the material in storage and to discontinue use of the material until a new license was obtained; and (3) after the December 4, 1992 telephone conversation with the Region II inspector when the inspector explained that the source could not be used and the Licensee had stated the source was in locked storage and not being used.

In April and May 1993, the NRC Office of Investigations conducted an investigation of the circumstances surrounding the Licensee's apparent use of the source after the license had expired and after receiving notification from the NRC to discontinue use of the material until a new license was obtained. As a result of this investigation, it was determined that on 20 occasions, between October 9, 1992, and February 19, 1993, the Licensee, with the full understanding that use of the source was prohibited, deliberately used the strontium-90 source for patient ophthalmic radiotherapy, in violation of 10 CFR 30.3. In addition, the investigation confirmed that the Licensee deliberately provided false information to the NRC inspector during the December 4, 1992 telephone conversation and during the inspection conducted at the Licensee's facility on February 24, 1993. Specifically, the Licensee told the NRC inspector that the strontium-90 source had not been used for ophthalmic radiotherapy since receipt of the Notice which was issued on September 11, 1992, when in fact the Licensee had used the strontium-90 source at least 20 times between October 9, 1992 and February 19, 1993, which was as recently as five days before the inspection. This deliberate submission of materially false information constitutes violations of 10 CFR 30.9 and 30.10.

III

Based on the NRC inspection and the subsequent investigation, the NRC determined that the Licensee, by continuing to use licensed material after being notified of the expiration of the license which authorized that use and by deliberately providing false information to an NRC inspector, had demonstrated an unwillingness to comply with Commission requirements. The Commission must be able to rely on its licensees to provide complete and accurate information. Willful violations are of particular concern to the Commission because they undermine the Commission's reasonable assurance that licensed activities are being conducted in accordance with NRC requirements. Therefore, on July 21, 1993, the NRC issued an Order to the Licensee requiring the transfer of the strontium-90 source to an authorized recipient within 45 days of the date of the Order. The NRC also issued a Demand for Information with the Order requiring the Licensee to submit a written statement, under oath or affirmation, stating why the NRC should have confidence that in the future the Licensee would comply with NRC requirements or provide complete and accurate information to the NRC.

The Licensee responded to the Order in letters dated September 7 and 13, 1993, and in telephone conversations with the NRC Region II staff on September 10 and 20, 1993. During these communications, the Licensee indicated that he was making a good faith effort to transfer the byproduct material to an authorized recipient. Based on this good faith effort, the NRC by letter dated October 15, 1993, extended the strontium-90 transfer date to December 6, 1993. On January 24, 1994, the Licensee submitted a completed NRC Form 314 notifying the NRC that the strontium-90 source had been transferred to an authorized recipient and provided the documentation required by the Order to demonstrate that the source was tested for leakage prior to the transfer and that the transfer had taken place.

On September 13, 1993, the Licensee responded to the Demand for Information indicating that he did not intend to perform licensed activities or to use the strontium-90 source in his possession, or one in anyone else's possession. Further, in a telephone conversation on June 2, 1994, with Mr. Charles M. Hosey of the NRC Region II office, Dr. Velasquez agreed to the provisions and to the issuance of this Confirmatory Order. I find that the Licensee's commitments as set forth in

that conversation are acceptable and necessary and conclude that with these commitments the public health and safety are reasonably assured. In view of the foregoing, I have determined that the public health and safety require that the Licensee's commitments in the telephone call of June 2, 1994 be confirmed by this Order.

IV

Accordingly, pursuant to Sections 81, 161b, 161i, 160o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations at 10 CFR 2.202 and 10 CFR parts 30 and 35, it is hereby ordered that:

1. For a period of three years from the date of this Confirmatory Order, Guillermo Velasquez, M.D., shall not supervise or engage in any way in NRC-licensed activities. NRC-licensed activities are those activities which are conducted pursuant to a specific or general license issued by the NRC, including, but not limited to, those activities of Agreement State licensees conducted pursuant to the authority granted by 10 CFR 150.20.

2. For a period of three years from the date of this Order, Dr. Velasquez shall provide a copy of this Order to any prospective employer who engages in NRC-licensed activities (as defined in 1. above) prior to his acceptance of employment with such prospective employer. The purpose of this requirement is to ensure that the employer is aware of Dr. Velasquez' prohibition from engaging in NRC-licensed activities.

3. The first time Guillermo Velasquez, M.D., is employed in NRC licensed activities following the three year prohibition, he shall notify the Regional Administrator, NRC Region II, 101 Marietta Street, NW., suite 2900, Atlanta, Georgia 30323, prior to engaging in NRC licensed activities including activities under an Agreement State license when activities under that license are conducted in areas of NRC jurisdiction pursuant to 10 CFR 150.20. The notice shall include the name, address, and telephone number of the NRC or Agreement State licensee and the location where licensed activities will be performed.

The Regional Administrator, NRC Region II, may, in writing, relax or rescind any of the above conditions upon a showing by the Licensee of good cause.

V

Any person adversely affected by this Confirmatory Order, other than the Licensee, may request a hearing within 20 days of the date of its issuance. Any request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Attn: Chief, Docketing and Service Section, Washington, DC 20555. Copies shall be sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, to the Assistant General Counsel for Hearings and Enforcement at same address, and to the Regional Administrator, NRC Region II, 101 Marietta Street, NW., suite 2900, Atlanta, Georgia 30323 and to the Licensee. If such a person requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, the provisions specified in section V above shall be final 20 days from the date of this Order without further order or proceedings.

For the Nuclear Regulatory Commission.

Dated at Rockville, Maryland this 3rd day of June 1994.

James Lieberman,

Director, Office of Enforcement.

[FR Doc. 94–14208 Filed 6–9–94; 8:45 am]

BILLING CODE 7590–01–M

OFFICE OF PERSONNEL MANAGEMENT

Notice of Request for Reclearance of Forms OPM 1496 and OPM 1496A

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1980 (title 44, U.S. Code, chapter 35), this notice announces a request for reclearance of two information collections. OPM Forms 1496, Application for Deferred Retirement (Separation before October 1, 1956), and 1496A, Application for Deferred Retirement (Separation on or after October 1, 1956), are used by eligible former Federal employees to apply for a deferred Civil Service annuity. Two forms are needed because there was a major revision in the law effective October 1, 1956; this affects the general information provided with the forms.

Approximately 3,000 deferred retirements are processed annually; 200 of these are submitted on OPM Form 1496 and 2,800 are on OPM Form 1496A. Both forms take approximately 60 minutes to complete. The combined annual burden is 3,000 hours.

For copies of this proposal, contact C. Ronald Trueworthy on (703) 908–8550.

DATES: Comments on this proposal should be received within 30 calendar days from the date of this publication on or about July 11, 1994.

ADDRESSES: Send or deliver comments to—

Lorraine E. Dettman, Chief, Operations Support Division Retirement and Insurance Group, U.S. Office of Personnel Management, 1900 E Street, NW., Room 3349, Washington, DC 20415

and

Joseph Lackey, OPM Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, NW, Room 3002, Washington, DC 20503.

FOR INFORMATION REGARDING ADMINISTRATIVE COORDINATION—CONTACT: Mary Beth Smith-Toomey, Chief, Forms Analysis & Design Section (202) 606–0623.

U.S. Office of Personnel Management.

Lorraine A. Green,

Deputy Director.

[FR Doc. 94–14033 Filed 6–9–94; 8:45 am]

BILLING CODE 6325–01–M

Federal Prevailing Rate Advisory Committee Open Committee Meeting

According to the provisions of section 10 of the Federal Advisory Committee Act (Pub. L. 92–463), notice is hereby given that meetings of the Federal Prevailing Rate Advisory Committee will be held on—

Thursday, July 7, 1994
Thursday, July 21, 1994
Thursday, Aug. 11, 1994
Thursday, Aug. 25, 1994

The meetings will start at 10:45 a.m. and will be held in Room 5A06A, Office of Personnel Management Building, 1900 E Street, NW., Washington, DC.

The Federal Prevailing Rate Advisory Committee is composed of a Chairman, five representatives from labor unions holding exclusive bargaining rights for Federal blue-collar employees, and five representatives from Federal agencies. Entitlement to membership on the Committee is provided for in 5 U.S.C. 5347.

The Committee's primary responsibility is to review the Prevailing Rate System and other matters pertinent to establishing prevailing rates under subchapter IV, chapter 53, 5 U.S.C., as amended, and from time to time advise the Office of Personnel Management.

These scheduled meetings start in open session with both labor and management representatives attending. During the meeting either the labor members or the management members may caucus separately with the Chairman to devise strategy and formulate positions. Premature disclosure of the matters discussed in these caucuses would unacceptably impair the ability of the Committee to reach a consensus on the matters being considered and would disrupt substantially the disposition of its business. Therefore, these caucuses will be closed to the public because of a determination made by the Director of the Office of Personnel Management under the provisions of section 10(d) of the Federal Advisory Committee Act (Pub. L. 92–463) and 5 U.S.C. 552b(c)(9)(B). These caucuses may, depending on the issues involved, constitute a substantial portion of the meeting.

Annually, the Committee publishes for the Office of Personnel Management, the President, and Congress a comprehensive report of pay issues discussed, concluded recommendations, and related activities. These reports are available to the public, upon written request to the Committee's Secretary.

The public is invited to submit material in writing to the Chairman on Federal Wage System pay matters felt to be deserving of the Committee's attention. Additional information on these meetings may be obtained by contacting the Committee's Secretary, Office of Personnel Management, Federal Prevailing Rate Advisory Committee, Room 1340, 1900 E Street, NW., Washington, DC 20415 (202) 606–1500.

Dated: June 2, 1994.

Anthony F. Ingrassia,

Chairman, Federal Prevailing Rate Advisory Committee.

[FR Doc. 94–14034 Filed 6–9–94; 8:45 am]

BILLING CODE 6325–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–34157; File Nos. SR–Amex–92–35, SR–CBOE–93–59, SR–NYSE–94–17, SR–PSE–94–07, and SR–Phlx–94–10]

Self-Regulatory Organizations; Order Approving Proposed Rule Changes and Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Changes and Amendments Thereto by the American Stock Exchange, Inc., Chicago Board Options Exchange, Inc., New York Stock Exchange, Inc., Pacific Stock Exchange, Inc., and Philadelphia Stock Exchange, Inc., Relating to Narrow-Based Index Options Listing Standards.

June 3, 1994.

I. Introduction

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b–4 thereunder,[2] on September 23, 1992, December 22, 1993, May 4, 1994, March 3, 1994, and January 31, 1994, the American Stock Exchange, Inc. ("Amex"), the Chicago Board Options Exchange, Inc. ("CBOE"),[3] the New York Stock Exchange, Inc. ("NYSE"),[4] the Pacific Stock Exchange, Inc. ("PSE"),[5] and the Philadelphia Stock Exchange, Inc. ("Phlx"),[6] respectively (each individually referred to herein as an "Exchange" and two or more collectively referred to as "Exchanges"), submitted to the Securities and Exchange Commission ("Commission") proposed rule changes to establish generic listing standards for options on narrow-based indexes, and to adopt streamlined procedures for introducing trading in options that satisfy these listing standards.

On January 5, 1994 and May 25, 1994, the Amex filed Amendment Nos. 1[7] and 2,[8] respectively; on April 8, 1994, the CBOE filed Amendment No. 1;[9] on April 19, 1994, the PSE filed Amendment No. 1;[10] and on April 22, 1994, the Phlx filed Amendment No. 1,[11] to their respective proposals (collectively, "Exchange Amendments").

The Amex and CBOE proposals were published for comment in the **Federal Register** on November 25, 1992 and February 25, 1994, respectively.[12] No comments were received on these proposed rule changes. This order approves the Exchanges' proposals and the Exchange Amendments.

II. Description of Proposals

The Exchanges have submitted substantively identical proposals to the Commission to amend their respective rules[13] to establish generic listing

[1] 15 U.S.C. 78s(b)(1) (1988).

[2] 17 CFR 240.19b–4 (1993).

[3] On December 14, 1992, the CBOE submitted a filing (SR–CBOE–92–39) covering the same subject matter of the present filing. The CBOE withdrew the filing on April 1, 1994.

[4] On January 22, 1993, the NYSE submitted a filing (SR–NYSE–93–05) covering the same subject matter of the present filing. The NYSE withdrew SR–NYSE–93–05 on May 4, 1994, upon its submission of the present filing.

[5] On June 15, 1993, the PSE submitted a filing (SR–PSE–93–11) covering the same subject matter of the present filing. The PSE withdrew SR–PSE–93–11 on April 20, 1994. See Letter from David P. Semak, Vice President, Regulation, PSE, to Sharon Lawson, Assistant Director, Division of Market Regulation, Commission, dated April 20, 1994.

[6] On June 21, 1993, the Phlx submitted a filing (SR–Phlx–93–01) covering the same subject matter of the present filing. The Phlx withdrew SR–Phlx–93–01 on January 31, 1994, upon its submission of the present filing.

[7] In Amendment No. 1, the Amex substantially amended the substance of its original filing to conform its proposal to the CBOE's proposal.

[8] In Amendment No. 2, the Amex provided the proposed text of the rule change, and amended its proposal: (1) To provide that a narrow-based index that is calculated using an equal-dollar weighted methodology will be rebalanced quarterly; and (2) to provide that if a narrow-based index is maintained by a broker-dealer, the index will be calculated by a third party that is not a broker-dealer.

[9] In Amendment No. 1, the CBOE: (1) Clarified in the text of the proposed rule change that its proposal would apply to options on narrow-based indexes only; and (2) stated that the procedures proposed in its filing pertaining to the listing of new narrow-based index options would apply to all narrow-based index options permitted under the CBOE's rules, including options with terms from 12 to 36 months ("long-term options") that satisfy the requirements of CBOE Rule 24.9(b). See Letter from Michael L. Meyer, Schiff Hardin & Waite, to Michael A. Walinskas, Chief, Options Branch, Division of Market Regulation, Commission, dated April 7, 1994.

[10] In Amendment No. 1, the PSE stated that the procedures in its proposal pertaining to the listing of new, narrow-based index options would apply to all narrow-based index options permitted under the PSE's rules, including long-term options that satisfy the requirements of PSE Rule 7.8. See Letter from Michael D. Pierson, Senior Attorney, Market Regulation, PSE, to Thomas N. McManus, Division of Market Regulation, Commission, dated April 11, 1994.

[11] In Amendment No. 1, the Phlx: (1) Amended the proposed rule text to clarify that the proposed rule would apply to options on narrow-based indexes only; and (2) to state that if the Phlx determines to list long-term options or reduced-value long-term options on any new indexes filed pursuant to the proposed rule, they would be listed in accordance with existing Phlx rules governing long-term options. See Letter from Michele R. Weisbaum, Associate General Counsel, Phlx, to Michael Walinskas, Branch Chief, Division of Market Regulation, Commission, dated April 19, 1994.

[12] See Securities Exchange Act Release Nos. 31474 (November 17, 1992), 57 FR 55605 (November 25, 1994) (Amex); and 33636 (February 17, 1994), 59 FR 9262 (February 25, 1994) (CBOE).

[13] Amex Rule 901C; CBOE Rule 24.2; NYSE Rule 715; PSE Rule 7.3; and Phlx Rule 1009A.

standards for options on narrow-based indexes (also known as sector or industry indexes) and procedures designed to expedite the approval of trading of such products. Currently, an Exchange must submit a proposed rule change to the Commission for review in accordance with section 19(b)(2) of the Act ("section 19(b)(2)"), and Rule 19b–4 thereunder, in order to list for trading options on a particular index. The Exchanges' proposed rule changes would permit an Exchange to list classes of options on a particular narrow-based index[14] that satisfy specified generic listing standards, pursuant to a filing submitted to the Commission for effectiveness immediately upon filing under section 19(b)(3)(A) of the Act ("section 19(b)(3)(A)").[15] Under the streamlined procedures, trading in options on the narrow-based index could commence 30 days from the date of filing of the proposal to list such options.

A. Listing and Maintenance Listing Standards

In order to qualify for the streamlined listing procedures, the particular narrow-based index underlying the proposed narrow-based index options must satisfy all of the following initial listing standards, and continue to satisfy the following maintenance listing criteria.[16]

1. Standards Relating to Component Stocks

The proposed initial listing and maintenance listing standards require that all component stocks be deemed "reported securities," as that term is defined in Rule 11Aa3–1 under the Act.[17] Upon the initial listing of narrow-based index options approved for trading pursuant to the procedures contained in this order, the underlying index must include at least ten component stocks. Thereafter, the index must contain at least nine component stocks at all times. In addition, the number of component stocks may not increase or decrease by a number exceeding 33⅓ percent of the number of stocks comprising the index at the time of its initial listing.

Both initial and maintenance listing standards require that the component stocks comprising the top 90 percent of the index, by weight, must have a minimum market capitalization of $75 million. In addition, the component stocks constituting the bottom 10 percent of the index, by weight, must have a minimum market capitalization of $50 million.

The listing and maintenance listing standards also include trading volume requirements. The component stocks comprising the top 90 percent of the index, by weight, must have a monthly trading volume of at least one million shares per month over the six months preceding the filing of the index with the Commission; thereafter, the component stocks must maintain monthly trading volume of at least 500,000 shares per month. The trading volume for the component stocks constituting the bottom 10 percent of the index, by weight, must have been at least 500,000 shares over the same period; thereafter, they must maintain an average monthly trading volume of at least 400,000 shares per month. If the index is capitalization-weighted, and it contains 15 or more component stocks, the top five weighted component stocks each must have an average monthly trading volume over the six months preceding the filing of the index with the Commission of at least two million shares; thereafter, it must maintain an average monthly trading volume over the prior six months of at least one million shares. If a capitalization-weighted index contains less than 15 component stocks, those component stocks comprising the top 30 percent of the total number of stocks in the index each must have an average monthly trading volume over the six months preceding the filing of the index with the Commission of at least two million shares; thereafter, it must maintain an average monthly trading volume over the prior six months of at least one million shares.

Initially and thereafter, no inidividual component stock in the index may represent more than 25 percent of the weight of the index. In addition, initially and thereafter, where an index is comprised of less than 25 stocks, the top five highest weighted stocks may not constitute more than 60 percent of the weight of the index; and where an index is comprised of 25 stocks or more, the top five highest weighted stocks may not represent more than 50 percent of the weight of the index.

At all times, at least 90 percent of the stocks in the index, by weight, and 80 percent of the total number of stocks comprising the index, individually must satisfy the particular Exchange's rules governing the listing and maintenance of listing of options thereon.

Both initial and maintenance listing standards require that no more than 20 percent of the securities in the index, by weight, may be comprised of foreign securities or American depositary receipts ("ADRs") overlying foreign securities that are not subject to comprehensive surveillance sharing agreements between the particular U.S. options Exchange and the primary exchange on which the foreign security underlying the ADR is traded.[18]

2. Standards Relating to the Index and Options Thereon

A narrow-based index subject to the requirements of this order must be cash-settled. The index value may be calculated only pursuant to a capitalization, price, or equal-dollar weighted methodology.[19] The index value must be disseminated at least once every 15 seconds during the trading hours of the index. The settlement value of expiring index options must be based upon the opening prices of the component securities on

[14] This order approves generic listing standards and streamlined procedures for approval with respect to options on narrow-based indexes only. The proposed rule changes approved herein do not pertain to the listing of options on broad-based indexes.

[15] In the event that proposed narrow-based index options do not qualify for expedited approval under these new standards, the Exchanges will not be foreclosed from filing a proposed rule change for Commission review pursuant to section 19(b)(2).

[16] These standards were established in a coordinated effort with representatives of the Exchanges, and are consistent with many of the criteria that are currently utilized by the Commission in its review of options on narrow-based stock indexes.

[17] See 17 CFR 240.11Aa3–1. A "reported security" is defied in paragraph (a)(4) of this rule as "any listed equity security or Nasdaq security for which transaction reports are required to be made on a real-time basis pursuant to an effective transaction reporting plan." A "transaction reporting plan" is defined in paragraph (a)(2) of this rule as "any plan for collecting, processing, making available or disseminating transaction reports with respect to transactions in reported securities filed with the Commission pursuant to, and meeting the requirements of, this section." Accordingly, a proposed narrow-based index currently can only be comprised of exchange-listed and Nasdaq National Market securities.

[18] See e.g., Securities Exchange Act Release No. 31529 (November 27, 1992), 57 FR 57248 (December 3, 1992) ("Release No. 34–31529"). To the extent that at least 50 percent of the world-wide trading volume of the underlying security occurs in the U.S. ADR market, the Commission has permitted the Exchanges to list options thereon without the existence of such a comprehensive surveillance sharing agreement. Following such initial listing, at least 30 percent of the world-wide trading volume must continue to occur in the U.S. trading market. See, e.g., Securities Exchange Act Release No. 33555 (January 31, 1994), 59 FR 5619 (February 7, 1994) ("Release No. 33555"). Accordingly, because no comprehensive surveillance sharing agreement is required with respect to ADRs satisfying the 50 percent volume requirement, and the 30 percent maintenance volume requirement, such ADRs may be excluded in determining whether the 20 percent restriction has been exceeded. See Release No. 33555, to determine how to calculate the 50 percent and 30 percent world-wide trading volume requirements.

[19] An index whose value is calculated pursuant to an equal dollar weighted methodology must be rebalanced at least once every calendar quarter.

the primary exchange on which they are traded (or on the Nasdaq National Market) (otherwise known as "A.M. settlement") on the applicable expiration date.[20]

If a narrow-based index is maintained by a broker-dealer, it shall be calculated by a third party that is not a broker-dealer. Further, appropriate procedures must be established by the Exchange and the broker-dealer to ensure that the broker-dealer will not possess or be able to misuse any informational advantages with respect to changes in the composition or the level of such index. Such procedures must include, for example, the establishment of appropriate informational barriers.

The streamlined procedures described herein pertaining to the listing of new narrow-based index options would apply to all narrow-based index options permitted under the rules of the Exchanges, including long-term options and reduced-value long-term options that otherwise satisfy the particular Exchange's rules governing long-term options and reduced-value long-term options.[21]

In the event that a class of narrow-based index options listed on an Exchange pursuant to the streamlined listing procedures described herein fails to satisfy one or more of the required maintenance criteria, the Exchange responsible for that index option must notify the Commission staff immediately upon discovery of such failure. Further, the Exchange shall not open for trading any additional series of options on that class unless the Exchange determines that such failure is not significant, and the Commission affirmatively concurs in that determination, or unless the Commission specifically approves the continued listing of that class of index options pursuant to a proposal filed in accordance with Section 19(b)(2).

B. Review Procedure

If a particular narrow-based index (and options thereon) proposed by an Exchange satisfy the foregoing generic listing standards, then such Exchange may vial itself of certain streamlined listing procedures. The procedures proposed in the Exchanges' filings are designed to allow them to list narrow-based index options without undergoing the formal process of review and approval by the Commission pursuant to section 19(b)(2). An Exchange would be required to submit its proposal in draft form to Commission staff at least one week prior to the Exchange's formal filing of the rule change proposal. The Exchange would then submit its formal rule change proposal for effectiveness immediately upon filing, pursuant to section 19(b)(3)(A). However, to allow the Commission adequate opportunity to verify the representations made by the Exchange in its proposal and review and address any concerns raised by the proposal or by commenters, the Exchange would be allowed to establish a trade date for the commencement of trading of options on the index no earlier than 30 days from the date of the formal filing of the proposal.

If the Commission determines that the Exchange proposal does not satisfy the generic standards, or if the Commission deems it necessary or appropriate in the public interest or for the protection of investors, the Commission, pursuant to section 19(b)(3)(C) of the Act, has 60 days from the date of the filing of the Exchange's proposal to abrogate the Exchange's rule change and require that the Exchange refile the proposed rule change for formal Commission review pursuant to section 19(b) (1) and (2).

III. Commission Findings and Conclusions

A. Generic Listing Standards

The Commission finds that the proposed rule changes are consistent with the requirements of section 6(b)(5) of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission finds that the Exchange's proposals to establish generic listing standards for narrow-based index options strike a reasonable balance between the Commission's mandates under section 6(b)(5) to remove impediments to and perfect the mechanism of a free and open market and a national market system, while protecting investors and the public interest. Thus, the Commission finds that the listing by an Exchange of options on particular narrow-based indexes, in accordance with the requirements stated herein, will constitute a stated policy, practice, or interpretation with respect to the administration of an existing Exchange rule, pursuant to section 19(b)(3)(A), relieving the Exchange of the former requirement of obtaining specific Commission approval of such narrow-based index options pursuant to section 19(b)(2).

The Commission believes that trading options on an index (including a narrow-based index) of securities permits investors to participate in the price movements of the index's underlying securities, and allows investors holding positions in some or all of such securities to hedge the risks associated with their portfolios. The Commission further believes that trading options on an index provides investors with an important trading and hedging mechanism that is designed to reflect accurately the overall movement of the component stocks.

Currently, when an exchange intends to list options on an index of securities which the Commission has not specifically approved previously for the listing and trading of such index options, the Exchange must submit a proposed rule change to the Commission pursuant to section 19(b)(1) of the Act and Rule 19b–4 thereunder. Pursuant to section 6(b)(5) of the Act, the Commission must find, among other things, that trading in options on the particular index will serve to protect investors and contribute to the maintenance of fair and orderly markets. In this regard, the Commission must predicate approval of any new option proposal upon a finding that the introduction of such derivative instrument is in the public interest. Such a finding would be difficult for a derivative instrument that served no hedging or other economic function, because any benefits that might be derived by market participants likely would be outweighed by the potential for manipulation, diminished public confidence in the integrity of the markets, and other valid regulatory concerns.

Accordingly, before approving an Exchange proposal to list options on a particular index, and consistent with its legislative mandate, the Commission must conclude that the Exchange has addressed several issues pertaining to the particular index, including the design and structure of the index, customer protection, surveillance, and market impact. Specifically, with respect to index design and structure, the Commission takes into account, among other things, the number of securities comprising the index, the market capitalizations of the component securities, their relative weightings in the index, their trading volume, and the extent to which the component securities individually, satisfy the Exchange's requirements for the listing of equity options thereon. It is with respect to these criteria, among others,

[20] In the event that a component security did not open for trading on the expiration date of a series of index options, the last sale price for that security shall be used in calculating the index value.

[21] The CBOE has represented that, if it proposes to list reduced-value long-term options on a narrow-based index pursuant to section 19(b)(3)(A) in accordance with this order, it would include as a part of its rule filing an amendment to the list of indexes on which reduced-value long-term options are traded, as set forth in CBOE Rule 24.9(b)(2)(A).

that this order establishes generic standards which, if satisfied, would allow an Exchange to file a proposed rule change, effective immediately upon filing, to list and trade options on a particular narrow-based index 30 days from the filing date.[22]

The Commission believes that the listing and maintenance listing standards set forth herein are consistent with the criteria currently utilized in the Commission's case-by-case consideration of narrow-based index option proposals, and are reasonably designed to ensure the protection of investors and the public interest. Specifically, the Commission finds that the generic standards covering minimum capitalization, monthly trading volume, and relative weightings of component stocks are designed to ensure that the trading markets for component stocks are adequately capitalized and sufficiently liquid, and that no one stock or stock group dominates that index. Thus, the Commission believes that the satisfaction of these requirements significantly minimizes the potential for manipulation of the index.

Two other important requirements are that at least 90 percent of the component stocks, by weight, must be eligible individually for options trading, and that no more than 20 percent of the index may be comprised of ADRs which are not subject to a comprehensive surveillance sharing agreement. The Commission believes that these standards are necessary to ensure that index options are not used as surrogate instruments to trade options on stocks and/or ADRs that otherwise are not eligible for options trading.,

The Commission also believes that the number of securities required to constitute the narrow-based index is large enough to ensure that an index is not created for the purpose of obtaining more favorable regulatory treatment, e.g., with respect to position and exercise limits, as compared with the trading of options in the underlying stocks.

The Commission also finds the requirements that all securities comprising the index be "reported securities," as defined in Rule 11Aa3–1 under the Act, and that the index value be disseminated at least once every 15 seconds during trading hours of the index, will contribute significantly to the transparency of the market for such index options.[23] The Commission further believes that basing the settlement value of expiring index options upon the opening prices of the component securities on the primary exchange on which they are traded (or on the Nasdaq National Market) may help contain the volatility of related markets upon their expiration.

The Commission notes that an Exchange which lists options pursuant to this order must notify the Commission immediately upon discovering that such options have failed to satisfy the maintenance listing standards described herein, and is prohibited from listing any additional series of such options unless the Exchange, with the affirmative concurrence of the Commission, determines that such failure is insignificant. The Commission believes that this requirement helps to ensure the continued compliance of such new option products with the standards set forth in this order, and confirms the obligation of the Exchanges to monitor all series of options listed thereon to ensure that they continue to satisfy the maintenance listing standards prescribed in their respective rules. On the other hand, this requirement will allow the Commission to provide flexibility on the issue of continued listing, where the failure to meet a particular standard is insignificant and will not hinder the protection of investors or cause the index to be susceptible to manipulation.

The Commission further notes that each of the Exchanges' rules that are applicable to narrow-based index options, including provisions addressing sales practices, floor trading procedures, position and exercise limits,[24] margin requirements, and trading halts and suspensions, will continue to apply to any narrow-based index listed pursuant to the streamlined approval procedures described herein.

Finally, the Commission generally believes that a surveillance sharing agreement between an Exchange proposing to list a stock index derivative product and the exchange(s) trading the stocks underlying the derivative product is an important measure for surveillance of the derivative and underlying securities markets. Such agreements ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the stock index product less readily susceptible to manipulation. In this regard, all of the Exchanges, as well as the National Association of Securities Dealers, Inc. ("NASD"), are members of the Intermarket Surveillance Group ("ISG"), which provides for the exchange of all necessary surveillance information.[25] In light of the Exchanges' membership in the ISG, and the fact that the generic listing and maintenance listing standards ensure that all stocks (and ADRs) comprising a narrow-based index being added pursuant to this order would be listed on a U.S. exchange (or quoted on and traded through the Nasdaq National Market), the Commission is satisfied that the ISG Agreement would cover investigations and inquiries regarding trading activity in options on narrow-based indexes and their underlying component securities. In addition, the Commission finds that the requirement that no more than 20 percent of the weight of the index may be comprised of ADRs that are not subject to a comprehensive surveillance sharing agreement between the particular U.S. exchange and the primary market of the underlying security will continue to ensure that the Exchanges have the ability to adequately surveil trading in the narrow-based index options and the ADR components of the index.[26]

B. Commission Review of Exchange Proposals

The Commission finds that the review procedures provide the Commission with sufficient opportunity to examine the representations made by an Exchange in connection with its listing of options on a narrow-based index pursuant to section 19(b)(3)(A). Specifically, the Commission believes that the seven day prefiling requirement gives the Commission staff an

[22] The Commission reiterates that an Exchange would not be foreclosed from pursuing formal Commission review of a proposal to list options on a narrow-based index that do not qualify for effectiveness upon filing under section 19(b)(3)(A). See supra note 15.

[23] Currently, only exchange-traded securities and Nasdaq National Market securities qualify as "reported securities." See supra note 17.

[24] In its section 19(b)(3)(A) filing, an Exchange must specify the applicable position limits for options on the narrow-based index.

[25] The ISG was formed on July 14, 1983, among other things, to coordinate more effectively surveillance and investigative information sharing arrangements in the stock and options markets. See Intermarket Surveillance Group Agreement, dated July 14, 1983. The most recent amendment to the ISG Agreement, which incorporates the original agreement and all amendments made thereafter, was signed by ISG members on January 29, 1990. See Second Amendment to the Intermarket Surveillance Group Agreement, dated January 29, 1990.

[26] As noted above, comprehensive surveillance sharing agreements must be in place with the markets underlying ADRs representing at least 80 percent of the weight of the index unless the ADR meets the 50 percent U.S. trading volume test (and the 30 percent maintenance volume test). See supra note 18. In addition, by virtue of the Exchange's and the NASD's membership in the ISG, the Exchanges would have the ability to obtain surveillance information regarding trading in the ADR. See Release No. 34–31529, supra note 18.

opportunity to discuss with an Exchange whether its proposal to list and trade particular narrow-based index options properly qualifies for effectiveness upon filing. In addition, the Commission finds that the 30 day delay in the commencement of trading of proposed narrow-based index options will provide a meaningful opportunity for public comment prior to the commencement of trading, while also providing the Exchanges with the opportunity to inform market participants in advance of the proposed trade date for a new index option. In accordance with section 19(b)(3)(C) of the Act, if the Commission determines that the rule change proposal is inconsistent with the requirements of the Act and the rules and regulations thereunder, the 30 day delay would allow the Commission to abrogate the rule change before trading commences, which will minimize disruption on market participants. This authority could be utilized if, for example, it is determined that the proposed narrow-based index option does not satisfy the applicable generic listing standards.

The Commission notes that its ability to review an Exchange's proposal submitted under the procedures outlined herein would not necessarily be limited to determining whether proposed narrow-based index options satisfy the generic standards. Rather, the Commission will have an opportunity to determine whether the proposed index options raise other regulatory concerns that should be addressed before trading commences. For example, the Commission will have an opportunity to determine whether the listing and trading of options on the new narrow-based index will have an adverse impact on the underlying securities markets.[27]

In summary, if the Commission determines that a proposed index option product does not completely satisfy the generic listing standards, or if based on the foregoing considerations it generally appears to the Commission to be necessary or appropriate in the public interest or for the protection of investors, the Commission, within 60 days of the Exchange's filing, may summarily abrogate the Exchange's rule change and require that the rule proposal be filed with the Commission pursuant to sections 19(b) (1) and (2) of the Act. Although the purpose of streamlining the review of new narrow-based index options by creating generic standards is to facilitate the Exchanges' ability to list such new products as the demand for them arises, the Commission believes nevertheless that its authority to abrogate such a rule change proposal supplies a significant regulatory check on the Exchanges to ensure that these new standards are implemented properly.

C. Accelerated Approval of Proposed Rule Changes and Exchange Amendments

The Commission finds good cause for approving the proposed rule changes filed by the NYSE, PSE, and Phlx, and the Exchange Amendments, prior to the thirtieth day after the date of publication on notice of filing thereof in the **Federal Register.** The rule changes proposed by the NYSE, PSE, and Phlx, and Amex Amendment Nos. 1 and 2, conform their proposals to the CBOE's proposal. Further, the CBOE's proposal was published for the full 21-day comment period, and no comments were received. With the exception of Amex Amendment Nos. 1 and 2, the Exchange Amendments clarify, but do not change, the proposed rule changes. The Commission finds, therefore, that no new regulatory issues are raised by the foregoing proposed rule changes and the Exchange Amendments. Accordingly, the Commission believes it is consistent with sections 19(b)(2) and 6(b)(5) of the Act to approve the NYSE, PSE, and Phlx proposed rule changes and Exchange Amendments on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the NYSE, PSE, and Phlx proposed rule changes and Exchange Amendments. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the foregoing that are filed with the Commission, and all written communications relating to the foregoing between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC. Copies of such filings also will be available for inspection and copying at the principal office of the above-mentioned self-regulatory organizations. All submissions should refer to the appropriate file number(s) in the caption above and should be submitted by July 1, 1994.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,[28] that the proposed rule changes (File Nos. SR-Amex-92-35, SR-CBOE-93-59, SR-NYSE-94-17, SR-PSE-94-07, and SR-Phlx-94-10), as amended, are approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[29]

Jonathan G. Katz,

Secretary.

[FR Doc. 94-14096 Filed 6-9-94; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-34166; File No. SR-DTC-94-01]

Self-Regulatory Organizations; The Depository Trust Company; Order Approving a Proposed Rule Change to Add a Standing Instruction Database to the Institutional Delivery System

June 6, 1994.

On January 31, 1994, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-DTC-94-01) under Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] to implement the standing instruction database feature of the enhanced institutional delivery ("ID") system.[2] Notice of the proposal was published in the **Federal Register** on March 4, 1994.[3] The Commission received three comment letters supporting implementation of the proposal.[4] The Commission also received one comment letter that discussed the structure of current self-

[27] An Exchange, in conjunction with a section 19(b)(3)(A) rule filing to list options on a narrow-based index, must provide the Commission with written representations that both the Exchange and the Options Price Reporting Authority have the necessary systems capacity to support those new series of options to be generated by the narrow-based index.

[28] 15 U.S.C. 78s(b)(2) (1988).

[29] 17 CFR 200.30-3(a)(12) (1993).

[1] 15 U.S.C. 78(b)(1) (1988).

[2] The Commission recently approved the overall concept of the enhanced ID system. Securities Exchange Act Release No. 33466 (January 12, 1994), 59 FR 3139 [File No. SR-DTC-93-07]. The approval order sets forth a description and discussion of the enhancements being made to the ID system and requires DTC to submit for each principal new feature the finalized rules and procedures in a proposed rule change filing under Section 19(b)(2) of the Act.

[3] Securities Exchange Act Release No. 33679 (February 24, 1994), 58 FR 59283.

[4] Letters from John Zupan, Chairperson, Bank Depository User Group, to Secretary, Commission (April 28, 1994), from George J. Minnig, Chairman, Securities Operations Division, Regulatory & Clearance Committee of the Securities Industry Association, to Jonathan G. Katz, Secretary, Commission (April 29, 1994), and from Lawrence Morillo, Senior Vice President, Pershing, Division of Donaldson, Lufkin & Jenrette Securities Corporation, to Jonathan G. Katz, Secretary, Commission (May 12, 1994).

regulatory organization ("SRO") confirmation/acknowledgement rules and a response to the comment letter from DTC.[5] For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The standing instruction database is a central repository for customer account and settlement information furnished by institutions, agents, and broker-dealers. The information contained therein includes items such as the agent for an institutional customer, the agent's internal account number for the institutional customer, and interested parties. Using the standing instruction database, a broker-dealer can link its internal account numbers for its institutional customers with the institutional customers' internal account numbers. When entering trade data into the ID system, a broker-dealer can simply refer to its internal account number in the standing instruction database, and the ID system will extract the necessary information (such as customer name, agent, interested parties, and settlement related information) from the database and automatically will add the information to the confirmation. The standing instruction database will eliminate the need for the broker-dealer to provide such information each time that the broker-dealer enters trade data into the ID system.

The standing instruction database is an account level optional feature for ID users. A broker-dealer with many institutional accounts can designate that only specified accounts access the standing instruction database. If an account is not designated to access the standing instruction database, the broker-dealer will provide the ID system with the type of information that is contained in the database. However, once a broker-dealer links its internal customer account number with account information furnished to the database by the institutional customer, the data will be used for certain fields in ID system processing when the broker-dealer submits trade data for that institutional customer's trades regardless of whether the broker-dealer submits data for those fields. Participants will have the ability to enter a standing instruction database change with a specific effective date by specifying on which date the addition, change, or deletion should take effect.

II. Discussion

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency, such as DTC, be designed to promote the prompt and accurate clearance and settlement of securities transactions.[6] As discussed below, the Commission believes that DTC's proposed rule change is consistent with this obligation.

The institutional delivery system provides an effective electronic communication network that replaces the written documents that used to be passed among broker-dealers, investment managers, and custodian banks in order for these parties to settle transactions within the regular-way (five business day) settlement cycle. In order to facilitate timely settlement of institutional trades, which constitute a significant percentage of all market trades, several self-regulatory organizations amended their rules in 1982 to require broker-dealers that extend delivery versus payment credit privileges on transactions in depository eligible securities to use the facilities of a registered securities depository for the confirmation, affirmation, and settlement of these transactions.[7] Those changes were designed to facilitate routine trading volume of 100 million shares. In the twelve years since the use of a registered securities depository for generating confirmations and affirmations became mandatory, the U.S. securities markets have handled unprecedented volume and routinely settle trading of 300-400 million shares daily.

DTC's proposal expands the range of functions available to users of the ID system. In particular, the proposal will allow broker-dealers, institutions, and agents to leave with DTC certain trade settlement information that routinely appears on each confirmation and to draw on that information quickly when formatting confirmations. This will promote the prompt and accurate clearance and settlement of securities transactions consistent with Section 17A of the Act.

During the last twelve years, private vendors have offered services that are based on the ID system and encompass some of the features that DTC now proposes to offer its participants. One such service provides database features which allow institutions to advise broker-dealers how to allocate trades among institutional clients and which supply that data to DTC's ID system to be used in generating confirmation and affirmations. The Commission is satisfied that these private vendors will be able to continue to provide these services and supply data to ID.

The standing instruction databases, along with the other enhancements to DTC's ID system,[8] also will facilitate the industry's conversion to a three business day settlement cycle which will be the standard settlement time for most broker-dealer trades beginning June 1, 1995.[9]

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[10] that the proposed rule change (File No. SR–DTC–94–01) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[11]

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[5] In its comment letter, Thomson Financial Services ("Thomson") agreed that DTC's proposal is consistent with Section 17A of the Act but also asserts that the current self-regulatory organization rules that require the use of the facilities of a registered securities depository for the confirmation and acknowledgement of all depository eligible transactions and DTC's status as a registered securities depository preclude vendors from competing with DTC in supplying electronic trade confirmation services. Letter from Dr. Keith B. Jarrett, President, Thomson Trading Services, Inc. (A Thomson Financial Services Company), to Jonathan A. [sic] Katz, Secretary, Commission (March 25, 1994) ("Thomson letter").

DTC's response to the Thomson letter disputed the statement that DTC's status as a registered securities depository creates an anticompetitive environment and precludes Thomson from providing electronic trade confirmation services. DTC also stressed that the Commission's review of the standing instruction database feature of the enhanced ID system was not the proper forum for the initial consideration of the propriety of SRO rules that require the use of a registered securities depository for the confirmation and acknowledgment of transactions in depository eligible securities. Letter from Carl H. Urist, Deputy General Counsel and Vice President, DTC, to Jonathan G. Katz, Secretary, Commission, (April 15, 1994) ("DTC's response").

The Commission believes that the issues raised by the Thomson letter and DTC's response need not be resolved prior to the approval of the standing instruction database feature of the enhanced ID system. The Commission understands that discussions regarding Thomson's concerns are underway among Thomson, DTC, and the Securities Industry Association.

[6] 15 U.S.C. 78q–1(b)(3)(F).

[7] For a discussion of the necessity of such SRO rules, see Securities Exchange Act Release Nos. 19227 (November 9, 1982), 47 FR 51658 and 33515 (January 24, 1994), 59 FR 4295 (orders approving proposed rule changes).

[8] *Supra* note 2.

[9] For a detailed description and discussion of the conversion to a three business day settlement cycle, see Securities Exchange Act Release No. 33023 (October 13, 1993), 58 FR 52891 [File No. S7–5–93] (adopting Commission Rule 15c6–1).

[10] 15 U.S.C. 78s(b)(2)

[11] 17 CFR 200.30–3(a)(12) (1993).

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14125 Filed 6–9–94; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–34163; International Series Release No. 670; File No. SR–ISCC–94–2]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by International Securities Clearing Corporation Relating to an Amendment to the Linkage Agreement With Japan Securities Clearning Corporation

June 6, 1994.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] notice is hereby given that on May 26, 1994, International Securities Clearing Corporation ("ISCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by ISCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

ISCC is filing the proposed rule change to amend its linkage agreement with the Japan Securities Clearing Corporation ("JSCC") to allow ISCC to provide JSCC access, through ISCC, to the National Securities Clearing Corporation ("NSCC") New York Window ("NYW") services.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ISCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. ISCC has prepared summaries, set forth in sections A, B, an C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis For, the Proposed Rule Change

(a) ISCC is a wholly owned subsidiary of NSCC and is a member of NSCC for the purposes of obtaining access to NSCC services on behalf of foreign financial institutions with whom ISCC enters into linkage agreements. JSCC is a wholly owned subsidiary of the Tokyo Stock Exchange and provides clearing services for securities listed on stock exchanges in Japan. JSCC acts as the central depository for foreign shares, including U.S. shares, listed on stock exchanges in Japan for the benefit of the beneficial owners thereof. It appoints local custodians with respect to non-Japanese securities. In 1988, ISCC and JSCC entered into a linkage agreement which permitted JSCC to obtain access through ISCC to certain services of the Depository Trust Company ("DTC") for U.S. shares listed on stock exchanges in Japan and included in JSCC's central depository clearing system for foreign shares. ISCC and JSCC are entering into an amendment to the linkage agreement which will permit JSCC to obtain access through ICC to NSCC's NYW services for initial public offerings of U.S. securities listed on exchanges in Japan until such time as such securities are eligible for deposit at DTC. The services provided through the NYW will be similar to that which JSCC obtains through ISCC from DTC for DTC eligible securities. Deliveries and receives of these securities would be free of payment and would be initiated based on instructions received from JSCC. The securities held by NSCC would be used as the basis for the bookkeeping entries at JSCC. At such time as these securities become eligible at DTC they would be deposited at DTC for credit to the account of JSCC. At that time, the services that ISCC. At that time, the services that ISCC provides to JSCC for these issues will be the services covered under the terms of the original linkage agreement.

(b) The proposed rule changes fosters cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and as such is therefore consistent with Section 17A of the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

ISCC does not believe that the proposed rule change imposes any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

ISCC has received no written comments. ICC will notify the Commission of any written comments received by ISCC.

[1] 15 U.S.C. 78s(b)(1).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action.

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period: (i) As the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consent, the Commission will:

A. By order approve the proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC, 20549. Copies of such filing also will be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization.

All submissions should refer to File No. SR–ISCC–94–2 and should be submitted by July 1, 1994.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14126 Filed 6–9–94; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–34162; File No. SR–MSRB–94–7]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Municipal Securities Rulemaking Board; Relating to Recordkeeping and Record Retention Requirements Concerning Gifts and Gratuities

June 6, 1994.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on May 26, 1994, the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The purpose of the proposed rule change is to require municipal securities dealers to keep records of gifts and gratuities given to others, including issuer officials and employees, in relation to municipal securities activities. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Board is filing amendments to rule G–8 and G–9, on recordkeeping and record retention, that relate to rule G–20, on gifts and gratuities concerning suitability of recommendations. The proposed rule change requires dealers to keep records of gifts and gratuities given to others, including issuer officials and employees, in relation to municipal securities activities. The Board is requesting that the rule change become effective 30 days after approval by the Commission.

II. Self-Regulatory Organization's Statement of the Purpose Of, and Statutory Basis For, the Proposed Rule Change

In its filing with the Commission, the Board included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose Of, and Statutory Basis For, the Proposed Rule Change

Rule G–20 is intended to prevent commercial bribery. The rule has three basic parts. First, rule G–20(a) prohibits dealers from, directly or indirectly, giving or permitting to be given any thing or service of value in excess of $100 per year to any person, other than to an employee or partner of the dealer, in relation to municipal securities activities of the person's employer.[1] All gifts given by a dealer and its associated persons are used to compute the $100 limitation. The $100 limitation applies to gifts and gratuities to customers, individuals associated with issuers, and employees of other dealers. In addition, based on the rule's "directly or indirectly" language, if a third party (e.g., a consultant hired by a dealer) gives a gift to any such person at the request of the dealer, the value of the gift would be included in the $100 limitation.

Second, rule G–20(b) exempts certain payments from the $100 annual limit set forth in paragraph (a). These payments are termed "normal business dealings" and are defined as occasional gifts of meals or tickets to theatrical, sporting, and other entertainments, as well as the sponsoring of legitimate business functions that are recognized by the IRS as deductible business expenses, and gifts or reminder advertising. However, the rule also provides that such gifts cannot be so frequent or so expensive as to raise a suggestion of unethical conduct.

Finally, rule G–20(c) provides that contracts of employment with or compensation for services rendered are not considered gifts or gratuities subject to the $100 limitation. Such arrangements, however, must be in writing and must include the nature of the proposed services, the amount of the proposed compensation, and the written consent of such person's employer.

In 1993, the municipal securities market came under increased scrutiny because of concerns that municipal securities dealers were influencing municipal securities issuers to hire such dealers for municipal securities business through the payment of political contributions and other monies to persons with influence over the dealer selection process. While the Board addressed the issue of political contributions through rule G–37, the Board was concerned that other activities, such as excessive gifts, also might be viewed as influencing the dealer selection process.

The proposed rule change requires dealers to keep and retain specific records of all gifts and gratuities subject to paragraph (a) of the rule.[2] The proposed rule change also requires dealers to keep and retain records of all contracts of employment or agreements for compensation for services and all compensation paid as a result of those agreements. These amendments are consistent with the rules of other self-regulatory organizations. The Board believes that the amendments to the recordkeeping and record retention requirements related to gifts and gratuities will facilitate dealer compliance with rule G–20, and assist enforcement agencies in monitoring for compliance with the rule.

The Board believes that the proposed rule change is consistent with section 15B(b)(2)(C) of the Act, which provides that the Board's rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Board does not believe that the proposed rule change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

In January 1994, the Board published for comment the proposed rule change.[3] The Board received one comment letter that supported the proposed amendments to rules G–8 and G–9 to

[1] "Person" has been interpreted by the Board in the context of rule G–20 to apply only to natural persons because the intent of the rule is to discourage dealers from inducing individual employees to act in a manner inconsistent with their obligations to, or contrary to the interests of, their employers. MSRB Interpretation of March 19, 1980. MSRB Manual (CCH) ¶ 3571.24.

[2] The proposed rule change also clarifies that dealers complying with Rule 17a–3 of the Act are required to maintain this information.

[3] MSRB Reports, Vol. 14, No. 1 (January 1994) at 11–12. The request for comment also requested information and comment on a number of specific questions regarding dealings with issuer officials.

strengthen the Board's recordkeeping and record retention requirements.[4]

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period: (i) As the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by July 1, 1994.

For the Commission by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30–3(a)(12).

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14127 Filed 6–9–94; 8:45 am]

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[4] In addition, the commenter acknowledged that business entertainment practices present opportunities for abuse, but believed that existing law and regulation, properly enforced, provides sufficient protection against abuse in the area of business entertainment and gift-giving in the municipal securities industry

[Release No. 34–34159; International Series Release No. 669; File No. SR–NASD–94–33]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Termination of the Nasdaq-London Stock Exchange Linkage

June 3, 1994.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] notice is hereby given that on May 26, 1994, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Pursuant to section 19(b)(1) of the Act, the NASD hereby files this proposed rule change to accelerate to June 30, 1994 the termination date of the experimental quotation linkage between the London Stock Exchange ("LSE") and The Nasdaq Stock Market ("Nasdaq"), a subsidiary of the NASD. The linkage had been scheduled to terminate on October 31, 1994.

II. Self-Regulatory Organization's Statement of the Purpose Of, and Statutory Basis For, the Proposed Rule Change

In its filing with the Commission, the NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NASD has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose Of, and Statutory Basis For, the Proposed Rule Change

On October 2, 1987, the SEC issued an order approving operation of an experimental market linkage between Nasdaq and LSE (formerly, the International Stock Exchange of The United Kingdom and the Republic of Ireland) for a pilot term of two years.[2] This linkage supports an interchange of quotation information ("linkage information") on about 740 securities ("linkage securities"); of that total, each marketplace has designated approximately half as its "pilot group" of linkage securities. NASD and LSE members that function as market makers in one or more of a subset of linkage securities that are quoted in both the Nasdaq and LSE dealer markets ("common issues") are entitled to access linkage information without paying a separate charge to receive it. Operation of the linkage in this fashion comports with the terms of the Commission's October 1987 Order.

Most recently, the Commission authorized an extension of this pilot linkage through October 31, 1994 by approving File No. SR–NASD–94–23.[3] The latter also stated that the linkage would terminate on or about October 31, 1994. Subsequently, the LSE advised Nasdaq that it will switch communication carriers at the end of June and that Nasdaq would have to bear the costs of new communication lines to its processors in Trumbull, Connecticut and Rockville, Maryland. After reviewing the specific communication requirements and costs, Nasdaq determined to forgo the added communication costs and terminate the Nasdaq-LSE linkage on June 30, 1994. Therefore, the sole purpose of this rule change is to accelerate the termination date for the Nasdaq-LSE linkage to June 30, 1994.

The NASD believes that the proposed rule change is consistent with the provisions of section 15A(b)(5) and 15A(b)(11) of the Act. Section 15A(b)(5) requires that the NASD's rules provide for the equitable allocation of reasonable dues, fees, and other changes among members or others using any facility or system that the NASD operates or controls. Section 15A(b)(11) authorizes the NASD to adopt rules governing the form and content of quotations disseminated by member firms. Termination of the Nasdaq-LSE linkage on June 30, 1994 will obviate the imposition of additional communication costs (which could not be readily recovered) to support a service that is infrequently used by eligible NASD members and that duplicates market data offerings by commercial vendors. Similarly, LSE members that wish to

[1] 15 U.S.C. 78s(b)(1) (1988).

[2] Securities Exchange Act Release No. 24979 (Oct. 2, 1987), 52 FR 37684 (Oct. 8, 1987) (the "October 1987 Order").

[3] Securities Exchange Act Release No. 33946 (Apr. 21, 1994), 59 FR 22036 (Apr. 28, 1994).

receive comprehensive quotation and transaction information from Nasdaq can easily do so by subscribing to an appropriate vendor service. From either perspective, a vendor-sponsored service will provide access to more market information than that which is accessible through the Nasdaq-LSE linkage.

B. Self-Regulatory Organization's Statement on Burden on Competition

The NASD believes that the rule change will not result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing For Commission Action

The foregoing rule change has become effective pursuant to section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b–4 thereunder because the proposal constitutes a stated policy, practice, or interpretation concerned solely with the administration of a pilot system whose operation had been extended, on an interim basis, by numerous rule changes filed by the NASD. In this regard, the establishment of a revised date for terminating this experimental system is an administrative matter that does not involve the enforcement or interpretation of any NASD rules.

At any time within 60 days of the filing of such rule change, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to file number SR–NASD–94–33 and should be submitted by July 1, 1994.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[4]

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14097 Filed 6–9–94; 8:45 am]

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[Release No. 34–34153; File No. SR–NYSE–94–08]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Approving Proposed Rule Change Relating to the Same-Day Comparison of Initial Trade Data in Listed Stocks Through the NYSE's On-Line Comparison System

June 3, 1994.

On March 10, 1994, the New York Stock Exchange, Inc. ("NYSE") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR–NYSE–94–08) under section 19(b) of the Securities Exchange Act of 1934 ("Act").[1] Notice of the proposed rule change was published in the **Federal Register** on May 18, 1994, to solicit comments from interested persons.[2] No comments were received by the Commission. This order approves the proposal.

I. Description of the Proposal

The proposed rule change will allow the NYSE to implement its On-Line Comparison System ("OCS"). With OCS, NYSE clearing members will be able to submit trade data on listed stocks to NYSE on trade date for initial comparison. Implementation of NYSE's same-day comparison will be in a phased-in approach similar to that which was used to implement next-day ("T+1") comparison of NYSE transactions.[3] The NYSE's target date for full implementation of trade-date comparison is June 30, 1995. The NYSE filed this proposal with the Commission to provide the NYSE community with almost eighteen months advance notice in order to afford them time to plan and implement the operational changes that may be necessary.[4]

Beginning on June 1, 1994, the NYSE will require its member clearing firms to submit to it periodically during the trading day trade data for transactions in listed stocks, rights, and warrants effected on the NYSE for "regular way,"[5] "next day,"[6] "cash,"[7] and "seller's option" settlement.[8] Trade data for transactions in listed stocks traded on an "issued," "when issued,"[9] and "when distributed"[10] basis also will have to be submitted periodically during the trading day. The NYSE's existing Overnight Comparison System will be the main processor of the data submitted for initial comparison. Accordingly, the NYSE has changed that system's name to the On-Line Comparison System and will continue to use the same acronym of OCS. Compared trades will be submitted by the NYSE to a "qualified clearing agency"[11] to complete the clearance and settlement process.

Implementation of trade-date comparison will require clearing firms to meet three general requirements. First, they will have to suppress certain comparison data submissions to

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[4] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b) (1988).

[2] Securities Exchange Act Release No. 34023 (May 6, 1994), 59 FR 25979.

[3] In March 1989, the Commission approved the NYSE's Rule 130. That rule, which was used to implement overnight comparison over the eighteen months following its approval, established the principle that "regular way" transactions in listed stocks, rights, and warrants must be compared or closed out within one business day after the trade date. Securities Exchange Act Release No. 26627 (March 14, 1989) 54 FR 11470 (File No. SR–NYSE–88–36) (order approving proposed rule change).

[4] The NYSE has distributed to its members a circular, dated January 29, 1994, describing implementation of trade date comparison.

[5] The term "regular way" settlement means settlement on T+5. NYSE Rule 64(3).

[6] "Next day" settlement means settlement on T+1 NYSE Rule 64(2).

[7] "Cash" settlement means settlement on trade date. NYSE Rule 64(1).

[8] "Seller's option" settlement means settlement within the time specified in the contract. NYSE 64(4).

[9] A "when issued" stock refers to a stock which trades after the date of issue but before the certificates have been issued. NYSE Rule 440B.16; D. Scott, Wall Street Words 385 (1988).

[10] A "when distributed" stock refers to a stock which trades after the date of issue but before the certificates have been issued. NYSE Rule 440B.16; D. Scott, Wall Street Words 385 (1988).

[11] For this purpose, the term "qualified clearing agency" means a clearing agency that is registered under the Act, that maintains facilities through which NYSE trades may be compared or settled, that has agreed to supply the NYSE with data in connection with the NYSE's compliance duties under the Act, and that has agreed to establish rules and procedures to facilitate comparison of transactions as provided in NYSE Rule 130. NYSE Rules 130, Supplementary Material .10, and 132, Supplementary Material 10.

qualified clearing agencies as the NYSE locks-in additional trades. Second, they will have to submit their comparison data to the NYSE for comparison rather than to a qualified clearing agency. Third, they will have to submit virtually all comparison data to the NYSE during the trading session rather than after the close of trading.[12]

As mentioned above, the implementation of trade date comparison will use a phased-in approach, which the NYSE found successful in implementing T+1 overnight comparison. Beginning June 1, 1994, NYSE clearing members will be required to submit trade data directly to OCS within two hours of trade execution. In August or September of 1994, clearing members will be required to submit trade data within one hour of execution. In October of 1994, clearing members will be required to make on-line, real time submissions of trade data. These time frames are flexible and may be altered by the NYSE as it evaluates clearing firms' abilities to comply. The NYSE intends to monitor closely the implementation of each phase and will not implement a new phase until it is satisfied that no significant operational problems exist.

II. Discussion

For the reasons discussed below, the Commission believes the proposal is consistent with the Act. Section 6(b)(5) of the Act states that exchange rules should be designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, and processing information with respect to securities transactions; to remove impediments to a free and open market; and to protect investors and the public interest.[13]

The risks posed by uncompared trades and by the long span of time between trade execution and trade comparison (i.e., as long as five business days) came under intense scrutiny after the Market Break of October 1987. The leading studies of the Market Break of 1987 identified uncompared trades as a major stress point in post-trade processing which, together with the unprecedented trading volume and the unprecedented price volatility during the Market Break, posed an unacceptable threat to the marketplace.[14] The Commission, in its recommendations to Congress in February of 1988, proposed that markets accelerate their efforts to compare all trades on trade date.[15]

Since 1988, the NYSE, among others, has sought to improve clearing operations and to reduce exposure to losses associated with market volatility occurring during the period between execution and settlement. The NYSE reduced its comparison cycle in stocks first from T+5 in 1990.[16] T+1 comparison also was made applicable to NYSE listed options in 1992[17] and to NYSE listed bonds in 1993.[18] Currently, according to the NYSE, more than seventy-five percent of all trades executed on the NYSE trading floor are captured and locked-in electronically. The NYSE views the electronic capture of the remaining twenty-five percent of its trades, which primarily occur in trading crowds on its trading floor, as a major goal of OCS.

The NYSE's main objectives as it moves toward complete implementation of OCS include: (1) Increasing the percentage of electronically locked-in trades; (2) maintaining a low rate of uncompared trades rate during the various phases of the project; (3) electronic capture and comparison of trades, especially trading crowd transactions, that currently are not captured by any electronic order entry system; and (4) elimination of any redundant comparison processing. Significantly, as the NYSE moves through its various implementation phases of OCS, its current Rule 130 will remain in operation. That rule requires that each transaction effected on the NYSE be compared or closed out by NYSE's close of business on T+1.

The required changes may affect numerous clearing and non-clearing firms' operations, including such things as trading floor operations, purchase and sales department procedures, clearing operations, and internal account balancing and reconciliation procedures. Because of these significant changes, the NYSE has established two committees, a steering committee and a working group, to advise it on the best methods by which trade-date comparison may be achieved. Additionally, this program of trade-date comparison is being implemented in conjunction with the National Securities Clearing Corporation and the American Stock Exchange, Inc.

As stated above, the Commission believes that the proposed rule change, by shortening the NYSE comparison cycle from T+1 to trade date, will make NYSE's comparison process safer in terms of the risks resulting from market price volatility and more efficient in terms of the time and expense involved in post-trade processing. The Commission believes that the proposal will offer additional protection to investors, brokers, and other persons that safeguard investors' funds and facilitate investors' transactions. In the Commission's view, this proposal will provide fundamental and important improvements to the marketplace.

III. Conclusion

For the reasons discussed above, the Commission finds that the proposed rule change is consistent with the Act, particularly with sections 6(b)(5) of the Act, and the rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the above-mentioned proposed rule change (File No. SR–NYSE–94–08) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[19]

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14128 Filed 6–9–94; 8:45 am]

BILLING CODE 8010–01–M

[12] While the NYSE's ultimate goal is to lock-in all trades electronically and to have all trades compared during the trading session, as a practical matter, there will be trades at the close or immediately before or after the close that are not submitted for comparison during the trading session. This will be especially true in the early stages of the proposal's implementation. Conversation between Harry F. Day, Counsel-Regulation, NYSE; Stanley Jacoby, Trade Comparison Specialist, Post Trade Services, NYSE; and Thomas C. Etter, Jr., Attorney, Division of Market Regulation, Commission (May 27, 1994).

[13] 15 U.S.C. 78f(b)(5) (1988).

[14] See Securities Exchange Act Release No. 26627 (March 14, 1989), 54 FR 11470 [File No. SR–NYSE–88–36] (order approving proposed rule change) and Division of Market Regulation, Market Analysis of October 13 and 16, 1989, 117–129 (December 1990).

[15] Testimony on the Securities and Exchange Commission's Recommendations Regarding the October 1987 Market Break delivered by David S. Ruder, Chairman, Commission, before the Senate Committee on Banking, Housing and Urban Affairs at 23–24 (February 3, 1988).

[16] Securities Exchange Act Release No. 28285 (July 30, 1990), 55 FR 31030 [File No. SR–NYSE–90–21] (order approving proposed rule change).

[17] For a discussion of T+1 comparison or close-out for options, refer to Securities Exchange Act Release No. 30293 (January 27, 1992), 57 FR 4229 [File No. SR–NYSE–91–36].

[18] For a discussion of T+1 comparison of close out for bonds, refer to Securities Exchange Act Release No. 31826 (February 4, 1993), 58 FR 8075 [File No. SR–NYSE–92–32].

[19] 17 CFR 200.30–3(a)(12) (1993).

[Release No. 34–34154; File No. SR–PTCV–94–01]

Self-Regulatory Organizations; Participants Trust Company; Order Approving Proposed Rule Change Relating to the Eligibility of Certain Securities Guaranteed by the Government National Mortgage Association

June 3, 1994.

On April 4 1994, the Participants Trust Company ("PTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR–PTC–94–01) pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").[1] The proposed rule change allows PTC to designate certain securities guaranteed by the Government National Mortgage Association ("GNMA")[2] as "eligible securities" as permitted by PTC's Rules. The Commission published notice of the proposed rule change in the **Federal Register** on April 26, 1994.[3] No comments were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The proposed rule change allows PTC to designate certain securities guaranteed by GNMA and eligible securities as permitted by Article I, Rule 2 of PTC's Rules. PTC currently acts as depository for single-class GNMA I and GNMA II MBS and REMIC securities[4] guaranteed by the Department of Veterans Affairs ("VA").[5]

GNMA is now establishing a GNMA REMIC program under which GNMA will guarantee multi-class securities issued by REMIC trusts. The GNMA REMIC securities will be issued through single-purpose trusts created by GNMA-approved sponsors which will assemble GNMA-guaranteed single-class mortgage-backed securities to constitute the corpus of the REMIC trust. The sponsors will be private-sector entities such as investment bankers. Upon issuance, the General Counsel of HUD will render an opinion that GNMA's obligations under the GNMA guarantee of its REMIC securities will constitute absolute and unconditional general obligations of the United States, for which the full faith and credit of the United States is pledged.

The authorizing Federal statute[6] provides that the GNMA REMIC program be implemented by GNMA's publication of a notice in the **Federal Register**, and that GNMA subsequently publish regulations within twelve moths of the publication of the initial notice, based upon the comments received and the experience of GNMA in carrying out the program.

GNMA will implement its REMIC program in two stages. During the initial stage, GNMA will restrict participation in the REMIC program to a small number of participants (consisting of sponsors, co-sponsors, trustees, trust counsel, and accounting firms) and a limited number of REMIC issuances. The initial stage will commence upon the closing of the first transaction, after publication of the notice in the **Federal Register**, and is expected to last several months, during which time GNMA will establish standard documentation, and guidelines and procedures applicable to the full implementation of the REMIC program.[7]

While GNMA has not yet determined the characteristics of the GNMA REMIC tranches, for processing purposes it is assumed that the GNMA REMIC classes will have the same basic processing requirements as the VA REMICs, which PTC has had on deposit for approximately the last two years. It is assumed that, as in the case with the VA REMIC securities, all classes of the GNMA REMIC securities except the residual class will be established and maintained in book-entry form through the facilities of PRTC, although holders will have the right to request certificated securities.

II. Discussion

The Commission believes that PTC's proposed rule change is consistent with section 17A of the Act,[8] and in particular, section 17A(b)(3)(F) of the Act. Section 17A(b)(3)(F) requires that the rules of a clearing agency be designed to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions. The Commission believes that PTC's proposal to designate certain securities guaranteed by GNMA as eligible securities for deposit with PTC is consistent with this goal.

As previously stated, REMIC issuances will be limited during the initial stage of the program. Once the REMIC program is fully established, however, GNMA anticipates that a substantial percentage of its annual production of GNMA single-class securities will be securitized in GNMA REMICs. GNMA has stated they anticipate approximately $75 billion is the average deal size, this will result in approximately 150 REMIC deals issued each year.

It is anticipated that each class of the GNMA REMIC securities will be issued initially in the form of one or more physical certificates registered in the name of MBSCC & Co., nominee for PTC, and held in physical form by PTC's custodian, with participants receiving and delivering REMIC securities by book-entry on PTC's books. REMIC securities may be held subsequent to original issuance in either certificated form, outside of PTC, or on PTC's book-entry system, as is currently the case with the GNMA I and GNMA II single-class MBS and the VA REMIC securities on deposit at PTC. PTC's current custody agreement with its custodian, Chemical Bank, accommodates the deposit of GMNA REMIC securities with the custodian.

The REMIC securities will be supported entirely by the cash flows on the underlying GMA-guaranteed GNMA I MBS. REMIC trustees will be required to pay principal and interest ("P&I") on the REMIC securities in same day funds on the 16th day of the month, or the first business day thereafter if the 16th is not a business day. REMIC P&I will therefore be paid to REMIC holders on the same day that the PSI on the underlying MBS is paid to MBS holders. PTC will pass through the REMIC payment on the same day as received.

Not later than the 14th day of each month, the trustee will deliver to PTC and Chemical Bank the factor

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[1] 15 U.S.C. 78s(b)(1) (1988).

[2] GNMA is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development ("HUD"). Through its single-class GNMA I and GNMA II mortgage-backed securities ("MBS") programs, GNMA guarantees the timely payment of principal and interest on securities issued by private institutions and backed by pools of federally insured or guaranteed mortgage loans. The GNMA guarantee is backed by the full faith and credit of the United States.

[3] Securities Exchange Act Release No. 33927 (April 19, 1994), 59 FR 21794.

[4] REMIC is an acronym for "real estate mortgage investment conduit," as pass-through vehicle created under the Tax Reform Act of 1986 to issue multiclass mortgage-backed securities.

[5] As of December 31, 1993, PTC had approximately 260,000 pools of GNMA single-class securities on deposit, representing $850 billion in par value (95% of total GNMA single-class securities par value outstanding), and 71 tranches of VA REMIC securities, representing $4.6 billion in par value, from a total of 5 REMIC transactions (100% of all VA REMIC par value outstanding).

For a more detailed description of PTC's VA REMIC program, see Securities Exchange Act Release Nos. 30792 (June 10, 1992), 57 FR 27495, and 31914 (February 24, 1993), 58 FR 12295.

[6] Section 306(g) of the National Housing Act, 12 U.S.C. 1721(g), as amended by sec. 3004 of the Omnibus Budget Reconciliation Act of 1993, 107 Stat. 339.

[7] GNMA has not yet announced the date on which the initial stage of the REMIC program will commence.

[8] 15 U.S.C. 78q–1 (1988).

information for payment on the REMIC securities. PTC will follow the instructions from the trustee for disbursement of funds received on the GNMA MBS collateralizing the REMIC trust.

The volume of the GNMA REMIC securities initially deposited at FTC will be modest compared to the total face amount of GNMA securities now on deposit at FTC and is expected to have a comparably small impact on FTC's overall transaction volume.[9] GNMA I's that constitute the corpus of a GNMA REMIC trust will remain immobilized at FTC and, therefore, will be removed from FTC's transaction volume after the creation of the REMIC.

It is expected that FTC will utilize pricing sources and the methodology employed for the VA REMIC pricing at FTC for the GNMA REMIC product.[10] As an eligible security, functionally and legally comparable to GNMA single-class and VA REMIC securities, PTC's Rules and procedures are currently consistent with, and govern PTC's and it's participants' rights and obligations with respect to, the GNMA REMIC securities. PTC end of day borrowing agreements also currently apply to GNMA REMIC securities without the change. Finally, PTC anticipates that the fees imposed by PTC for providing depository services for GNMA REMIC securities will be the same as those in effect for GNMA MBS.

PTC has gained almost six years of experience with GNMAs. The Commission believes that PTC's experience with GNMAs serves as a good foundation for continuing to handle REMICs. In addition, PTC has been accepting VA REMICS for deposit for almost two years. PTC's experience with the VA REMIC program has provided a basis for determining the depository services which will be required for the GNMA REMIC. The Commission therefore believes that this proposal furthers the perfection of the national system for the clearance and settlement of securities transactions becuase GNMA REMIC will be processed within a centralized, electronic book-entry environment.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the Act, and in particular with section 17A of the act, and with the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act,[11] that the proposed rule change (File No. SR–PTC–94–01) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[12]

Jonathan G. Katz,

Secretary.

[Release No. 34–34158; File No. SR–Phlx–94–30]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Adopting Rule 1015, Quotation Guarantees, Including a Trade or Fade Provision

June 3, 1994

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on June 1, 1994, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Purpose of and the Statutory Basis for the Proposed Rule Change

The Phlx, pursuant to Rule 19b–4 of the Act, proposes to adopt Phlx Rule 1015 relating to quotation guarantees, to mirror the text of Floor Procedure Advice ("Advice") A–11, with the addition of a "trade or fade" provision.[1]

II. Self-Regulatory Organization's Statements Regarding the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of and Statutory Basis for the Proposed Rule Change

Currently, Rule 1033(a) states that all bids/offers in Phlx equity/index options are deemed to be for one contract, unless otherwise specified; in addition, specialists and Registered Options Traders ("ROTs") are required to fill public orders to a minimum depth of ten contracts at the best quoted bid/offer. Consequently, orders for public customers are provided with preferential treatment not afforded to other types of orders.

The Phlx proposes to adopt a "trade or fade" provision comparable to the proposals of the other options exchanges for the handling of orders other than public customer orders.

Specifically, when a non-public order is represented in the trading crowd at the displayed market on the Exchange, the trading crowd would be required to either satisfy the order at that price or better, or fade (withdraw) to a newly disseminated price. If the quote is faded, immediate re-display of the previously disseminated quote without a change in market conditions to warrant such action would be considered conduct inconsistent with just and equitable principles of trade,[2] which could result in an Exchange disciplinary proceeding. For purposes of this rule, non-public orders include broker-dealer orders and that portion of customer orders exceeding the contract size guaranteed by the respective crowd.

The proposed rule is similar to proposals of other option exchanges in that it would expressly require the members of an options trading crowd to respond to non-public orders represented in that trading crowd by either satisfying the order or updating the market in that option series.

The proposed rule change is consistent with Section 6 of the Act in general, and in particular, with Section 6(b)(5), in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, to remove impediments to and perfect the mechanism of a free and open market and a national market system, as well as to protect investors and the public interest.

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[9] The total face amount of GNMA securities now on deposit at FTC is approximately $880 billion.

[10] For further information regarding the pricing sources and methodology employed by PTC, see Securities Exchange Act Release No. 34017 (May 5, 1994) 59 FR 24495.

[11] 15 CFR 78s(b)(12) (1988).

[12] 17 CFR 200.30(a)(12).

[1] See SR–Phlx–91–45, as amended, for text of Advice A–11.

[2] Phlx Rule 707

B. Self-Regulatory Organization's Statement on Burden on Competition

The Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Phlx consents, the Commission will:

(A) by order approve such proposed rule change, or,

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR–Phlx–94–30 and should be submitted by July 1, 1994.

For the Commission by the Division of Market Regulation, pursuant to delegated authority. 17 CFR 200.30–3(a)(12).

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14095 Filed 6–9–94; 8:45 am]

BILLING CODE 8010–01–M

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

ACTION: Notice of Reporting Requirements Submitted for Review.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

DATES: Comments should be submitted within 30 days of this publication in the **Federal Register**. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

COPIES: Request for clearance (S.F. 83), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer. Submit comments to the Agency Clearance Officer and the OMB Reviewer.

FOR FURTHER INFORMATION CONTACT:

Agency Clearance Officer: Cleo Verbillis, Small Business Administration, 409 3RD Street, SW., 5th Floor, Washington, DC 20416; Telephone: (202) 205–6629.

OMB Reviewer: Donald Arbuckle, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

Title: National Training Participant Evaluation Questionnaire.

Form No.: SBA 20.

Frequency: On occasion.

Description of Respondents: Individuals receiving SBA training and counseling assistance.

Annual Responses: 26,000.

Annual Burden: 6,500.

Dated: June 2, 1994.

Cleo Verbillis,

Chief, Administrative Information Branch.

[FR Doc. 94–14720 Filed 6–9–94; 8:45 am]

BILLING CODE 8025–01–M

[License No. 01/01–0327]

Advent Atlantic Capital Company, L.P.; Notice of Surrender of License

Notice is hereby given that Advent Atlantic Capital Company, L.P., 75 State Street, Suite 2500, Boston, Massachusetts 02109 has surrendered its license to operate as a small business investment company under the Small Business Investment Act of 1958, as amended (the Act). Advent Atlantic Capital Company, L.P., was licensed by the Small Business Administration on November 28, 1983.

Under the authority vested by the Act and pursuant to the Regulations promulgated thereunder, the surrender was accepted on February 9, 1994, and accordingly, all rights, privileges, and franchises derived therefrom have been terminated.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: June 1, 1994.

Robert D. Stillman,

Associate Administrator for Investment.

[FR Doc. 94–14119 Filed 6–9–94; 8:45 am]

BILLING CODE 8025–01–M

DEPARTMENT OF STATE

[Public Notice No. 2020]

Shipping Coordinating Committee; Notice of Meeting

The Working Group on Lifesaving, Search and Rescue of the Subcommittee on Safety of Life at Sea (SOLAS) will conduct an open meeting at 9:30 a.m. on Friday, June 17, 1994 in room 1103 at Coast Guard Headquarters, 2100 Second Street SW., Washington, DC.

The purpose of the meeting is to review the outcome of the 25th Session of the International Maritime Organization (IMO) Sub-Committee on Lifesaving, Search and Rescue (LSR), held April 11–15, 1994, at the IMO Headquarters in London, and to begin planning of action items for the next session. Specific items to be discussed include:

—Amendments to SOLAS Chapter III approved by the LSR Sub-Committee for forwarding to the Maritime Safety Committee (MSC) for adoption

—Draft revisions to the Recommendation on Testing and Evaluation of Life-Saving Appliances, including new sections on marine evacuation systems and "anti-exposure suits," and a draft proposal for inflatable liferaft fabric requirements

—Amendments to MSC Circular 617 on Guidelines for Passenger Safety Instructions, and a working paper on guidelines for emergency escape arrangements on passenger ships

—Information concerning the European Free Trade Association (EFTA) "Scheme for the Reciprocal Recognition of Tests and Inspections carried out Ships' Equipment"

The IMO LSR Sub-Committee works to develop international agreements, guidelines, and standards for Search and Rescue and for lifesaving equipment installed on commercial ships. Because of the potential impact of the Sub-Committee's work on U.S. regulations and standards, the U.S. SOLAS Working Group serves an excellent forum for the U.S. maritime industry to express their ideas in the areas under the Sub-Committee's purview. Members of the public may attend this meeting up to the seating capacity of the room. Due to unforeseen administrative delays, the notice of this meeting is being published late. The Committee apologizes for any inconvenience.

For further information contact Mr. Kurt J. Heinz at (202) 267–1444, U.S. Coast Guard Headquarters (G–MVI–3/1404), 2100 Second Street, SW., Washington, DC 20593–0001.

Dated: June 6, 1994.

Geoffrey Odgen,

Chairman, Shipping Coordinating Committee.

[FR Doc. 94–14229 Filed 6–7–94; 4:49 am]

BILLING CODE 4710–07–M

DEPARTMENT OF TRANSPORTATION

Federall Aviation Administration

Notice of Proposed Modification of Airport Improvement Program Grant Assurances

AGENCY: Federal Aviation Administration (FAA), (DOT).

SUMMARY: The FAA proposes to modify the standard grant assurances required of a sponsor receiving a grant under the Airport Improvement Program (AIP). This modification is due to changes in existing legislation. The Secretary of Transportation is required to provide notice in the **Federal Register** and an opportunity for the public to comment upon proposals to modify assurances or to require any additional assurances under AIP pursuant to subsection 511(f) of the Airport and Airway Improvement Act of 1982, as amended.

DATES: These proposed modifications to the Grant Assurances will be effective July 11, 1994. Comments must be submitted on or before June 27, 1994.

ADDRESSES: Comments may be delivered or mailed to the FAA, Airports Financial Assistance Division, APP–500, room 615, 800 Independence Ave, SW., Washington, DC 20591.

FOR FURTHER INFORMATION CONTACT: Ms. Leslie S. Haener (Management and Program Analyst) Telephone (202) 267–5879.

SUPPLEMENTARY INFORMATION: The Secretary must receive certain assurances from a sponsor (applicant) under the Airport and Airway Improvement Act of 1982, as amended. These assurances are submitted as part of a sponsor's application for Federal Assistance and are incorporated in all grant agreements. The current assurances were published on February 3, 1988, at 53 FR 3104 and amended on September 6, 1988, at 53 FR 34361, and on August 29, 1989, at 54 FR 35748. As need dictates, these assurances are modified from time to time to reflect new Federal requirements. Notice of such proposed modifications are published in the **Federal Register** and an opportunity provided for comment by the public. FAA is planning to modify the assurances currently in use to reflect some changes in the general requirements.

FAA uses three separate sets of standard assurances: Airport Sponsors (owners/operators); Planning Agency Sponsors; and Nonairport Sponsors Undertaking Noise Compatibility Program Projects (herein after referred to as Nonairport Sponsor Assurances).

Assurance 1, General Federal Requirements, of the Airport Sponsor Assurances and Nonairport Sponsor Assurances is modified to add Executive Order 12699—Seismic Safety of Federal and Federally Assisted New Building Construction, to the Executive Orders section of both sets of assurances. Further, Assurance 1 is modified to add 49 CFR part 41, Seismic safety of Federal and federally assisted or regulated new building construction, to the Federal Regulations section of both sets of assurances.

Assurance 1 is also modified to add 49 CFR Part 20, New restrictions on lobbying, to the Federal Regulations section of all three sets of assurances. The addition of this regulation will alleviate the need for project sponsors to file with the FAA, a separate certification stating that they have not made, and will not make, any payment prohibited by paragraph (a), § 20.100 of 49 CFR part 20. A disclosure of lobbying activities form, however, must still be filed with the FAA if required by paragraph (c), § 20.100 of 49 CFR part 20.

Assurance 1 of all three sets of assurances is also modified to correct the titles of certain Federal Regulations.

Assurance 9 of the Airport Sponsor Assurances has been rewritten to incorporate the provision of Public Law 102–581, which requires the sponsor to certify that the airport management board either has voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

Assurance 23 of the Airport Sponsor Assurances has been rewritten to bring this assurance into conformance with section 511(a)(2) of the Airport and Airway Improvement Act of 1982, as amended.

Assurance 26 of the Airport Sponsor Assurances has been rewritten to incorporate the provision of Public Law 102–581, which requires that the airport sponsor assure that a report of the airport budget is available to the public at reasonable times and places.

Assurance 31 of the Airport Sponsor Assurances, and Assurance 20 of the Nonairport Sponsor Assurances, titled Disposal of Land, have been rewritten to incorporate the provisions of Public Law 101–236, which relaxed the requirement that an airport sponsor must dispose of land which was originally acquired with Federal grant funds for airport development purposes but is no longer needed for such purposes.

Assurance 36 of the Airport Sponsor Assurances, Assurance 13 of the Planning Agency Sponsor Assurances, and Assurance 22 of the Nonairport Sponsor Assurances have been deleted. The grant applicant's requirements for compliance are set forth in the Drug-Free Workplace Act of 1988—41 U.S.C. 702 through 706 and 49 CFR Part 29—Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants), which are included in Assurance 1. Therefore a separate assurance detailing these requirements is unnecessary.

Issued in Washington, DC on May 13, 1994.

Paul L. Galis,

Director, Office of Airport Planning and Programming.

Airport Improvement Program Grant Assurances

1. The Airport Sponsor Assurances are amended as follows:

a. Assurance C.1. is revised as follows:

C.1. General Federal Requirements

* * * * *

Executive Orders

Executive Order 12699—Seismic Safety of Federal and Federally Assisted New Building Construction

Federal Regulations

f. 49 CFR Part 29—Governmentwide debarment and suspension (non-

procurement) and governmentwide requirements for drug-free workplace (grants).

i. 29 CFR Part 3—Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.

m. 49 CFR Part 41—Seismic safety of Federal and federally assisted or regulated new building construction.

n. 49 CFR Part 20—New restrictions on lobbying.

b. Assurance 9 is revised to read:

9. Public Hearings. In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

c. Assurance 23 is revised to read:

23. Exclusive Rights. It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public.

For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport.

It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under the Airport and Airway Improvement Act of 1982.

d. Assurance 26 is revised to read:

26. Reports and Inspections. It will submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request. A report of the airport budget will be available to the public at reasonable times and places. For airport development projects, it will also make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request. For noise compatibility program projects, it will also make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of the grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request.

e. Assurance 31 is revised to read:

31. Disposal of Land.

a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will, at the discretion of the Secretary, (1) be paid to the Secretary for deposit in the Trust Fund, or (2) be reinvested in an approved noise compatibility project as prescribed by the Secretary.

b. (1) For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (a) upon application to the Secretary, be reinvested in another eligible airport improvement project or projects approved by the Secretary at that airport or within the national airport system, or (b) be paid to the Secretary for deposit in the Trust Fund if no eligible project exists.

(2) Land shall be considered to be needed for airport purposes under this assurance if (a) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (b) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

c. Disposition of such land under (a) or (b) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

f. Assurance 36 is deleted:

36. Drug-Free Workplace. It will provide a drug-free workplace at the site of work specified in the grant application in accordance with 49 CFR part 29 by (1) publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the sponsor's workplace and specifying the action that will be taken against its employees for violation of such prohibition; (2) establishing a drug-free awareness program to inform its employees about the dangers of drug abuse in the workplace and any available drug counseling, rehabilitation, and employees' assistance programs; (3) notifying the FAA within 10 days after receiving notice of an employee criminal drug statute conviction for a violation occurring in the workplace; and (4) making a good faith effort to maintain a drug-free workplace.

2. The Planning Agency Sponsor Assurances are amended as follows:

a. Assurance C.1. is revised as follows:

C. 1. General Federal Requirements

* * * * *

Federal Regulations

d. 49 CFR Part 29—Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants).

n. 49 CFR Part 20—New restrictions on lobbying.

b. Assurance 13 is deleted:

13. Drug-Free Workplace. It will provide a drug-free workplace at the site of work specified in the grant application in accordance with 49 CFR part 29 by (1) publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the sponsor's workplace and specifying the actions that will be taken against its employees for violation of such prohibition; (2) establishing a drug-free awareness program to inform its employees about the dangers of drug abuse in the workplace and any available drug counseling, rehabilitation, and employees' assistance programs; (3) notifying the FAA within 10 days after receiving notice of an employee criminal drug statute conviction for a violation occurring in the workplace; and (4) making a good faith effort to maintain a drug-free workplace.

3. The Nonairport Sponsor Assurances are amended as follows:

a. Assurance C.1. is revised as follows:

C.1. General Federal Requirements

* * * * *

Executive Orders

Executive Order 12699—Seismic Safety of Federal and Federally Assisted New Building Construction

Federal Regulations

f. 49 CFR Part 29—Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants).

i. 29 CFR Part 3—Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.

m. 49 CFR Part 41—Seismic safety of Federal and federally assisted or regulated new building construction.

n. 49 CFR Part 20—New restrictions on lobbying.

b. Assurance 20 is revised to read:

20. Disposal of Land.

a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will, at the discretion of the Secretary, 1) be paid to the Secretary for deposit in the Trust Fund, or 2) be reinvested in an approved noise compatibility project as prescribed by the Secretary.

b. Disposition of such land under (a) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

c. Assurance 22 is deleted.

22. Drug-Free Workplace. It will provide a drug-free workplace at the site of work specified in the grant application in accordance with 49 CFR part 29 by (1) publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the sponsor's workplace and specifying the actions that will be taken against its employees for violation of such prohibition; (2) establishing a drug-free awareness program to inform its employees about the dangers of drug abuse in the workplace and any available drug counseling, rehabilitation, and employees' assistance programs; (3) notifying the FAA within 10 days after receiving notice of an employee criminal drug statute conviction for a violation occurring in the workplace; and (4) making a good faith effort to maintain a drug-free workplace.

[FR Doc. 94-14149 Filed 6-9-94; 8:45 am]
BILLING CODE 4910-13-M

Federal Aviation Administration

Receipt of Revision No. 2 to Approved Noise Compatibility Program and Request for Review; Phoenix Sky Harbor International Airport, Phoenix, AZ

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice.

SUMMARY: The Federal Aviation Administration (FAA) announces that it is reviewing a proposed second revision to the approved noise compatibility program that was submitted for Phoenix Sky Harbor Airport under the provisions of Title I of the Aviation Safety and Noise Abatement Act of 1979 (Pub. L. 96-193) (hereinafter referred to as "the Act") and 14 CFR part 150 by the City of Phoenix, Arizona. The Noise Compatibility program was submitted subsequent to a determination by FAA that associated noise exposure maps submitted under 14 CFR part 150 for Phoenix Sky Harbor Airport were in compliance with applicable requirements effective November 17, 1988. The Noise Compatibility Program for Phoenix Sky Harbor International Airport was approved by the FAA on April 2, 1990. Revision No. 1 to the approved Noise Compatibility Program was approved by the FAA on August 14, 1992. The proposed second revision to the approved noise compatibility program will be approved or disapproved on or before November 23, 1994.

EFFECTIVE DATE: The effective date of the start of FAA's review of the revision to the approved noise compatibility program is May 27, 1994. The public comment period ends July 26, 1994.

FOR FURTHER INFORMATION CONTACT: David B. Kessler, Airport Planner, Airports Division, AWP-611.2, Western-Pacific Region, Federal Aviation Administration, P.O. Box 92007, Worldway Postal Center, Los Angeles, California 90009-2007, Telephone: 310/297-1534. Comments on the proposed second revision to the approved noise compatibility program should also be submitted to the above office.

SUPPLEMENTARY INFORMATION: This notice announces that the FAA is reviewing a proposed second revision to the approved noise compatibility program for Phoenix Sky Harbor International Airport which will be approved or disapproved on or before November 23, 1994. This notice also announces the availability of this revision for public review and comment.

An airport operator who has submitted noise exposure maps that are found by FAA to be in compliance with the requirements of Federal Aviation Regulations (FAR) part 150, promulgated pursuant to Title I of the Act, may submit a noise compatibility program for FAA approval which sets forth the measures the operator has taken or proposes for the reduction of existing noncompatible uses and for the prevention of the introduction of additional noncompatible uses.

The FAA has formally received the second revision to the approved noise compatibility program for Phoenix Sky Harbor International Airport, effective on May 27, 1994. It was requested that the FAA review this material and that the noise mitigation measures, to be implemented jointly by the airport and surrounding communities, be approved

as a noise compatibility program under section 104(b) of the Act. On April 2, 1990, the FAA approved the noise compatibility program for Phoenix Sky Harbor International Airport. An announcement of FAA's approval of the noise compatibility program was published in the **Federal Register** on May 1, 1990. Revision Number 1 to the approved noise compatibility program was approved by the FAA on August 14, 1992. An announcement of FAA's approval of the Revision Number 1 was published in the **Federal Register** on September 14, 1992. Preliminary review of the submitted material for the second revision indicates that it conforms to the requirements for the submittal of noise compatibility programs, but that further review will be necessary prior to approval or disapproval of the program. The formal review period, limited by law to a maximum of 180 days, will be completed on or before November 23, 1994.

The FAA's detailed evaluation will be conducted under the provisions of 14 CFR part 150, § 150.33. The primary considerations in the evaluation process are whether the proposed measure may reduce the level of aviation safety, create an undue burden on interstate or foreign commerce, or be reasonably consistent with obtaining the goal of reducing existing noncompatible land uses and preventing the introduction of additional noncompatible land uses.

Interested persons are invited to comment on the proposed revision with specific reference to these factors. All comments, other than those properly addressed to local land use authorities, will be considered by the FAA to the extent practicable. Copies of the noise exposure maps, the FAA's evaluation of the maps, and the proposed second revision to the approved noise compatibility program are available for examination at the following locations:

Federal Aviation Administration, 800 Independence Avenue, SW., room 617, Washington, DC 20591.

Federal Aviation Administration, Western-Pacific Region, Airports Division, room 3012, 15000 Aviation Boulevard, Hawthorne, California 90261.

City of Phoenix, Aviation Department, 3400 Sky Harbor Boulevard, Phoenix, Arizona 85034–4420.

Questions may be directed to the individual named above under the heading, **FOR FURTHER INFORMATION CONTACT.**

Issued in Hawthorne, California, on May 27, 1994.

Herman C. Bliss,

Manager, Airports Division, AWP–600, Western-Pacific Region.

[FR Doc. 94–14143 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

Approval of Noise Compatibility Program; Seattle-Tacoma International Airport; Seattle, WA

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice.

SUMMARY: The Federal Aviation Administration (FAA) announces its findings on the noise compatibility program submitted by the Director of Aviation Planning for Seattle-Tocoma International Airport under the provisions of Title I of the Aviation Safety and Noise Abatement Act of 1979 (Pub. L. 96–193) and 14 CFR part 150. These findings are made in recognition of the description of Federal and non-Federal responsibilities in Senate Report No. 96–52 (1980).

On April 15, 1993, the FAA determined that the noise exposure maps submitted by the Director of Aviation Planning under Part 150 were in compliance with applicable requirements. On May 18, 1994, the Assistant Administrator for Airports approved the Seattle-Tacoma International Airport noise compatibility program. All of the program elements were approved.

EFFECTIVE DATE: The effective date of the FAA's approval of the Seattle-Tacoma International Airport noise compatibility program is May 18, 1994.

FOR FURTHER INFORMATION CONTACT: Dennis G. Ossenkop; Federal Aviation Administration; Northwest Mountain Region; Airports Division, ANM–611; 1601 Lind Avenue, SW., Renton, Washington, 98055–4056. Documents reflecting this FAA action may be reviewed at this same location.

SUPPLEMENTARY INFORMATION: This notice announces that the FAA has given its overall approval to the noise compatibility program for Seattle-Tacoma International Airport, effective May 18, 1994. Under Section 104(a) of the Aviation Safety and Noise Abatement Act of 1979 (hereinafter referred to as "the Act", an airport operator who has previously submitted a noise exposure map may submit to the FAA a noise compatibility program which sets forth the measures taken or proposed by the airport operator for the reduction of existing noncompatibility land uses and prevention of additional noncompatibile land uses within the area covered by the noise exposure maps. The Act requires such a program to be developed in consultation with interested and affected parties including the state, local communities, government agencies, airport users, and FAA personnel.

Each airport noise compatibility program developed in accordance with Federal Aviation Regulation (FAR) Part 150 is a local program, not a Federal program. The FAA does not substitute its judgment for that of the airport proprietor with respect to which measures should be recommended for action. The FAA's approval or disapproval of FAR Part 150 program recommendations is measured according to the standards expressed in Part 150 and the Act and is limited to the following determinations:

a. The noise compatibility program was developed in accordance with the provisions and procedures of FAR Part 150;

b. Program measures are reasonably consistent with achieving the goals of reducing existing noncompatible land uses around the airport and preventing the introduction of additional noncompatible land uses;

c. Program measures would not create an undue burden on interstate or foreign commerce, unjustly discriminate against types of classes of aeronautical uses, violate the terms of airport grant agreements, or intrude into areas preempted by the Federal Government; and

d. Program measures relating to the use of flight procedures can be implemented within the period covered by the program without derogating safety, adversely affecting the efficient use and management of the navigable airspace and air traffic control systems, or adversely affecting other powers and responsibilities of the Administrator prescribed by law.

Specific limitations with respect to FAA's approval of an airport noise compatibility program are delineated in Far part 150, § 150.5. Approval is not a determination concerning the acceptability of land uses under Federal, state, or local law. Approval does not by itself constitute an FAA implementing action. A request for Federal action or approval to implement specific noise compatibility measures may be required, and an FAA decision on the request may require an environmental assessment of the proposed action. Approval does not constitute a commitment by the FAA to financially assist in the implementation of the program nor a determination that all

measures covered by the program are eligible for grant-in-aid funding from the FAA. Where Federal funding is sought, requests for project grants must be submitted to the FAA Airports District Office in Seattle, Washington.

The Port of Seattle submitted to the FAA the noise exposure maps, descriptions, and other documentation produced during the noise compatibility planning study conducted at Seattle-Tacoma International Airport. The Seattle-Tacoma International Airport noise exposure maps were determined by FAA to be in compliance with applicable requirements on April 15, 1993. Notice of this determination was published in the **Federal Register** on April 27, 1993.

The Seattle-Tacoma International Airport noise compatibility program contains a proposed noise compatibility program comprised of actions designed for phased implementation by airport management and adjacent jurisdictions from the date of study completion to the year 1996. It was requested that the FAA evaluate and approve this material as a noise compatibility program as described in Section 104(b) of the Act. The FAA began its review of the program on November 19, 1993 and was required by a provision of the Act to approve or disapprove the program within 180 days (other than the use of new flight procedures for noise control). Failure to approve or disapprove such program within the 180-day period shall be deemed to be an approval of such program.

The submitted program contained 10 proposed actions for noise mitigation on and off the airport. The FAA completed its review and determination that the procedural and substantive requirements of the Act and FAR 150 have been satisfied. The overall program, therefore, was approved by the Assistant Administrator for Airports effective May 18, 1994.

These determinations are set forth in detail in a Record of Approval endorsed by the Assistant Administrator for Airports on May 18, 1994. The Record of Approval, as well as other evaluation materials and the documents comprising that submittal, are available for review at the FAA office listed above and at the administrative offices of the Seattle-Tacoma International Airport.

Issued in Renton, Washington, on May 25, 1994.

David Field,

Acting Manager, Airports Division, Northwest Mountain Region.

[FR Doc. 94–14144 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

Aviation Rulemaking Advisory Committee; Transport Airplane and Engine Issues

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of establishment of the Braking Systems Harmonization Working Group.

SUMMARY: Notice is given of the establishment of the Braking Systems Harmonization Working Group by the Aviation Rulemaking Advisory Committee (ARAC). This notice informs the public of the activities of the ARAC.

FOR FURTHER INFORMATION CONTACT: Michael H. Borfitz, Assistant Executive Director, Aviation Rulemaking Advisory Committee, Transport Airplane and Engine Issues, FAA Engine & Propeller Directorate, 12 New England Executive Park, Burlington, Massachusetts 01803; telephone (617) 238–7110, fax (617) 238–7199.

SUPPLEMENTARY INFORMATION: On January 22, 1991 (56 FR 2190), the Federal Aviation Administration (FAA) established the Aviation Rulemaking Advisory Committee (ARAC). The committee provides advice and recommendations to the FAA Administrator, through the Associate Administrator for Regulation and Certification, on the full range of the FAA's rulemaking activities with respect to aviation-related issues.

In order to develop such advice and recommendations, the ARAC may choose to establish working groups to which specific tasks are assigned. Such working groups are comprised of experts from those organizations having an interest in the assigned tasks. A working group member need not be a representative of the full committee. Recently the ARAC established the Braking Systems Harmonization Working Group.

The FAA announced at the Joint Aviation Authorities (JAA)-Federal Aviation Administration (FAA) Harmonization Conference in Toronto, Canada June 2–5, 1992 that it would consolidate within the ARAC structure an ongoing objective to "harmonize" the Joint Aviation Requirements (JAR) and the Federal Aviation Regulations (FAR).

Tasks

The Braking Systems Harmonization Working Group is charged with recommending to the ARAC new or revised requirements for approval of brakes installed on transport category airplanes. The product of this exercise is intended to be a harmonized standard, acceptable to both the FAA and the Joint Aviation Authorities (JAA).

Reports

The Braking Systems Harmonization Working Group should develop and present to the ARAC:

1. A recommended work plan for completion of the task, including the rationale supporting such plan, for consideration at the meeting of the ARAC to consider transport airplane and engine issues held following publication of this notice;

2. A detailed conceptual presentation on the proposed recommendation(s), prior to proceeding with the work stated in item 3. below;

3. A draft Notice of Proposed Rulemaking (NPRM), with supporting economic and other required analyses, and/or any other related guidance material or collateral documents the working group determines to be appropriate; or, if new or revised requirements or compliance methods are not recommended, a draft report stating the rationale for not making such recommendations; and

4. A status report at each meeting of the ARAC held to consider transport airplane and engine issues.

Participation in Working Group Task

An individual who has expertise in the subject matter and wishes to become a member of the working group should write to the person listed under the caption **FOR FURTHER INFORMATION CONTACT** expressing that desire, describing his or her interest in the task and stating the expertise he or she would bring to the working group. The request will be reviewed with the assistant chairman and working group leader, and the individual will be advised whether or not the request can be accommodated.

The Secretary of Transportation has determined that the information and use of the Aviation Rulemaking Advisory Committee are necessary in the public interest in connection with the performance of duties imposed on the FAA by law. Meetings of the Aviation Rulemaking Advisory Committee will be open to the public, except as authorized by section 10(d) of the Federal Advisory Committee Act. Meetings of the working group will not be open to the public, except to the extent that individuals with an interest and expertise are selected to participate. No public announcement of working group meetings will be made.

Issued in Washington, DC, on June 3, 1994.

Chris A. Christie,

Executive Director, Aviation Rulemaking Advisory Committee.

[FR Doc. 94–14146 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

Aviation Rulemaking Advisory Committee; Transport Airplane and Engine Issues

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of new task assignments for the Aviation Rulemaking Advisory Committee.

SUMMARY: Notice is given of new task assignments for the Loads and Dynamics Harmonization Working Group of the Aviation Rulemaking Advisory Committee (ARAC). This notice informs the public of the activities of the ARAC.

FOR FURTHER INFORMATION CONTACT: Michael H. Borfitz, Assistant Executive Director, Aviation Rulemaking Advisory Committee, Transport Airplane and Engine Issues, FAA Engine & Propeller Directorate, 12 New England Executive Park, Burlington, Massachusetts 01803; telephone (617) 238–7110, fax (617) 238–7199.

SUPPLEMENTARY INFORMATION: On January 22, 1991 (56 FR 2190), the Federal Aviation Administration (FAA) established the Aviation Rulemaking Advisory Committee (ARAC). The committee provides advice and recommendations to the FAA Administrator, through the Associate Administrator for Regulation and Certification, on the full range of the FAA's rulemaking activities with respect to aviation-related issues..

In order to develop such advice and recommendations, the ARAC may choose to establish working groups to which specific tasks are assigned. Such working groups are comprised of experts from those organizations having an interest in the assigned tasks. A working group member need not be a representative of the full committee. One of the working groups established by the ARAC is the Loads and Dynamics Harmonization Working Group.

The FAA announced at the Joint Aviation Authorities (JAA)-Federal Aviation Administration (FAA) Harmonization Conference in Toronto, Canada June 2–5, 1992, that it would consolidate within the ARAC structure an ongoing objective to "harmonize" the Joint Aviation Requirements (JAR) and the Federal Aviation Regulations (FAR).

Tasks

The Loads and Dynamics Harmonization Working Group's tasks are as follows:

Task 1—Interaction of Systems and Structure: Review existing special conditions for fly-by-wire airplanes and existing requirements for control systems, including automatic and/or power-operated systems, and recommend to the ARAC any new revised general requirements needed for flight control systems and structures affected by those systems (§§ 25.302, 25.671, 25.1329, part 25 appendix K).

Task 2—Continuous Turbulence Loads: Review the requirement for the continuous turbulence standard in light of the ARAC proposal for a tuned discrete gust requirement in order to determine whether the continuous turbulence requirement should be revised or removed from the FAR/JAR for better consistency with the new proposed tuned discrete gust criteria (§ 25.305(d)).

Task 3—Strength and Deformation: Review the recent requirements adopted in the FAR by Amendment 25–77 (for the design of transport airplanes against buffet and forced structural vibrations) and consider appropriate changes for the JAR and FAR to harmonize these rules (§§ 25.305 (e) and (f)).

Task 4—Design Flap Speeds: Review the current flap design loads requirements to resolve differences in interpretation between the FAA and JAA concerning the structural design stall speeds on which the flap design speeds are based. Recent measurements of gust speeds at low altitudes, where flaps are normally extended, indicate a more severe gust environment may be present. Review all aspects of the flap design load requirements, including the design airspeeds, vertical and head-on design gust criteria, and the effects of automatic retraction and load relief systems (§ 25.335(e)).

Task 5—Residual Strength Loads for Damage Tolerance: Review the differences in residual strength design load requirements between the FAR and JAR and resolve differences to harmonize this rule. Prepare a Notice of Proposed Rulemaking or make recommendations to other ARAC efforts concerning FAR § 25.571, so that they can be included in rulemaking that may be forthcoming from those efforts (§ 25.571(b)).

Task 6—Shock Absorption Tests: Review the changes recently introduced into the JAR that have resulted in differences between the FAR and JAR in regard to the requirement for shock absorption tests. Review those changes in view of harmonizing the FAR and JAR (§ 25.723(a)).

Task 7—Rough Air Speed: The ARAC has proposed a new § 25.1517 concerning rough air speed design standards in its proposal for a tuned discrete gust requirement. This action is harmonized with the current JAR 25.1517; however, further changes in the rough air speed requirement may be needed in both the FAR and JAR. Review JAR 25.1517 and the new proposed FAR 25.1517 to determine if further changes are needed. If so, prepare a Notice of Proposed Rulemaking, or, if possible, combine these changes with other rulemaking efforts (§ 25.1517).

Task 8—Taxi, Takeoff, and Landing Roll: Prepare an advisory circular that establishes criteria that may be used to calculate rough runway and taxiway loads, as required by §§ 25.491, 25.235, and 25.305.

Task 9—Braked Roll Conditions: Review the provisions of § 25.493 of the FAR and JAR concerning the braked roll condition and finalize a harmonized Notice of Proposed Rulemaking.

Reports

For each task listed, the Loads and Dynamics Harmonization Working Group should develop and present to the ARAC:

1. A recommended work plan for completion of the task, including the rationale supporting such plan, for consideration at the meeting of the ARAC to consider transport airplane and engine issues held following publication of this notice;

2. A detailed conceptual presentation on the proposed recommendation(s), prior to proceeding with the work stated in item 3. below;

3. A draft Notice of Proposed Rulemaking, with supporting economic and other required analyses, and/or any other related guidance material or collateral documents the working group determines to be appropriate; or, if new or revised requirements or compliance methods are not recommended, a draft report stating the rationale for not making such recommendations; and

4. A status report at each meeting of the ARAC held to consider transport airplane and engine issues.

Participation in Working Group Task

An individual who has expertise in the subject matter and wishes to become a member of the working group should write to the person listed under the caption **FOR FURTHER INFORMATION CONTACT** expressing that desire, describing his or her interest in the task(s), and stating the expertise he or

she would bring to the working group. The request will be reviewed with the assistant chairman and working group leader, and the individual will be advised whether or not the request can be accommodated.

The Secretary of Transportation has determined that the information and use of the Aviation Rulemaking Advisory Committee are necessary in the public interest in connection with the performance of duties imposed on the FAA by law. Meetings of the Aviation Rulemaking Advisory Committee will be open to the public, except as authorized by section 10(d) of the Federal Advisory Committee Act. Meetings of the working group will not be open to the public, except to the extent that individuals with an interest and expertise are selected to participate. No public announcement of working group meetings will be made.

Issued in Washington, DC, on June 3, 1994.

Chris A. Christie,

Executive Director, Aviation Rulemaking Advisory Committee.

[FR Doc. 94–14147 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

Air Traffic Procedures Advisory Committee

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of meeting.

SUMMARY: The FAA is issuing this notice to advise the public that a meeting of the Federal Aviation Administration Air Traffic Procedures Advisory Committee (ATPAC) will be held to review present air traffic control procedures and practices for standardization, clarification, and upgrading of terminology and procedures.

DATES: The meeting will be held from July 11 through July 14, 1994, from 9 a.m. to 5 p.m. each day.

ADDRESSES: The meeting will be held at the Helicopter Association International, 1635 Prince Street, Alexandria, VA.

FOR FURTHER INFORMATION CONTACT: Mr. W. Frank Price, Executive Director, ATPAC, Air Traffic Rules and Procedures Service, 800 Independence Avenue, SW., Washington, DC 20591, telephone (202) 267–3725.

SUPPLEMENTARY INFORMATION: Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463m; 5 U.S.C. App.2), notice is hereby given of a meeting of the ATPAC to be held from July 11 through July 14, 1994, at the Helicopter Association International, 1635 Prince Street, Alexandria. VA.

The agenda for this meeting will cover a continuation of the Committee's review of present air traffic control procedures and practices for standardization, clarification, and upgrading of terminology and procedures. It will also include:

1. Approval of Minutes.
2. Submission and Discussion of Areas of Concern.
3. Discussion of Potential Safety Items.
4. Report from Executive Director.
5. Items of Interest.
6. Discussion and agreement of location and dates for subsequent meetings.

Attendance is open to the interested public but limited to the space available. With the approval of the Chairperson, members of the public may present oral statements at the meeting. Persons desiring to attend and persons desiring to present oral statements should notify the person listed above not later than July 8, 1994. The next quarterly meeting of the FAA ATPAC is planned to be held from October 17–20, 1994, in Washington, DC. Any member of the public may present a written statement to the Committee at any time at the address given above.

Issued in Washington, DC, on June 3, 1994.

W. Frank Price,

Executive Director, Air Traffic Procedures Advisory Committee.

[FR Doc. 94–14150 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–13–M

Aviation Rulemaking Advisory Committee; Transport Airplane and Engine Issues

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of new task assignment for the Aviation Rulemaking Advisory Committee.

SUMMARY: Notice is given of new task assignments for the Flight Test Working Group of the Aviation Rulemaking Advisory Committee (ARAC). This notice informs the public of the activities of the ARAC.

FOR FURTHER INFORMATION CONTACT: Michael H. Borfitz, Assistant Executive Director, Aviation Rulemaking Advisory Committee, Transport Airplane and Engine Issues, FAA Engine & Propeller Directorate, 12 New England Executive Park, Burlington, Massachusetts 01803; telephone (617) 238–7110, fax (617) 238–7199.

SUPPLEMENTARY INFORMATION: On January 22, 1991 (56 FR 2190), the Federal Aviation Administration (FAA) established the Aviation Rulemaking Advisory Committee (ARAC). The committee provides advice and recommendations to the FAA Administrator, through the Associate Administrator for Regulation and Certification, on the full range of the FAA's rulemaking activities with respect to aviation-related issues.

In order to develop such advice and recommendations, the ARAC may choose to establish working groups to which specific tasks are assigned. Such working groups are comprised of experts from those organizations having an interest in the assigned task. A working group member need not be a representative of the full committee. One of the working groups established by the ARAC is the Flight Test Working Group.

The FAA announced at the Joint Aviation Authorities (JAA)-Federal Aviation Administration (FAA) Harmonization Conference in Toronto, Canada June 2–5, 1992, that it would consolidate within the ARAC structure an ongoing objective to "harmonize" the Joint Aviation Requirements (JAR) and the Federal Aviation Regulations (FAR).

Task

The Flight Test Working Group's tasks are as follows:

Task 1—Gate Requirements for High Lift Devices: Recommend to the ARAC simplified and clarified requirements related to gated positions on the control used by the pilot select the position of an airplane's high lift devices.

Task 2—Flight Characteristics in Icing Conditions: Recommend to the ARAC new or revised requirements and compliance methods related to airplane performance and handling characteristics in icing conditions.

Reports

For each task listed above, the Flight Test Working Group should develop and present to the ARAC:

1. A recommended work plan for completion of the task, including the rationale supporting such plan, for consideration at the meeting of the ARAC to consider transport airplane and engine issues held following publication of this notice;

2. A detailed conceptual presentation on the proposed recommendation(s), prior to proceeding with the work stated in item 3. below;

3. A draft Notice of Proposed Rulemaking (NPRM), with supporting economic and other required analyses, and/or any other related guidance material or collateral documents the working group determines to be appropriate; or, if new or revised

requirements of compliance methods are not recommended, a draft report stating the rationale for not making such recommendations; and

4. A status report at each meeting of the ARAC held to consider transport airplane and engine issues.

Participation in Working Group Task

An individual who has expertise in the subject matter and wishes to become a member of the working group should write to the person listed under the caption FOR FURTHER INFORMATION CONTACT expressing that desire, describing his or her interest in the task and stating the expertise he or she would bring to the working group. The request will be reviewed with the assistant chairman and working group leader, and the individual will be advised whether or not the request can be accommodated.

The Secretary of Transportation has determined that the information and use of the Aviation Rulemaking Advisory Committee are necessary in the public interest in connection with the performance of duties imposed on the FAA by law. Meetings of the Aviation Rulemaking Advisory Committee will be open to the public, except as authorized by section 10(d) of the Federal Advisory Committee Act. Meetings of the working group will not be open to the public, except to the extent that individuals with an interest and expertise are selected to participate. No public announcement of working group meetings will be made.

Issued in Washington, DC, on June 3, 1994.

Chris A. Christie,

Executive Director, Aviation Rulemaking Advisory Committee.

[FR Doc. 94-14145 Filed 6-9-94; 8:45 am]

BILLING CODE 4910-13-M

Passenger Facility Charge (PFC) Approvals and Disapprovals

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Monthly Notice of PFC Approvals and Disapprovals. In May 1994, there were six applications approved.

SUMMARY: The FAA publishes a monthly notice, as appropriate, of PFC approvals and disapprovals under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IV of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101-508) and part 158 of the Federal Aviation Regulations (14 CFR part 158). This notice is published pursuant to paragraph d of § 158.29.

PFC Applications Approved

Public Agency: City of Boise, Idaho.

Application Number: 94-01-C-00-BOI.

Application Type: Impose and Use PFC Revenue.

PFC Level: $3.00.

Total Approved Net PRC Revenue: $6,857,774.

Charge Effective Date: August 1, 1994.

Estimated Charge Expiration Date: October 1, 1998.

Class of Air Carriers Not Required To Collect PFC's: Part 135 air taxi/commercial operators who conduct operations in air commerce carrying persons for compensation or hire, except air taxi/commercial operators of public or private charters in aircraft with a seating capacity of 10 or more.

Determination: Approved. Based on information submitted by the public agency, the FAA has determined that the proposed class accounts for less than 1 percent of the total enplanements at Boise Air Terminal.

Brief Description of Projects Approved For Collection and Use: Taxiway safety improvements, Aircraft rescue and firefighting (ARFF) improvements, Terminal safety improvements, Air carrier capacity improvements, Land acquisition and perimeter road, Snow removal equipment safety improvements.

Brief Description of Project Approved-In-Part For Collection and Use: Planning studies.

Determination: Approved in part. The financial plan duplicates work already accomplished in the master plan update completed in 1993; therefore, the FAA has determined that this element of the project does not meet any of the project eligibility criterion set forth in section 158.15(a).

Decision Date: May 13, 1994.

For Further Information Contact: Sandra M. Simmons, Seattle Airports District Office, (206) 227-2656.

Public Agency: Metropolitan Airports Commission, Minneapolis, Minnesota.

Application Number: 94-02-C-00-MSP.

Application Type: Impose and Use PFC Revenue.

PFC Level: $3.00.

Total Approved Net PRC Revenue: $113,064,000.

Earliest Charge Effective Date: August 1, 1994.

Estimated Charge Expiration Date: June 1, 1998.

Class of Air Carriers Not Required To Collect PFC's: Air taxi/commercial operators filing FAA Form 1800-31.

Determination: Approved. Based on information submitted by the public agency, the FAA has determined that the proposed class accounts for less than 1 percent of the total enplanements at Minneapolis-St. Paul International Airport.

Brief Description of Projects Approved For Collection and Use: Airport noise and operations monitoring system, Centennial School noise abatement—phase 3, Airside electrical modifications, Airfield drainage adjustments, HHH remote apron blast fence, Home insulation/home buyouts—Part 150 sound insulation projects, 1993 airfield guidance signage, 1993 airside bituminous, New Ford Town/Rich Acres acquisition, Airport security system modifications, Airside bituminous construction, Apron lighting upgrade, Security checkpoints relocation, Pavement rehabilitation—aprons, taxiways, and others, Pavement rehabilitation—runways 4/22 and 11R/29L intersection, Airfield drainage strip reconstruction, School noise abatement projects—Part 150 sound insulation, Pavement rehabilitation—runway 11R/29L, Pavement rehabilation—runway 11L/29R segment 2.

Brief Description of Project Approved-In-Part For Collection and Use: Lindbergh terminal chiller replacement.

Determination: Approved in part. This chiller serves both eligible and ineligible areas. PRC approval is limited to the eligible volume of space served by the chiller.

Decision Date: May 13, 1994.

For Further Information Contact: Franklin Benson, Minneapolis Airports District Office, (612) 725-4221.

Public Agency: Muscle Shoals Regional Airport Authority, Muscle Shoals, Alabama.

Application Number: 94-02-C-00-MSL.

Application Type: Impose and Use PFC Revenue.

PFC Level: $3.00.

Total Approved Net PFC Revenue: $60,000.

Estimated Charge Effective Date: February 1, 1995.

Estimated Charge Expiration Date For This Approval: February 1, 1997.

Class of Air Carriers Not Required To Collect PFC'S: None.

Brief Description of Projects Approved For Collection and Use: Purchase ARFF vehicle, Complete construction of taxiway B, Install security fencing, Seal air carrier ramp.

Decision Date: May 17, 1994.

For Further Information Contact: Elton E. Jay, Jackson Airports District Office, (601) 965-4628.

Public Agency: Fort Smith Airport Commission, Fort Smith, Arkansas.

Application Number: 94–01–I–00–FSM.

Application Type: Impose PFC Revenue.

PFC Level: $3.00

Total Approved Net PFC Revenue: $4,040,076.

Charge Effective Date: August 1, 1994.

Estimated Charge Expiration Date: April 1, 2007.

Class of Air Carriers Not Required To Collect PFC'S: Unscheduled part 135 air taxi and charter operators using aircraft with 12 seats or less.

Determination: Approved. Based on information submitted by the public agency, the FAA has determined that the proposed class accounts for less than 1 percent of the total enplanements at Fort Smith Regional Airport.

Brief Description of Projects Approved For Collection Only: PFC reimbursable Airport Improvement Program (AIP) projects: Land acquisition for noise compatibility, Reconstruction of east portion of general aviation ramp, Reconstruction of west portion of general aviation ramp, Noise monitoring and noise study update, Construction of west portion of taxiway A, taxiway E, and taxiway F, Construction of east portion of taxiway A. Disabled passenger lift, Acquire power sweeper, Overlay and marking of runway 7/25, Overlay of taxiway B, Overlay and marking of runway 1/19—south end, Airport master plan update and terminal area development plan, Terminal complex development, Terminal parking apron, Terminal automobile parking lot and access road, Rehabilitate airfield pavement, Install surface condition scanner [sensor] on runway 7/25, Install security improvements, Purchase maintenance/snow removal equipment [blower unit and liquid urea spreader].

Brief Description of Projects Disapproved: Extend runway 7/25 and parallel taxiway with holding apron; relocate instrument landing system visual approach slope indicator's, and approach lights.

Determination: Disapproved. The FAA determined that these projects do not meet the requirements of § 158.25(b)(14)(i); therefore, this project is not PFC eligible. The funding for this project relies heavily upon AIP discretionary funds. The Fort Smith Airport Commission did not submit an alternate funding plan which shows that the project can be accomplished without AIP discretionary funds. Remove hangars at terminal area.

Determination: Disapproved. This project is not AIP eligible because section 513(c)(2) of the Airport and Airway Improvement Act, as amended, generally prohibits funds to be expended on hangar relocation or demolition.

Decision Date: May 18, 1994.

For Further Information Contact: Ben Guttery, Southwest Region Airport Division, (817) 222–5614.

Public Agency: Town of Harrietstown, Saranac Lake, New York.

Application Number: 94–01–C–00–SLK.

Application Type: Impose and Use PFC Revenue.

PFC Level: $3.00.

Total Approved Net PFC Revenue: $121,952.

Earliest Charge Effective Date: August 1, 1994.

Estimated Charge Expiration Date: January 1, 2003.

Class of Air Carriers Not Required To Collect PFC'S: None.

Brief Description of Projects Approved For Collection and Use: Prepare PFC application, Purchase snow removal equipment, Runway 5/23 crack repair and drainage improvements, Airport beacon rehabilitation, Airline terminal building expansion, Airfield signage improvements, Construct ARFF vehicle/snow removal equipment building rehabilitation and expansion.

Brief Description of Project Disapproved: Runway 9/27 crack repair.

Determination: The FAA determined that this project did not meet the eligibility criteria as stated in paragraph 521(c) of FAA Order 5100.38A, AIP Handbook, for additional runways. Runway 5/23 is the main runway which provides the necessary wind coverage for the Adirondack Regional Airport. Paragraph 521(c) states that AIP participation in runway development will be limited to a single runway at an airport unless additional runways can be justified using stated criteria.

Decision Date: May 18, 1994.

For Further Information Contact: Philip Brito, New York Airports District Office, (718) 553–1882.

Public Agency: City of Modesto, California.

Application Number: 94–01–C–00–MOD.

Application Type: Impose and Use PFC Revenue.

PFC Level: $3.00.

Total Approved Net PFC Revenue: $300,370.

Charge Effective Date: August 1, 1994.

Estimated Charge Expiration Date: August 1, 2000.

Class of Air Carriers Not Required To Collect PFC'S: Air taxi/commercial operators.

Determination: Approved. Based on information submitted by the public agency, the FAA has determined that the proposed class accounts for less than 1 percent of the total enplanements at Modesto City-County Airport—Harry Sham Field.

Brief Description of Projects Approved for Collection and Use: Airfield sign upgrade, Pavement rehabilitation—cap seal and pavement overlay, construction of taxiway, Passenger lift vehicle, Airport Way resurfacing and extension. General aviation apron slurry seal, Passenger terminal parking lot, General aviation and terminal security lighting upgrade, Rewire runway and taxiway light circuits.

Brief Description of Projects Approved for Collection Only: Airport perimeter security upgrade, Widen air carrier and transient apron, Runway 10L/28R holding bays, Taxiway B and miscellaneous general aviation area pavement rehabilitation and air carrier apron expansion, runway 10R/28L pavement overlay, Relocate runway 10R/28L edge lights.

Decision Date: May 23, 1994.

For Further Information Contact: Joseph Rodriquez, San Francisco Airports District Office, (415) 876–2805.

Issued in Washington, DC on June 3, 1994.

Donna Taylor,

Manager, Passenger Facility Charge Branch.

CUMULATIVE LIST OF PFC APPLICATIONS PREVIOUSLY APPROVED

State, application number, airport, city	Date approved	Level of PFC	Total approved net PFC revenue	Earliest charge effective date	Estimated charge expiration date*
Alabama:					
92–01–I–00–HSV. Huntsville Intl-Carl T Jones Field, Huntsville	03/06/1992	$3	$36,472,657	06/01/1992	11/01/2008
93–02–U–00–HSV. Huntsville Intl-Carl T Jones Field, Huntsville	06/03/1993	3	0	09/01/1993	11/01/2008

CUMULATIVE LIST OF PFC APPLICATIONS PREVIOUSLY APPROVED—Continued

State, application number, airport, city	Date approved	Level of PFC	Total approved net PFC revenue	Earliest charge effective date	Estimated charge expiration date*
92-01-C-00-MSL. Muscle Shoals Regional, Muscle Shoals	02/18/1992	3	100,000	06/01/1992	02/01/1995
Arizona:					
92-01-C-00-FLG. Flagstaff Pulliam, Flagstaff	09/29/1992	3	2,463,581	12/01/1992	01/01/2015
93-01-C-00-YUM. Yuma MCAS/Yuma International, Yuma	09/09/1993	3	1,678,064	12/01/1993	06/01/2003
California:					
92-01-C-00-ACV. Arcata, Arcata	11/24/1992	3	188,500	02/01/1993	05/01/1994
93-01-C-00-CIC. Chico Municipal, Chico	09/29/1993	3	137,043	01/01/1994	06/01/1997
92-01-C-00-IYK. Inyokern, Inyokern	12/10/1992	3	127,500	03/01/1993	09/01/1995
93-01-C-00-LGB. Long Beach-Daugherty Field, Long Beach	12/30/1993	3	3,533,766	03/01/1994	03/01/1998
93-01-C-00-LAX. Los Angeles International, Los Angeles	03/26/1993	3	360,000,000	07/01/1993	07/01/1998
93-01-C-00-MRY. Monterey Peninsula, Monterey	10/08/1993	3	3,960,855	01/01/1994	06/01/2000
92-01-C-00-OAK. Metropolitan Oakland International, Oakland	06/26/1992	3	12,343,000	09/01/1992	05/01/1994
94-02-C-00-OAK. Metropolitan Oakland International, Oakland	02/23/1994	3	8,999,000	05/01/1994	04/01/1995
93-01-I-00-ONT. Ontario International, Ontario	03/26/1993	3	49,000,000	07/01/1993	07/01/1998
92-01-C-00-PSP. Palm Springs Regional, Palm Springs	06/25/1992	3	81,888,919	10/01/1992	11/01/2032
92-01-C-00-SMF. Sacramento Metropolitan, Sacramento	01/26/1993	3	24,045,000	04/01/1993	03/01/1996
92-01-C-00-SJC. San Jose International, San Jose	06/11/1992	3	29,228,826	09/01/1992	08/01/1995
93-02-U-00-SJC. San Jose International, San Jose	02/22/1993	3	0	05/01/1993	08/01/1995
93-03-C-00-SJC. San Jose International, San Jose	06/16/1993	3	16,245,000	08/01/1995	05/01/1997
92-01-C-00-SEP. San Luis Obispo County-McChesney Fie, San Luis Obispo	11/24/1992	3	502,437	02/01/1993	01/01/1995
92-01-C-00-STS. Sonoma County, Santa Rosa	02/19/1993	3	110,500	05/01/1993	04/01/1995
91-01-I-00-TVL. Lake Tahoe, South Lake Tahoe	05/01/1992	3	928,747	08/01/1992	03/01/1997
Colorado:					
92-01-C-00-COS. Colorado Springs Municipal, Colorado Springs	12/22/1992	3	5,622,000	03/01/1993	02/01/1996
92-01-C-00-DVX. Denver International (New), Denver	04/28/1992	3	2,330,734,321	07/01/1992	01/01/2026
93-01-C-00-EGE. Eagle County Regional, Eagle	06/15/1993	3	572,609	09/01/1993	04/01/1998
93-01-C-00-FNL. Fort Collins-Loveland, Fort Collins	07/14/1993	3	207,857	10/01/1993	06/01/1996
92-01-C-00-GJT. Walker Field, Grand Junction	01/15/1993	3	1,812,000	04/01/1993	03/01/1998
93-01-C-00-GVC. Gunnison County, Gunnison	08/27/1993	3	702,133	11/01/1993	03/01/1998
93-01-C-00-HDN. Yampa Valley, Hayden	08/23/1993	3	532,881	11/01/1993	04/01/1997
93-01-C-00-MTJ. Montrose County, Montrose	07/29/1993	3	1,461,745	11/01/1993	02/01/2009
93-01-C-00-PUB. Pueblo Memorial, Pueblo	08/16/1993	3	1,200,745	11/01/1993	08/01/2010
92-01-C-00-SBS. Steamboat Springs/Bob Adams Field, Steamboat Springs	01/15/1993	3	1,887,337	04/01/1993	04/01/2012
92-01-C-00-TEX. Telluride Regional, Telluride	11/23/1992	3	200,000	03/01/1993	11/01/1997
Connecticut:					
93-01-C-00-HVN. Tweed-New Haven, New Haven	09/10/1993	3	2,490,450	12/01/1993	06/01/1999
93-02-I-00-BDL. Bradley International, Windsor Locks	07/09/1993	3	12,030,000	10/01/1993	09/01/1995
94-03-U-00-BDL. Bradley International, Windsor Locks	02/22/1994	3	0	05/01/1994	09/01/1995
Florida:					
93-01-C-00-DAB. Daytona Beach Regional, Daytona Beach	04/20/1993	3	7,967,835	07/01/1993	11/01/1999
92-01-C-00-RSW. Southwest Florida International, Fort Myers	08/31/1992	3	253,858,512	11/01/1992	06/01/2014
93-02-U-00-RSW. Southwest Florida International, Fort Myers	05/10/1993	3	0	11/01/1992	06/01/2014
93-01-C-00-JAX. Jacksonville International, Jacksonville	01/28/1994	3	12,258,255	05/01/1994	07/01/1997
92-01-C-00-EYW. Key West International, Key West	12/17/1992	3	945,937	03/01/1993	12/01/1995
92-01-C-00-MTH. Marathon, Marathon	12/17/1992	3	153,556	03/01/1993	06/01/1995
92-01-C-00-MCO. Orlando International, Orlando	11/27/1992	3	167,574,527	02/01/1993	02/01/1998
93-02-C-00-MCO. Orlando International, Orlando	09/24/1993	3	12,957,000	12/01/1993	02/01/1998
93-01-I-00-PFN. Panama City-Bay County International, Panama City	12/01/1993	3	8,238,499	02/01/1994	10/01/2007
92-01-C-00-PNS. Pensacola Regional, Pensacola	11/23/1992	3	4,715,000	02/01/1993	04/01/1996
92-01-I-00-SRQ. Sarasota-Bradenton International, Sarasota	06/29/1992	3	38,715,000	09/01/1992	09/01/2005
92-01-I-00-TLH. Tallahassee Regional, Tallahassee	11/13/1992	3	8,617,154	02/01/1993	12/01/1998
93-02-U-00-TLH. Tallahassee Regional, Tallahassee	12/30/1993	3	0	02/01/1993	06/01/1998
93-01-C-00-TPA, Tampa International, Tampa	07/15/1993	3	87,102,000	10/01/1993	09/01/1999

CUMULATIVE LIST OF PFC APPLICATIONS PREVIOUSLY APPROVED—Continued

State, application number, airport, city	Date approved	Level of PFC	Total approved net PFC revenue	Earliest charge effective date	Estimated charge expiration date*
93-01-C-00-PBI. Palm Beach International, West Palm Beach	01/26/1994	3	38,801,096	04/01/1994	04/01/1999
Georgia:					
93-01-C-00-CSG. Columbus Metropolitan, Columbus	10/01/1993	3	534,633	12/01/1993	06/01/1995
91-01-C-00-SAV. Savannah International, Savannah	01/23/1992	3	39,501,502	07/01/1992	03/01/2004
92-01-I-00-VLD. Valdosta Regional, Valdosta	12/23/1992	3	260,526	03/01/1993	10/01/1997
Idaho:					
93-01-C-00-SUN. Friedman Memorial, Hailey	06/29/1993	3	188,000	09/01/1993	09/01/1997
92-01-C-00-IDA. Idaho Falls Municipal, Idaho Falls	10/30/1992	3	1,500,000	01/01/1993	01/01/1998
94-01-I-LWS. Lewiston-Nez Perce County, Lewiston	02/03/1994	3	229,610	05/01/1994	03/01/1997
92-01-C-00-TWF. Twin Falls-Sun Valley Regional, Twin Falls	08/12/1992	3	270,000	11/01/1992	05/01/1998
Illinois:					
93-01-C-00-MDW. Chicago Midway, Chicago	06/28/1993	3	79,920,958	09/01/1993	08/01/2001
93-01-C-00-ORD. Chicago O'Hare International, Chicago	06/28/1993	3	500,418,285	09/01/1993	10/01/1999
92-01-I-00-RFD. Greater Rockford, Rockford	07/24/1992	3	1,177,348	10/01/1992	10/01/1996
93-02-V-00-RFD. Greater Rockford, Rockford	09/02/1993	3	0	12/01/1993	10/01/1996
93-01-I-00-SPI. Capital, Springfield	03/27/1992	3	562,104	06/01/1992	02/01/1994
93-02-U-00-SPI. Capital, Springfield	04/28/1993	3	0	06/01/1992	02/01/1994
93-03-I-00-SPI. Capital, Springfield	11/24/1993	3	4,585,443	06/01/1992	02/01/2006
Indiana:					
92-01-C-00-FWA. Fort Wayne International, Fort Wayne	04/05/1993	3	26,563,457	07/01/1993	03/01/2015
93-01-C-00-IND. Indianapolis International, Indianapolis	06/28/1993	3	117,344,750	09/01/1993	07/01/2005
Iowa:					
93-01-C-00-DSM. Des Moines Municipal, Des Moines	11/29/1993	3	6,446,507	03/01/1994	04/01/1997
92-01-I-00-DBQ. Dubuque Regional, Dubuque	10/06/1992	3	148,500	01/01/1993	05/01/1994
94-02-C-00-DBQ. Dubuque Regional, Dubuque	02/09/1994	3	203,420	05/01/1994	02/01/1996
93-01-C-00-SUX. Sioux Gateway, Sioux City	03/12/1993	3	204,465	06/01/1993	06/01/1994
94-01-C-00-ALO. Waterloo Municipal, Waterloo	03/29/1994	3	637,000	06/01/1994	06/01/1998
Kentucky:					
94-01-C-00-CVG. Cincinnati/Northern Kentucky Interna, Covington	03/30/1994	3	20,737,000	06/01/1994	09/01/1995
93-01-C-00-LEX. Blue Grass, Lexington	08/31/1993	3	12,378,791	11/01/1993	05/01/2003
93-01-C-00-PAH. Earkley Regional, Paducah	12/02/1993	3	386,550	03/01/1994	12/01/1998
Louisiana:					
92-01-I-00-BTR. Baton Rouge Metropolitan, Ryan Field, Baton Rouge	09/28/1992	3	9,823,159	12/01/1992	12/01/1998
93-02-U-00-BTR. Baton Rouge Metropolitan, Ryan Field, Baton Rouge	04/23/1993	3	0	12/01/1992	12/01/1998
93-01-C-00-MSY. New Orleans International/Moisant Fi, New Orleans	03/19/1993	3	77,800,372	06/01/1993	04/01/2000
93-02-U-00-MSY. New Orleans International/Moisant Fi, New Orleans	11/16/1993	3	0	06/01/1993	04/01/2000
93-01-I-00-SHV. Shreveport Regional, Shreveport	11/19/1993	3	33,050,278	02/01/1994	02/01/2019
Maine:					
93-01-C-00-PWM. Portland International Jetport, Portland	10/29/1993	3	12,233,751	02/01/1994	05/01/2001
Maryland:					
92-01-I-00-BWI. Baltimore-Washington International, Baltimore	07/27/1992	3	141,866,000	10/01/1992	09/01/2002
94-01-I-00-CBE. Greater Cumberland Regional, Cumberland	03/30/1994	3	150,000	07/01/1994	07/01/1999
Massachusetts:					
93-01-C-00-BOS. General Edward L. Logan International, Boston	08/24/1993	3	604,794,000	11/01/1993	10/01/2011
92-01-C-00-ORH. Worcester Municipal, Worcester	07/28/1992	3	2,301,382	10/01/1992	10/01/1997
Michigan:					
92-01-C-00-DTW. Detroit Metropolitan-Wayne County, Detroit	09/21/1992	3	640,707,000	12/01/1992	06/01/2009
92-01-I-00-ESC. Delta County, Escanaba	11/17/1992	3	158,325	02/01/1993	08/01/1996
93-01-C-00-FNT. Bishop International, Flint	06/11/1993	3	32,296,450	09/01/1993	09/01/2030
92-01-I-00-GRR. Kent County International, Grand Rapids	09/09/1992	3	12,450,000	12/01/1992	05/01/1998
92-01-C-00-CMX. Houghton County Memorial, Hancock	04/29/1993	3	162,986	07/01/1993	01/01/1996
93-01-C-00-IWD. Gogebic County, Ironwood	05/11/1993	3	74,690	08/01/1993	10/01/1998
93-01-C-00-LAN. Capital City, Lansing	07/23/1993	3	7,355,483	10/01/1993	03/01/2002

CUMULATIVE LIST OF PFC APPLICATIONS PREVIOUSLY APPROVED—Continued

State, application number, airport, city	Date approved	Level of PFC	Total approved net PFC revenue	Earliest charge effective date	Estimated charge expiration date*
92–01–I–00–MQT. Marquette County, Marquette	10/01/1992	3	459,700	12/01/1992	04/01/1996
94–02–U–00–MQT. Marquette County, Marquette	04/06/1994	3	0	07/01/1994	04/01/1996
94–01–C–00–MKG. Muskegon County, Muskegon	02/24/1994	3	5,013,088	05/01/1994	05/01/2019
92–01–C–00–PLN. Pellston Regional—Emmet County, Pellston	12/22/1992	3	440,875	03/01/1993	06/01/1995
Minnesota:					
93–01–C–00–BRD. Brainerd-Crow Wing County Regional, Brainerd	05/25/1993	3	43,000	08/01/1993	12/31/1995
92–01–C–00–MSP. Minneapolis-St Paul International, Minneapolis	03/31/1992	3	66,355,682	06/01/1992	08/01/1994
Mississippi:					
91–01–C–00–GTR. Golden Triangle Regional, Columbus	05/08/1992	3	1,693,211	08/01/1992	09/01/2006
92–01–C–00–GPT. Gulfport-Biloxi Regional, Gulfport-Biloxi	04/03/1992	3	390,595	07/01/1992	12/01/1993
93–02–C–00–GPT. Gulfport-Biloxi Regional, Gulfport-Biloxi	11/02/1993	3	607,817	07/01/1992	12/01/1995
92–01–C–00–PIB. Hattiesburg-Laurel Regional, Hattiesburg-Laurel	04/15/1992	3	119,153	07/01/1992	01/01/1998
93–01–C–00–JAN. Jackson International, Jackson	02/10/1993	3	1,918,855	05/01/1993	04/01/1995
92–01–C–00–MEI. Key Field, Meridian	08/21/1992	3	122,500	11/01/1992	06/01/1994
93–02–C–00–MEI. Key Field, Meridian	10/19/1993	3	155,223	11/01/1992	08/01/1996
Missouri:					
93–01–C–00–SGF. Springfield Regional, Springfield	08/30/1993	3	1,937,090	11/01/1993	10/01/1996
92–01–C–00–STL. Lambert-St. Louis International, St. Louis	09/30/1992	3	84,607,850	12/01/1992	03/01/1996
Montana:					
93–01–C–00–BIL. Billings-Logan International, Billings	01/26/1994	3	5,672,136	04/01/1994	05/31/2002
93–01–C–00–BZN. Gallatin Field, Bozeman	05/17/1993	3	4,198,000	08/01/1993	06/01/2005
94–01–C–00–BTM. Bert Mooney, Butte	04/17/1994	3	410,202	07/01/1994	05/01/2000
92–01–C–00–GTF. Great Falls International, Great Falls	08/28/1992	3	3,010,900	11/01/1992	07/01/2002
93–02–U–00–GTF. Great Falls International, Great Falls	05/25/1993	3	0	11/01/1992	07/01/2002
92–01–C–00–HLN. Helena Regional, Helena	01/15/1993	3	1,056,190	04/01/1993	12/01/1999
93–01–C–00–FCA. Glacier Park International, Kalispell	09/29/1993	3	1,211,000	12/01/1993	11/01/1999
92–01–C–00–MSO. Missoula International, Missoula	06/12/1992	3	1,900,000	09/01/1992	08/01/1997
Nevada:					
91–01–C–00–Las. Mc Carran International, Las Vegas	02/24/1992	3	944,028,500	06/01/1992	02/01/2014
93–02–C–00–LAS. Mc Carran International, Las Vegas	06/07/1993	3	36,500,000	06/01/1992	09/01/2014
94–03–U–00–LAS. Mc Carran International, Las Vegas	04/20/1994	0	0	07/01/1994	.....
93–01–C–00–RNO. Reno Cannon International, Reno	10/29/1993	3	34,263,607	01/01/1994	05/01/1999
New Hampshire:					
92–01–C–00–MHT. Manchester, Manchester	10/13/1992	3	5,461,000	01/01/1993	03/01/1997
New Jersey:					
92–01–C–00–EWR. Newark International, Newark	07/23/1992	3	84,600,000	10/01/1992	08/01/1995
New York:					
93–01–I–00–ALB. Albany County, Albany	12/03/1993	3	40,726,364	03/01/1994	04/01/2005
93–01–C–00–BGM. Binghamton Regional/Edwin A Link Fie, Binghamton	08/18/1993	3	1,872,264	11/01/1993	11/01/1997
92–91–I–00–BUF. Greater Buffalo International, Buffalo	05/29/1992	3	189,873,000	08/01/1992	03/01/2026
92–01–I–00–ITH. Tompkins County, Ithaca	09/28/1992	3	1,900,000	01/01/1993	01/01/1999
92–01–C–00–JHW. Chautauqua County/Jamestown, Jamestown	03/19/1993	3	434,822	06/01/1993	06/01/1996
92–01–C–00–JFK. John F. Kennedy International, New York	07/23/1992	3	109,980,000	10/01/1992	08/01/1995
92–01–C–00–LGA. LaGuardia, New York	07/23/1992	3	87,420,000	10/01/1992	08/01/1995
93–01–C–00–PLB. Clinton County, Plattsburgh	04/30/1993	3	227,830	07/01/1993	01/01/1998
92–01–C–00–HPN. Westchester County, White Plains	11/09/1992	3	27,883,000	02/01/1993	06/01/2022
North Carolina:					
93–01–C–00–ILM. New Hanover International, Wilmington	11/02/1993	3	1,505,000	02/01/1994	08/01/1997
North Dakota:					
92–01–C–00–GFK. Grand Forks International, Grand Forks	11/16/1993	3	1,016,509	02/01/1993	02/01/1997
93–01–C–00–MOT. Minot International, Minot	12/15/1993	3	1,569,483	03/01/1994	03/01/1999
Ohio:					
92–01–C–00–CAK. Akron Canton Regional, Akron	06/30/1992	3	3,594,000	09/01/1992	08/01/1996
92–01–C–00–CLE. Cleveland-Hopkins International, Cleveland	09/01/1992	3	34,000,000	11/01/1992	11/01/1995
94–02–U–00–CLE. Cleveland-Hopkins International, Cleveland	02/02/1994	3	0	05/01/1994	11/01/1995
92–01–I–00–CMH. Fort Columbus International, Columbus	07/14/1992	3	7,341,707	10/01/1992	03/01/1994

CUMULATIVE LIST OF PFC APPLICATIONS PREVIOUSLY APPROVED—Continued

State, application number, airport, city	Date approved	Level of PFC	Total approved net PFC revenue	Earliest charge effective date	Estimated charge expiration date*
93-02-I-00-CMH. Fort Columbus International, Columbus	07/19/1993	3	16,270,256	02/01/1994	09/01/1996
93-03-U-00-CMH. Fort Columbus International, Columbus	10/27/1993	3	0	10/01/1992	09/01/1996
93-01-C-00-TOL. Toledo Express, Toledo	06/29/1993	3	2,750,896	09/01/1993	09/01/1996
94-01-C-00-YNG. Youngstown—Warren Regional, Youngstown	02/22/1994	3	351,180	05/01/1994	07/01/1996
Oklahoma:					
92-01-C-00-LAW. Lawton Municipal, Lawton	05/08/1992	3	482,135	08/01/1992	04/01/1996
92-01-I-00-TUL. Tulsa International, Tulsa	05/11/1992	3	9,717,000	08/01/1992	08/01/1995
93-02-U-00-TUL. Tulsa International, Tulsa	10/18/1993	3	0	02/01/1994	08/01/1995
Oregon:					
93-01-C-00-EUG. Mahlon Sweet Field, Eugene	08/31/1993	3	3,729,699	11/01/1993	11/01/1998
93-01-C-00-MFR. Medford-Jackson County, Medford	04/21/1993	3	1,066,142	07/01/1993	11/01/1995
93-01-C-00-OTH. North Bend Municipal, North Bend	11/24/1993	3	182,044	02/01/1994	01/01/1998
92-01-C-00-PDX. Portland International, Portland	04/08/1992	3	17,961,850	07/01/1992	07/01/1994
93-01-C-00-RDM. Roberts Field, Redmond	07/02/1993	3	1,191,552	10/01/1993	03/01/2000
Pennsylvania:					
92-01-I-00-ABE. Allentown-Bethlehem-Easton, Allentown	08/28/1992	3	3,778,111	11/01/1992	04/01/1995
92-01-C-00-ADD. Altoona-Blair County, Altoona	02/03/1993	3	198,000	05/01/1993	02/01/1996
92-01-C-00-ERI. Erie International, Erie	07/21/1992	3	1,997,885	10/01/1992	06/01/1997
93-01-C-00-JST. Johnstown-Cambria County, Johnstown	08/31/1993	3	307,500	11/01/1993	02/01/1998
92-01-I-00-PHL. Philadelphia International, Philadelphia	06/29/1992	3	76,169,000	09/01/1992	07/01/1995
93-02-U-00-PHL. Philadelphia International, Philadelphia	05/14/1993	3	0	08/01/1993	07/01/1995
93-01-C-00-UNV. University Park, State College	08/28/1992	3	1,495,974	11/01/1992	07/01/1997
93-01-C-00-AVP. Wilkes-Barre/Scranton International, Wilkes-Barre/Scranton	09/24/1993	3	2,369,566	12/01/1993	06/01/1997
Rhode Island:					
93-01-C-00-PVD. Theodore F Green State, Providence	11/30/1993	3	103,885,286	02/01/1994	08/01/2013
South Carolina:					
93-01-C-00-CAE. Columbia Metropolitan, Columbia	08/23/1993	3	32,969,942	11/01/1993	09/01/2008
93-01-C-00-49J. Hilton Head, Hilton Head Island	11/19/1993	3	1,542,300	02/01/1994	03/01/1999
Tennessee:					
93-01-C-00-CHA. Lovell Field, Chattanooga	04/26/1994	3	7,177,253	07/01/1994	10/01/2002
93-01-C-00-TYS. McGhee Tyson, Knoxville	10/06/1993	3	5,681,615	01/01/1994	01/01/1997
92-01-I-00-MEM. Memphis International, Memphis	05/28/1992	3	26,000,000	08/01/1992	12/01/1994
93-02-C-00-MEM. Memphis International, Memphis	01/14/1994	3	24,026,000	04/01/1994	10/01/1999
92-01-C-00-BNA. Nashville International, Nashville	10/09/1992	3	143,358,000	01/01/1993	02/01/2004
Texas:					
93-02-C-00-AVS. Robert Mueller Municipal, Austin	06/04/1993	3	6,181,800	11/01/1993	01/01/1995
93-01-C-00-CRP. Corpus Christi International, Corpus Christi	12/29/1993	3	5,540,745	03/01/1994	01/01/1998
94-01-C-00-DFW. Dallas/Fort Worth International, Dallas/Fort Worth	02/17/1994	3	115,000,000	07/01/1994	02/01/1996
92-01-C-00-ILE. Killeen Municipal, Killeen	10/20/1992	3	243,339	01/01/1993	11/01/1994
93-01-I-00-LRD. Laredo International, Laredo	07/23/1993	3	11,983,000	10/01/1993	09/01/2013
93-01-C-00-LBB. Lubbock International, Lubbock	07/09/1993	3	10,699,749	10/01/1993	02/01/2000
94-02-U-00-LBB. Lubbock International, Lubbock	02/15/1994	3	0	05/01/1994	02/01/2000
92-01-I-00-MAF. Midland International, Midland	10/16/1992	3	35,529,521	01/01/1993	01/01/2013
94-02-U-00-MAF. Midland International, Midland	04/14/1994	3	0	07/01/1994	01/01/2013
93-01-C-00-SJT. Mathis Field, San Angelo	02/24/1993	3	873,716	05/01/1993	11/01/1998
93-01-C-00-TYR. Tyler Pounds Field, Tyler	12/20/1993	3	819,733	03/01/1994	07/01/1998
Virginia:					
92-01-I-00-CHO. Charlottesville-Albemarle, Charlottesville	06/11/1992	2	255,559	09/01/1992	11/01/1993
92-02-U-00-CHO. Charlottesville-Albemarle, Charlottesville	12/21/1992	2	0	09/01/1992	11/01/1993
93-03-U-00-CHO. Charlottesville-Albemarle, Charlottesville	10/20/1993	2	0	01/01/1994	11/01/1993
94-01-C-00-RIC. Richmond International (Byrd Field), Richmond	02/04/1994	3	30,976,072	05/01/1994	08/01/2005
93-01-C-00-IAD. Washington Dulles International, Washington, DC	10/19/1993	3	199,752,390	01/01/1994	11/01/2003
93-01-C-00-DCA. Washington National, Washington, DC	08/16/1993	3	166,739,071	11/01/1993	11/01/2000

CUMULATIVE LIST OF PFC APPLICATIONS PREVIOUSLY APPROVED—Continued

State, application number, airport, city	Date approved	Level of PFC	Total approved net PFC revenue	Earliest charge effective date	Estimated charge expiration date*
94–02–U–00–DCA. Washington National, Washington, DC	04/06/1994	3	0	07/01/1994	11/01/2000
Washington:					
93–01–C–00–BLI. Bellingham International, Bellingham	04/29/1993	3	366,000	07/01/1993	01/01/1995
93–01–C–00–PSC. Tri-Cities, Pasco	08/03/1993	3	1,230,731	11/01/1993	11/01/1996
93–01–C–00–CLM. William R. Fairchild International, Port Angeles	05/24/1993	3	52,000	08/01/1993	08/01/1994
94–01–C–00–PUW. Pullman-Moscow Regional, Pullman	03/22/1994	1	169,288	06/01/1994	01/01/1998
92–01–C–00–SEA. Seattle-Tacoma International, Seattle	08/13/1992	3	28,847,488	11/01/1992	01/01/1994
93–02–C–00–SEA. Seattle-Tacoma International, Seattle	10/25/1993	3	47,500,500	01/01/1994	01/01/1996
93–01–C–00–GEG. Spokane International, Spokane	03/23/1993	3	15,272,000	06/01/1993	12/01/1999
93–01–I–00–ALW. Walla Walla Regional, Walla Walla	08/03/1993	3	1,187,280	11/01/1993	11/01/2014
93–01–C–00–EAT. Pangborn Field, Wenatchee	05/26/1993	3	280,500	08/01/1993	10/01/1995
92–01–C–00–YKM. Yakima Air Terminal, Yakima	11/10/1992	3	416,256	02/01/1993	04/01/1995
West Virginia:					
93–01–C–00–CRW. Yeager, Charleston	05/28/1993	3	3,254,126	08/01/1993	04/01/1998
93–01–C–00–CKB. Benedum, Clarksburg	12/29/1993	3	105,256	04/01/1994	04/01/1996
92–01–C–00–MGW. Morgantown Muni-Walter L. Bill Hart, Morgantown	09/03/1992	3	55,500	12/01/1992	01/01/1994
Wisconsin:					
94–01–C–00–ATW. Outagamie County, Appleton	04/25/1994	3	3,233,645	07/01/1994	09/01/2000
92–01–C–00–GRB. Austin Straubel International, Green Bay	12/28/1992	3	8,140,000	03/01/1993	03/01/2003
94–01–C–00–LSE. La Crosse Municipal, La Crosse	04/06/1994	3	795,299	08/01/1994	08/01/1997
93–01–C–00–MSN. Dane County Regional-Truax Field, Madison	06/22/1993	3	6,746,000	09/01/1993	03/01/1998
93–01–I–00–CWA. Central Wisconsin, Mosinee	08/10/1993	3	7,725,600	11/01/1993	11/01/2012
93–01–C–00–RHI. Rhinelander-Oneida County, Rhinelander	08/04/1993	3	167,201	11/01/1993	04/01/1996
Wyoming:					
93–01–C–00–CPR. Natrona County International, Casper	06/14/1993	3	506,144	09/01/1993	10/01/1996
93–01–C–00–CYS. Cheyenne, Cheyenne	07/30/1993	3	742,261	11/01/1993	08/01/2000
93–01–I–00–GCC. Gillette-Campbell County, Gillette	06/28/1993	3	331,540	09/01/1993	09/01/1999
93–01–C–00–JAC. Jackson Hole, Jackson	05/25/1993	3	1,081,183	08/01/1993	02/01/1996
Guam:					
92–01–C–00–NGM. Agana Nas, Agana	11/10/1992	3	5,632,000	02/01/1993	06/01/1994
93–02–C–00–NGM. Agana Nas, Agana	02/25/1994	3	258,408,107	05/01/1994	06/01/2021
Puerto Rico:					
92–01–C–00–BQN. Rafael Hernandez, Aguadilla	12/29/1992	3	1,053,000	03/01/1993	01/01/1999
92–01–C–00–PSE. Mercedita, Ponce	12/29/1992	3	866,000	03/01/1993	01/01/1999
92–01–C–00–SJU. Luis Munoz Marin International, San Juan	12/29/1992	3	49,768,000	03/01/1993	02/01/1997
93–02–U–00–SJU. Luis Munoz Marin International, San Juan	12/14/1993	3	0	03/01/1994	02/01/1997
Virgin Islands:					
92–01–I–00–STT. Cyril E King, Charlotte Amalie	12/08/1992	3	3,871,005	03/01/1993	02/01/1995
92–01–I–00–STX. Alexander Hamilton, Christiansted St. Croix	12/08/1992	3	2,280,465	03/01/1993	05/01/1995

*The estimated charge expiration date is subject to change due to the rate of collection and actual allowable project costs.

[FR Doc. 94–14151 Filed 6–9–94; 8:45 am]
BILLING CODE 4910–13–M

Federal Highway Administration

Environmental Impact Statement: Carroll, Lafayette, and Saline Counties, Missouri

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of intent.

SUMMARY: The FHWA is issuing this notice to advise the public that an environmental impact statement will be prepared for a proposed project in Carroll, Lafayette, and Saline Counties, Missouri.

FOR FURTHER INFORMATION CONTACT: Mr. Donald Neumann, Federal Highway Administration, P.O. Box 1787, Jefferson City, MO 65102, Telephone Number 314–636–7104; or Mr. Bob Sfreddo, Design Engineer, Missouri Highway and Transportation Department, P.O. Box 270, Jefferson City, MO 65102, Telephone Number 314–751–2876.

SUPPLEMENTARY INFORMATION: The FHWA, in cooperation with the Missouri Highway and Transportation Department (MHTD), will prepare an environmental impact statement (EIS) on a proposal to improve U.S. Route 65 in Carroll, Lafayette, and Saline Counties, Missouri.

1. The proposed improvement would involve the reconstruction of U.S. Route 65 from immediately south of Marshall to just north of Carrollton. The project would be approximately 54.7 kilometers (34 miles) long. Improvements in the corridor are considered necessary to (1) provide additional capacity in the U.S. Route 65 regional corridor between the

Iowa and Arkansas state lines to accommodate increasing traffic, and (2) improve regional mobility and connections to major linkages within the corridor. The U.S. route 65 corridor is the only mid-state, continuous, north-south corridor across Missouri. This proposal also includes the replacement of a functionally obsolete bridge across the Missouri River.

2. Alternatives under consideration include (1) a "no build" option; (2) using alternative travel modes; (3) phased construction of a four-lane freeway, with fully controlled access, substantially parallel to the existing route; (4) phased construction of a four-lane freeway substantially parallel to the existing route on a new location; and (5) phased construction of a four-lane freeway in an alternative corridor between Carrollton and Marshall.

3. To date, preliminary information has been issued to local officials and other interested parties. The scoping process has been initiated with Federal, State, and local agencies. Formal agency and public scoping meetings will be held. In addition, public hearings will be held. Public notice will be given in advance of the date and time of each meeting. The draft EIS will be available prior to the public hearing for public review and comment. To ensure that the full range of issues related to this proposed action are addressed and all significant issues identified, comments and suggestions are invited from all interested parties. Any comments or questions concerning this proposed action and the EIS should be directed to the FHW or the Missouri Highway and Transportation Department at the address provided above.

Issued on: May 25, 1994.

Donald Neumann,

Program Review Engineer, Jefferson City.

[FR Doc. 94–14183 filed 6–9–94; 8:45 am]

BILLING CODE 4910–22–M

Environmental Impact Statement: Clark and Lewis Counties, Missouri

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of intent.

SUMMARY: The FHWA is issuing this notice to advise the public that an environmental impact statement will be prepared for a proposed project in Clark and Lewis Counties, Missouri, and Henry and Lee Counties, Iowa.

FOR FURTHER INFORMATION CONTACT: Mr. Donald Neumann, Federal Highway Administration, P.O. Box 1787, Jefferson City, MO 65102, Telephone Number 314–636–7104; or Mr. Bob Sfreddo, Design Engineer, Missouri Highway and Transportation Department, P.O. Box 270, Jefferson City, MO 65102, Telephone Number 314–751–2876.

SUPPLEMENTARY INFORMATION: The FHWA, in cooperation with the Missouri Highway and Transportation Department (MHTD), will prepare an environmental impact statement (EIS) on a proposal to improve a portion of U.S. Route 61 (the Avenue of the Saints roadway) in Clark and Lewis Counties, Missouri, and Henry and Lee Counties, Iowa.

1. The proposed improvement would provide a four-lane highway from Canton, Missouri, to approximately 1.61 kilometers (1 mile) south of Mount Pleasant, Iowa. The project is approximately 90 kilometers (56 miles) long. The Missouri Section would be an expressway on expressway right of way, with freeway and interchange right of way purchased at major state routes. It would run for 37 kilometers (23 miles) along the corridor of existing portions of U.S. 61, U.S. 136 Spur, U.S. 136, and Missouri Route B. The Iowa section would be designed to expressway standards and would generally follow U.S. 218 and Iowa 394 for 53 kilometers (33 miles). The corridor crosses the Des Moines River and includes the crossing now occupied by Iowa 394 and Missouri Route B. However, the new crossing will be at a different location. Several wetland areas associated with rivers and streams will be crossed.

2. In Missouri, alternatives under consideration include (1) a "no build" option, (2) improvement of the existing alignment, and (3) two alternatives on new alignments.

The first Missouri alternate on new alignment would begin north of the junction on U.S. 61 and Missouri 16, just west of Canton, and would extend along a new alignment west of U.S. 61 and generally west of U.S. 136 Spur. It would provide a western bypass around Wayland, Missouri, and continue northwest to Missouri Route B. St. Francisville, Missouri, would be bypassed on the west.

The second Missouri alternative on new alignment would also begin north of the U.S. 61 and Missouri 16 junction and would extend north on an alignment east of U.S. 61 and U.S. 136 Spur. It would bypass Wayland and continue north to Missouri Route B. South of St. Francisville, it would cross Route B and bypass St. Francisville to the east. Within Missouri, combinations of build alternatives are possible.

In Iowa, alternatives being considered include (1) a "no build" option, (2) improvement of the existing alignment, and (3) a construction alternative that includes some sections on new alignment combined with upgrading the existing alignment. This alternative consists of improving existing two-lane sections of U.S. 218 and Iowa 394 to four-lane expressway standards with eastern bypasses of the communities of Donnellson and Argyle.

3. To date, preliminary information has been issued to local officials and other interested parties. The scoping process was initiated with Federal, State, and local agencies in September of 1993. Formal agency and public scoping meetings were held on October 12, 1993, in Donnellson, Iowa. A meeting with local government officials and community leaders was held in Wayland, Missouri, on February 8, 1994. On February 24, 1994, a second public information meeting was held near Wayland to gain public input about alternatives being considered for the project. In addition, public hearings will be held. Public notice will be given in advance of the date and time of each meeting. The draft EIS will be available prior to the public hearing for public review and comment. To ensure that the full range of issues related to this proposed action are addressed and all significant issues identified, comments and suggestions are invited from all interested parties. Any comments or questions concerning this proposed action and the EIS should be directed to the FHWA or the Missouri Highway and Transportation Department at the addresses provided above. Missouri is the lead state for the proposed action.

Issued on: June 1, 1994.

Donald Neumann,

Program Review Engineer, Jefferson City.

[FR Doc. 94–14184 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–22–M

National Highway Traffic Safety Administration

[Docket No. 94–47; Notice 1]

Program Plan for Evaluating the Effectiveness of Existing Regulations, 1994–98

AGENCY: National Highway Traffic Safety Administration (NHTSA), DOT.

ACTION: Request for comments.

SUMMARY: This notice announces the publication by NHTSA of its Evaluation Program Plan for 1994–98. The report describes the agency's ongoing and planned evaluations of its existing Federal Vehicle Safety Standards [49 CFR part 571] and its other safety and

consumer programs. It also summarizes the results of completed evaluations. The agency's evaluation program responds to Executive Order 12866, which provides for Government-wide review of existing significant Federal regulations. This notice solicits public review and comment on the evaluation plan. Comments received will be used to improve the plan.

DATES: Comments must be received no later than August 9, 1994.

ADDRESSES: *Report:* Interested persons may obtain a copy of the report free of charge by sending a self-addressed mailing label to Ms Glorious Harris (NAD–51, National Highway Traffic Safety Administration, 400 Seventh Street SW., Washington, DC 20590.

Comments: All comments should refer to the docket and notice number of this notice and be submitted to: Docket section, room 5109, Nassif Building, 400 Seventh Street, SW., Washington DC 20590. [Docket hours, 9:30 a.m.–4 p.m., Monday through Friday.] It is requested but not required that 10 copies of comments be submitted.

FOR FURTHER INFORMATION CONTACT: Mr. Frank Ephraim, Chief, Evaluation Division, Office of Strategic Planning and Evaluation, Plans and Policy, National Highway Traffic Safety Administration, room 5208, 400 Seventh Street, SW., Washington, DC 20590 (202–336–1574).

SUPPLEMENTARY INFORMATION: NHTSA has rigorously evaluated its major programs as a matter of policy since 1970. The evaluation of the effectiveness of the Federal Motor Vehicle Safety Standards (FMVSS) began in 1975. Executive Order 12866, issued in October 1993, is the formal government-wide requirement for Federal agencies to evaluate their existing regulations and programs. Since the mid-1970's NHTSA was a leader among Federal agencies in evaluating the effectiveness of its regulations. There are large data bases of motor vehicle accidents which can be analyzed to find out what vehicle and traffic safety programs works best.

This five-year plan presents and discusses the programs, regulations, and related areas NHTSA proposes to evaluate, and it summarizes the findings of past evaluations. Depending on scope, evaluations typically take a year or more, counting initial planning, contracting for support, Office of Management and Budget clearance for surveys, internal review, approval, report publication for comment, and the last phase of preparing options for subsequent agency action.

Most of NHTSA's crashworthiness and several crash avoidance standards have been evaluated at least once since 1975. A number of consumer-oriented regulations, e.g., bumpers, theft protection, and fuel economy, have also been evaluated. The plan for the next five years includes evaluations of new and existing safety and consumer information and protection regulations, plus assessments of specific enforcement and highway safety programs.

NHTSA welcomes public review of the plan and invites the reviewers to comment about the selection, priority, and schedule of the regulations to be evaluated. The agency is interested in learning of any additional data that may be useful in the evaluations. The plan will be periodically updated in response to public and agency needs, with a complete revision scheduled very four years.

Those persons desiring to be notified upon receipt of their comments in the rules docket should enclose, in the envelope with their comments, a self-addressed stamped postcard. Upon receiving the comments, the docket supervisor will return the postcard by mail.

(15 U.S.C. 1392, 1401, 1407; delegation of authority at 49 CFR 1.50 and 501.8)

Issued on: June 3, 1994.

Donald C. Bischoff,

Associate Administrator for Plans and Policy

[FR Doc. 94–14091 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–59–M

Research and Special Programs Administration

International Standards on the Transport of Radioactive Materials; Public Meeting

AGENCY: Research and Special Programs Administration (RSPA), Department of Transportation.

ACTION: Notice of public meeting.

SUMMARY: This notice is to advise interested persons that RSPA will conduct a public meeting to discuss issues to be considered at the International Atomic Energy Agency (IAEA) Technical Committee Meeting (TCM) during June 27–July 1, 1994. A TCM is a meeting of experts from member nations assembled to address the technical aspects of a particular proposal.

DATES: June 15, 1994 at 9:30 am.

ADDRESSES: Room 8442, Nassif Building, 400 Seventh Street SW., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: George Brown, Chief, Radioactive Materials Branch, Office of Hazardous Materials Transportation, Department of Transportation, Washington, DC 20590; (202) 366–4545.

SUPPLEMENTARY INFORMATION: This meeting will be held to discuss several issues being considered for incorporation into the next publication of international regulations. The IAEA meeting will be held in Vienna, Austria, June 27–July 1, 1994. Topics to be covered include:

1. The impact of the new recommendations proposed by the International Council on Radiological Protection (ICRP) and the draft of the IAEA Basic Safety Standards on the "Regulations for Safe Transport of Radioactive Material," IAEA Safety Series #6.

2. Review status of changes to the "Q" System. The "Q" system is an index of the relative hazards of each radionuclide, and is the basis for determining such issues as Type A and Type B quantities.

3. Exemption/Exception criteria. The issue is to investigate the merits of replacing the current generic radioactivity threshold of .002 uCi/g of any radionuclide with a threshold based on each individual radionuclide.

4. Minimum weight limit for packages labeled "Radioactive Yellow III". The proposal is to require a minimum weight of 10 kg for these packages.

The public is invited to attend without prior notification.

Documents

Copies of documents related to the issues to be covered at the tenth meeting of SAGSTRAM may be obtained from RSPA. Documents may be ordered by contacting RSPA's Dockets Unit (202–366–4453). For more information on the use of the HMIX system, contact the HMIX information center; 1–800–PLANFOR (752–6367); in Illinois, 1–800–367–9592; Monday through Friday, 8:30 a.m. to 5 p.m. Central time.

Issued in Washington, DC, on June 7, 1994.

Robert A. McGuire,

Deputy Associate Administrator for Hazardous Materials Safety.

[FR Doc. 94–14214 Filed 6–9–94; 8:45 am]

BILLING CODE 4910–60–M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Commissioner's Advisory Group: Public Meeting

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of Public Meeting of Commissioner's Advisory Group.

SUMMARY: Public meeting of the Commissioner's Advisory Group will be held in Washington, DC.

DATES: The meeting will be held June 16, 1994.

FOR FURTHER INFORMATION CONTACT: Patricia Andrews, PC:E, 1111 Constitution Avenue, NW., room 1311, Washington, DC 20224. Telephone No. (202) 622–5026, (not a toll-free number).

Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988), that a public meeting of the Commissioner's Advisory Group will be held on June 16, 1994, in room 3313 beginning at 8:30 a.m., main Internal Revenue Service Building, 1111 Constitution Avenue, NW., Washington, DC 20224.

The agenda will include the following topics:

IRS Small Business Study
Commercial Return Preparers
Conference on Professionalism
Protecting Privacy and Security
Legislative Update
Business Master Plan Overview
Compliance Subgroup Status Report
FY 1995 Compliance Initiatives
Recommendations for Electronic Filing Strategy
Taxlink Update

Note: Last minute changes to the agenda or order of topic discussion are possible and could prevent effective advance notice.

The meeting, which will be open to the public will be in a room that accommodates approximately 50 people, including members of the Commissioner's Advisory Group and IRS officials. Due to the limited conference space, notification of intent to attend the meeting must be made with Patricia Andrews, Senior Program Analyst, no later than June 10, 1994. Ms. Andrews can be reached on (202) 622–5026 (not toll-free).

If you would like to have the committee consider a written statement, please call or write: Ms. Patricia Andrews, Strategic Planning and Communications, PC:E, Internal Revenue Service, 1111 Constitution Avenue, NW., room 1311, Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Patricia Andrews, Program Analyst, (202) 622–5026 (not toll-free).

Margaret Milner Richardson,
Commissioner.

[FR Doc. 94–14185 Filed 6–9–94; 8:45 am]
BILLING CODE 4830–01–U

UNITED STATES INFORMATION AGENCY

Educational Advising Program for International Students From Hong Kong

ACTION: Notice—Request for proposals.

SUMMARY: The Bureau of Educational and Cultural Affairs of the United States Information Agency (USIA) seeks applications from non-profit applicants willing to establish and maintain an educational advising center in Hong Kong. The advising center will facilitate international educational exchange through overseas educational advising, orientation, and information services for international students and scholars seeking information on opportunities in U.S. higher education.

USIA anticipates awarding up to $90,000 for the implementation and coordination of the advising center. Grants will only be awarded to eligible applicants with at least four years of experience in conducting international exchange programs.

Announcement Name and Number

All communications with USIA concerning this announcement should refer to the above title and reference number E/ASA–94–04.

DATES: *Deadline for proposals:* All proposals must be received at the U.S. Information Agency by close of business (5 p.m., Eastern Standard Time) Friday, July 14, 1994. Faxed documents will not be accepted, nor will documents postmarked on July 14, 1994, but received at a later date.

Duration

The duration of the grant should be from October 1, 1994 through September 30, 1995. Programs may begin no earlier than October 1, 1994. No funds may be expended until the grant agreement is signed.

ADDRESSES: A total of fifteen copies of the application should be submitted to the office below. Three copies (one a signed original) should include the completed application, including tabs A–U; the other 12 copies should include tabs A–D.

U.S. Information Agency, Reference number: E/ASA–94–04, Grants Management Division, E/XE, 301 4th Street SW., room 336, Washington, DC. 20547.

FOR FURTHER INFORMATION CONTACT: Interested U.S. applicants should contact Alexandra Hattemer at the United States Information Agency, 301 4th Street SW., Advising and Student Services Branch (E/ASA), Room 349, Washington, DC. 20547, 202–619–5434 to request detailed application packets, which include award criteria additional to this announcement, all necessary forms, and guidelines for preparing proposals, including specific budget preparation information.

SUPPLEMENTARY INFORMATION: Pursuant to the Bureau's authorizing legislation, programs must maintain a non-political character and should be balanced and representative of the diversity of American political, social, and cultural life.

Overall authority for this program is contained in the Mutual Educational and Cultural Exchange Act of 1961, as amended, Pub. L. 87–256 (Fulbright Hays Act). The purpose of the Act is to "enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations and thus to assist in the development of friendly, sympathetic and peaceful relations between the United States and other countries of the world." Programs and projects must conform with all Agency requirements and guidelines and are subject to final review by the USIA contracting officer.

Overview

An ideal program would provide a state-of-the-art advising center dedicated to providing information, orientation, and advice to international students in Hong Kong interested in studying in the U.S.

Guidelines

The proposal should be presented in three parts.

I. Applicant's Background and Overview

The first part should contain an overview of the applicant's history and purpose. Evidence of previous experience with advising or educational exchange of international students and scholars should be included. The overview should indicate the total amount of funding requested with a justification as well as a budget

presentation outlining the total project costs.

A listing of names, titles, addresses, and telephone numbers of the executive officer(s) and of the person(s) ultimately responsible for project, must be included in the proposal. Resumes or vitae of key personnel must be provided. USIA also recommends the inclusion of brochures and general information concerning the applicant, e.g. organizational charts, job descriptions, the names of board members (or similar group), the number of employees, etc.

II. Advising Center Operational and Services

The second part of the proposal should contain details on the advising center's proposed location and hours of operation, proposed staffing pattern (including the percentage of time each employee will devote to advising activities and a description of their functions and responsibilities), budget, and advising services to be provided. A resume or brief narrative explaining the qualifications of the person or persons who will have primary responsibility for conducting advising and/or providing oversight of the advising center staff should be included. The proposal should demonstrate the center's ability to provide the following educational advising services to international students and scholars:

1. Information and guidance on U.S. educational institutions, systems, tuition and related costs, fields of study, specialized training, etc;
2. Information and advice on U.S. standardized tests, e.g. TOEFL, GRE, GMAT, FMGEMS, etc., to include the provision of registration application forms, maintenance of bulletins and testing schedules;
3. Information and research on short-term institutional training in technical and professional fields;
4. Information on English language training programs in the U.S.;
5. Group and individual advising sessions, pre-departure orientation and reentry programs, as appropriate.

The center will also be required to monitor the status of the educational system in Hong Kong and to share that information with USIA and United States Information Service (USIS) office at the American Consulate. The applicant should be willing to assist and support educational outreach activities of the USIS post abroad by developing a network of contacts with the local Ministry of Education, universities, and other appropriate institutions.

The center should also be willing to serve as an information resource for overseas educational advising centers in the People's Republic of China. The proposal should address the applicant's ability to do so.

III. Provision of Resource Materials, Equipment and Training

The third part of the proposal should address the extent to which the U.S. headquarters office will support its advising center abroad through the provision of educational advising resource materials and professional development activities and training.

Student access to a comprehensive university catalog collection, in print and/or microfiche or computer software programs, and an extensive collection of current references on U.S. educational institutions and programs, through print or computer networks, is an integral component of an educational advising center and the applicant's ability to provide such should be made clear in this section.

Office equipment that facilitates the processing of inquiries, such as electronic mail, facsimile machines, and telexes, would be regarded as an asset to the advising function and mention of such equipment should be made in the proposal. The Agency expects the advising center to be equipped with audio visual aids for students' use. Videos on U.S. study and life should complement the presentation and materials offered at group and individual advising sessions.

Proposed Budget

Applicants must submit a comprehensive line-item budget for which specific details are available in the application packet. The budget should not exceed $90,000.

Cost-sharing is encouraged. Cost-sharing may be in the form of allowable direct or indirect costs. The recipient must maintain written records to support all allowable costs which are claimed as being its contribution to cost participation, as well as cost to be paid by the Federal government. Such records are subject to audit. The basis for determining the value of cash and in-kind contributions must be in accordance with OMB Circular A110, Attachment E. Cost sharing and matching should be described in the proposal. In the event the recipient does not provide the minimum amount of cost-sharing as stipulated in the recipient's budget, the Agency's contribution will be reduced in proportion to the recipient's contribution.

The recipient's proposal shall include the cost of an audit that: (1) Complies with the requirements of OMB Circular No. A–133, Audits of Institutions of Higher Education and Other Nonprofit Institutions; (2) complies with the requirements of American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) No. 92–9; and (3) includes review by the recipient's independent auditor of a recipient-prepared supplemental schedule of indirect cost rate computation, if such a rate is being proposed.

The audit costs shall be identified separately for: (1) Preparation of basic financial statements and other accounting services; and (2) preparation of the supplemental reports and schedules required by OMB Circular No. A–133, AICPA SOP 92–9, and the review of the supplemental schedule of indirect cost rate computation.

Applicants should refer to the application package for a list of allowable costs.

Review Process

USIA will acknowledge receipt of all proposals and will review them for technical eligibility. Proposals will be deemed ineligible if they do not fully adhere to the guidelines established herein and in the application packet. Eligible proposals will be forwarded to panels of USIA officers for advisory review. All eligible proposals will also be reviewed by the appropriate geographic area office, and the USIA budget and contracts offices. Proposals may also be reviewed by the Agency's Office of General Counsel. Funding decisions are at the discretion of the Associate Director for Educational and Cultural Affairs. Final technical authority for grant awards resides with USIA's contracting officer.

Review Criteria

Technically eligible applications will be competitively reviewed according to the following criteria:

a. *Quality of program plan:* Proposals should exhibit a thorough knowledge and understanding of the needs of students from Hong Kong and exhibit originality, substance, and rigor.

b. *Program planning:* Proposals must include a detailed agenda and relevant workplan of program activities. The agenda should adhere to the program overview and guidelines described above.

c. *Ability to achieve program objectives/institutional capacity:* Proposed personnel and institutional resources should be adequate and appropriate to achieve the program goals and adhere to the guidelines described above. The applicant should demonstrate an ability to recruit and

maintain a professional staff to successfully accomplish the goals of the program.

d. *Multiplier effect/impact:* Program activities should be designed to foster long-term mutual understanding between citizens of the United States and Hong Kong.

e. *Institution's track record/ability:* Proposals should demonstrate a track record of successful programs, including responsible fiscal management and full compliance with all reporting requirements for Agency grants. The Agency will consider the past performance of prior grantees and the demonstrated potential of new applicants.

f. *Evaluation plan:* Proposals should provide a plan for evaluation by the grantee institution, including periodic progress reports.

g. *Cost-effectiveness:* The overhead and administrative components of grants, as well as salaries and honoraria, should be kept as low as possible. All other items should be necessary and appropriate.

h. *Cost-sharing:* Proposals should maximize cost-sharing through other private sector support as well as institutional direct-funding contributions. Evidence of such cost sharing should be detailed in the proposal.

Notice

The terms and conditions published in the RFP are binding and may not be modified by any USIA representative. Explanatory information provided by the Agency that contradicts published language will not be binding. Issuance of the RFP does not constitute an award commitment on the part of the Government. Final awards cannot be made until funds have been fully appropriated by Congress, and allocated and committed through internal USIA procedures.

Notification

All applicants will be notified of the results of the review process on or about September 15, 1994. Funded proposals will be subject to periodic reporting and evaluation requirements.

Dated: June 6, 1994.

John P. Loiello,

Associate Director, Bureau of Educational and Cultural Affairs.

[FR Doc. 94-14166 Filed 6-9-94; 8:45 am]

BILLING CODE 8230-04-M

Educational Advising Program for International Students From Mexico and a Regional Educational Advising Consultancy for Overseas Educational Advising Centers Throughout Central America

ACTION: Notice—Request for proposals.

SUMMARY: The Bureau of Educational and Cultural Affairs of the United States Information Agency (USIA) seeks applications from non-profit applicants willing to establish and maintain an educational advising center in Mexico City which would also serve as the Regional Educational Advising Consultancy (REAC) for overseas educational advising centers throughout Mexico and Central America. The advising center will facilitate international educational exchange through overseas educational advising, orientation, and information services for international students and scholars seeking information on opportunities in U.S. higher education.

USIA anticipates awarding up to $130,000 for the implementation and coordination of the advising center and the REAC. Grants will only be awarded to eligible applications with at least four years of experience in conducting international exchange programs.

Announcement Name and Number

All communications with USIA concerning this announcement should refer to the above title and reference number E/ASA-94-03.

DATES: *Deadline for proposals:* All proposals must be received at the U.S. Information Agency by close of business (5 p.m., Eastern Standard Time) Friday, July 14, 1994. Faxed documents will not be accepted, nor will documents postmarked on July 14, 1994, but received at a later date.

Duration

The duration of the grant should be from October 1, 1994 through September 30, 1995. Programs may begin no earlier than October 1, 1994. No funds may be expended until the grant agreement is signed.

ADDRESSES: A total of fifteen copies of the application should be submitted to the office below. Three copies (one a signed original) should include the completed application, including tabs A–U; the other 12 copies should include tabs A–D.

U.S. Information Agency, Reference number: E/ASA-94-03, Grants Management Division, E/XE, 301 4th Street SW., room 336, Washington, DC 20547.

FOR FURTHER INFORMATION CONTACT: Interested U.S. applicants should contact Alexandra Hattemer at the United States Information Agency, 301 4th Street SW., Advising and Student Services Branch (E/ASA), room 349, Washington, DC 20547, 202-619-5434 to request detailed application packets.

SUPPLEMENTARY INFORMATION: Pursuant to the Bureau's authorizing legislation, programs must maintain a non-political character and should be balanced and representative of the diversity of American political, social, and cultural life.

Overall authority for this program is contained in the Mutual Educational and Cultural Exchange Act of 1961, as amended, Pub. L. 87-256 (Fulbright Hays Act). The purpose of the Act is to "enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations and thus to assist in the development of friendly, sympathetic and peaceful relations between the United States and the other countries of the world." Programs and projects must conform with all Agency requirements and guidelines and are subject to final review by the USIA contracting officer.

Overview

An ideal program would provide a state-of-the-art advising center dedicated to providing information, orientation, and advice to international students in Mexico interested in study in the U.S. and would also serve as a well informed resource on U.S. education to overseas educational advisers throughout Mexico and Central America.

Guidelines

The proposal should be presented in four parts.

I. Applicant's Background and Overview

The first part should contain an overview of the applicant's history and purpose. Evidence of previous experience with advising or educational exchange of international students and scholars should be included. The overview should indicate the total amount of funding requested with a justification as well as a budget presentation outlining the total project costs.

A listing of names, titles, addresses, and telephones numbers of the executive officer(s) and of the person(s) ultimately responsible for project, must

be included in the proposal. Résumés or vitae of key personnel must be provided. USIA also recommends the inclusion of brochures and general information concerning the applicant, e.g. organizational charts, job descriptions, the names of board members (or similar group), the number of employees, etc.

II. Advising Center Operation and Services

The second part of the proposal should contain details on the advising center's proposed location and hours of operation, proposed staffing pattern (including the percentage of time each employee will devote to advising activities and a description of their functions and responsibilities), budget, and advising services to be provided. A resume or brief narrative explaining the qualifications of the person or persons who will have primary responsibility for conducting, advising and/or providing oversight of the advising center staff should be included. The proposal should demonstrate the center's ability to provide the following educational advising services to international students and scholars:

1. Information and guidance on U.S. educational institutions, systems, tuition and related costs, fields of study, specialized training, etc;
2. Information and advice on U.S. standardized tests, e.g. TOEFL, GRE, GMAT, FMGEMS, etc., to include the provision of registration application forms, maintenance of bulletins and testing schedules;
3. Information and research on short-term institutional training in technical and professional fields;
4. Information on English language training programs in the U.S.;
5. Group and individual advising sessions, pre-departure orientation and reentry programs, as appropriate.

The center will also be required to monitor the status of the educational system in Mexico and to share that information with USIA and United States Information Service (USIS) office at the American Embassy. The applicant should also be willing to assist and support educational outreach activities of the USIS post abroad by developing a network of contacts with the local Ministry of Education, universities, and other appropriate institutions.

III. Provision of Resource Materials, Equipment and Training

The third part of the proposal should address the extent to which the U.S. headquarters office will support its advising center abroad through the provision of educational advising resource materials and professional development activities and training.

Student access to a comprehensive university catalog collection, in print and/or microfiche, and an extensive collection of current references on U.S. educational institutions and programs is an integral component of an educational advising center and the applicant's ability to provide such should be made clear in this section.

Office equipment that facilitate the processing of inquiries, such as electronic mail, facsimile machines, and telexes, would be regarded as an asset to the advising function and mention of such equipment should be made in the proposal. The Agency expects the advising center to be equipped with audio visual aids for students' use. Videos on U.S. study and life complement the presentation and materials offered at group and individual advising sessions.

IV. Regional Educational Advising Consultancy

The fourth part of the proposal should contain details on the Regional Educational Advising Consultancy (REAC) for Mexico and Central America. Funding for the REAC should be contained within the $130,000 budget. The Agency recommends that the person(s) dedicated to the REAC work a minimum of 20 hours per week. The REAC would service overseas educational advising centers in Mexico and Central America. The objective of the REAC is to:

1. Attain widespread recognition as the regional resource center for educational advising;
2. Encourage regional communication and networking among Mexican and Central American advising centers;
3. Foster information sharing through such means as the development and sharing of materials (i.e., advising handouts), a regional newsletter, workshops, electronic mail, Internet, etc.;
4. Provide advice to advising centers on how to conduct regional and in-country workshops, pre-admission and pre-departure orientation sessions, outreach activities, etc.
5. Provide needs assessments, training, and professional development for the educational advisers in the region as necessary.

Please note that travel within the region for needs assessments and consultations, must be arranged by means of an annual request (via cable) to the educational advising centers via the USIS office in each country.

Proposed Budget

Applicants must submit a comprehensive line-item budget for which specific details are available in the application packet. The budget should not exceed $130,000, including the REAC. The applicant should submit separate line-item budgets for the Educational Advising Center in Mexico City and for the REAC.

Cost-sharing is encouraged. Cost-sharing may be in the form of allowable direct or indirect costs. The recipient must maintain written records to support all allowable costs which are claimed as being its contribution to cost participation, as well as cost to be paid by the Federal government. Such records are subject to audit. The basis for determining the value of cash and in-kind contributions must be in accordance with OMB Circular A110, Attachment E. Cost sharing and matching should be described in the proposal. In the event the recipient does to provide the minimum amount of cost-sharing as stipulated in the recipient's budget, the Agency's contribution will be reduced in proportion to the recipient's contribution.

The recipient's proposal shall include the cost of an audit that: (1) Complies with the requirements of OMB Circular No. A–133, Audits of Institutions of Higher Education and Other Nonprofit Institutions; (2) complies with the requirements of American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) No. 92–9; and (3) includes review by the recipient's independent auditor of a recipient-prepared supplemental schedule of indirect cost rate computation, if such a rate is being proposed.

The audit costs shall be identified separately for: (1) Preparation of basic financial statements and other accounting services; and (2) preparation of the supplemental reports and schedules required by OMB Circular No. A–133, AICPA SOP 92–9, and the review of the supplemental schedule of indirect cost rate computation.

Applicants should refer to the application package for a list of allowable costs.

Review Process

USIA will acknowledge receipt of all proposals and will review them for technical eligibility. Proposals will be deemed ineligible if they do not fully adhere to the guidelines established herein and in the application packet. Eligible proposals will be forwarded to panels of USIA officers for advisory review. All eligible proposals will also

be reviewed by the appropriate geographic area office, and the USIA budget and contracts offices. Proposals may also be reviewed by the Agency's Office of General Counsel. Funding decisions are at the discretion of the Associate Director for Educational and Cultural Affairs. Final technical authority for grant awards resides with USIA's contracting officer.

Review Criteria

Technically eligible applications will be competitively reviewed according to the following criteria:

a. *Quality of program plan:* Proposals should exhibit a thorough knowledge and understanding of the needs of students from Mexico and Central America and exhibit originality, substance, and rigor.

b. *Program planning:* Proposals must include a detailed agenda and relevant workplan of program activities. The agenda should adhere to the program overview and guidelines described above.

c. *Ability to achieve program objectives/institutional capacity:* Proposed personnel and institutional resources should be adequate and appropriate to achieve the program goals and adhere to the guidelines described above. The applicant should demonstrate an ability to recruit and maintain a professional staff to successfully accomplish the goals of the program.

d. *Multiplier effect/impact:* Program activities should be designed to foster long-term mutual understanding between citizens of the United States and Central America and Mexico.

e. *Institution's track record/ability:* Proposals should demonstrate a track record of successful programs, including responsible fiscal management and full compliance with all reporting requirements for Agency grants. The Agency will consider the past performance of prior grantees and the demonstrated potential of new applicants.

f. *Evaluation plan:* Proposals should provide a plan for evaluation by the grantee institution, including periodic progress reports.

g. *Cost-effectiveness:* The overhead and administrative components of grants, as well as salaries and honoraria, should be kept as low as possible. All other items should be necessary and appropriate.

h. *Cost-sharing:* Proposals should maximize cost-sharing through other private sector support as well as institutional direct-funding contributions. Evidence of such cost sharing should be detailed in the proposal.

Notice

The terms and conditions published in the RFP are binding and may not be modified by any USIA representative. Explanatory information provided by the Agency that contradicts published language will not be binding. Issuance of the RFP does not constitute an award commitment on the part of the Government. Final awards cannot be made until funds have been fully appropriated by Congress, and allocated and committed through internal USIA procedures.

Notification

All applicants will be notified of the results of the review process on or about September 15, 1994. Funded proposals will be subject to periodic reporting and evaluation requirements.

Dated: June 6, 1994.

John P. Loiello,

Associate Director, Bureau of Educational and Cultural Affairs.

[FR Doc. 94–14165 Filed 6–9–94; 8:45 am]

BILLING CODE 8230–03–M

Sunshine Act Meetings

Federal Register
Vol. 59, No. 111
Friday, June 10, 1994

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

FEDERAL DEPOSIT INSURANCE CORPORATION

Notice of Agency Meeting

Pursuant to the provisions of the "Government in the Sunshine Act" (5 U.S.C. 552b), notice is hereby given that the Federal Deposit Insurance Corporation's Board of Directors will meet in open session at 10:00 a.m. on Tuesday, June 14, 1994, to consider the following matters:

Summary Agenda

No substantive discussion of the following items is anticipated. These matters will be resolved with a single vote unless a member of the Board of Directors requests that an item be moved to the discussion agenda.

Disposition of minutes of previous meetings.

Reports of actions approved by the standing committees of the Corporation and by officers of the Corporation pursuant to authority delegated by the Board of Directors.

Discussion Agenda

Memorandum and resolution re: Proposed revision to Part 336 of the Corporation's rules and regulations, entitled "Employees Responsibilities and Conduct," which would remove the standards of conduct regulations at sections 336.1–336.23 and 336.29–37 and the Appendix to such part and would promulgate similar regulations as a supplement to regulations on "Standards of Ethical Conduct for Employees of the Executive Branch" issued by the Office of Government Ethics.

Memorandum and resolution re: Proposed amendments to the Corporation's rules and regulations in the form of a new Part 366, entitled "Contractor Conflicts of Interest," which would be applicable to private sector contractors, including law firms, which submit offers to provide services to the Corporation or which enter into contracts to provide services to the Corporation; would govern conflicts of interest, ethical responsibilities, and the use of confidential information by such contractors; and would provide guidance to Corporation contracting personnel.

The meeting will be held in the Board Room on the sixth floor of the FDIC Building located at 550—17th Street, N.W., Washington, DC.

The FDIC will provide attendees with auxiliary aids (e.g., sign language interpretation) required for this meeting. Those attendees needing such assistance should call (202) 942–3132 (Voice); (202) 942–3111 (TTY), to make necessary arrangements.

Requests for further information concerning the meeting may be directed to Mr. Robert E. Feldman, Acting Executive Secretary of the Corporation, at (202) 898–6757.

Dated: June 7, 1994.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Acting Executive Secretary.

[FR Doc. 94–14243 Filed 6–7–94; 8:45 am]

BILLING CODE 6714–0–M

FEDERAL DEPOSIT INSURANCE CORPORATION

Notice of Agency Meeting

Pursuant to the provisions of the "Government in the Sunshine Act" (5 U.S.C. 552b), notice is hereby given that at 10:03 a.m. on Tuesday, June 7, 1994, the Board of Directors of the Federal Deposit Insurance Corporation met in closed session to consider the following:

Reports of the Office of Inspector General.

Matters relating to the probable failure of a certain insured depository institution.

Matters relating to the Corporation's corporate and supervisory activities.

Application of Community Federal Savings Bank, Tupelo, Mississippi, a proposed new federally chartered stock savings bank, for Federal deposit insurance.

In calling the meeting, the Board determined, on motion of Director Jonathan L. Fiechter (Acting Director, Office of Thrift Supervision), seconded by Mr. Stephen R. Steinbrink, acting in the place and stead of Director Eugene A. Ludwig (Comptroller of the Currency), concurred in by Acting Chairman Andrew C. Hove, Jr., that Corporation business required its consideration of the matters on less than seven days' notice to the public; that no earlier notice of the meeting was practicable; that the public interest did not require consideration of the matters in a meeting open to public observation; and that the matters could be considered in a closed meeting by authority of subsections (c)(2), (c)(4), (c)(6), (c)(8), (c)(9)(A)(ii), (c)(9)(B), and (c)(10) of the "Government in the Sunshine Act" (5 U.S.C. 552b(c)(2), (c)(4), (c)(6), (c)(8), (c)(9)(A)(ii), (c)(9)(B), and (c)(10)).

The meeting was held in the Board Room of the FDIC Building located at 550—17th Street, NW., Washington, DC.

Dated: June 7, 1994.

Federal Deposit Insurance Corporation.

Patti C. Fox,

Acting Deputy Executive Secretary.

[FR Doc. 94–14268 Filed 6–8–94; 11:37 am]

BILLING CODE 6714–01–M

SECURITIES AND EXCHANGE COMMISSION

Agency Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of June 13, 1994.

A closed meeting will be held on Tuesday, June 14, 1994, at 2:00 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at a closed meeting.

Commissioner Roberts, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Tuesday, June 14, 1994, at 2:00 p.m., will be:

Institution of injunctive actions.

Institution of administrative proceedings of an enforcement nature.

Settlement of injunctive action.

Settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: John Ramsay (202) 942–0700.

Dated: June 8, 1994.

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14327 Filed 6–8–94; 3:40 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Agency Meeting

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: [59 FR 29324, June 6, 1994].

STATUS: Closed meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: June 6, 1994.

CHANGE IN THE MEETING: Additional Item.

The following item will be considered at a closed meeting scheduled for Thursday, June 9, 1994.

Litigation matter.

Commissioner Roberts, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: Carrie Dwyer at (202) 942–0100.

Dated: June 7, 1994.

Jonathan G. Katz,

Secretary.

[FR Doc. 94–14269 Filed 6–8–94; 11:39 am]

BILLING CODE 8010–01–M

UNITED STATES ENRICHMENT CORPORATION BOARD OF DIRECTORS

TIME AND DATE: 8:00 a.m., Tuesday, June 14, 1994.

PLACE: USEC Corporate Headquarters, 6903 Rockledge Drive, Bethesda, Maryland 20817.

STATUS: The meeting will be closed to the public.

MATTERS TO BE CONSIDERED:

- Review of commercial, financial and internal personnel issues of the Corporation.

CONTACT PERSON FOR MORE INFORMATION: Barbara Arnold, 301–564–3354.

Dated: June 7, 1994.

William H. Timbers, Jr.,

President and Chief Executive Officer.

[FR Doc. 94–14267 Filed 6–8–94; 11:35 am]

BILLING CODE 8720–01–M

federal register

Friday
June 10, 1994

Part II

Department of the Treasury

Internal Revenue Service

26 CFR Parts 1, 20, 25, and 602
Valuation Tables and Actuarial Tables Exceptions; Final Rule and Proposed Rule

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1, 20, 25, and 602

[TD 8540]

RIN 1545–AM81

Valuation Tables

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the valuation of annuities, interests for life or terms of years, and remainder or reversionary interests. Changes to the applicable tax law were made by section 5031 of the Technical and Miscellaneous Revenue Act of 1988. These regulations will provide the public with the guidance needed to comply with the Act.

DATES: These regulations are effective May 1, 1989. For dates of applicability of these regulations, see the EFFECTIVE DATES portion under SUPPLEMENTARY INFORMATION.

FOR FURTHER INFORMATION CONTACT: William L. Blodgett, (202) 622–3090 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in these final regulations has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3504(h)) under control number 1545–1343. The estimated annual burden per respondent varies from 30 minutes to one hour, depending on individual circumstances, with an estimated average of 45 minutes.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be sent to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, PC:FP, Washington, DC 20224, and to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503.

Background

On November 2, 1992, the IRS published in the **Federal Register** proposed amendments to the income tax regulations (26 CFR part 1) under sections 170, 642, 664, and 7520 of the Internal Revenue Code (Code), and to the estate and gift tax regulations (26 CFR part 20 and part 25) under sections 2031, 2512, and 7520 of the Code. Conforming changes were proposed for regulations under other sections of the Code. On February 3, 1993, the IRS published in the **Federal Register** certain corrections to the proposed regulations. This project finalizes those amendments. Written comments responding to the Notice of Proposed Rulemaking were received. No public hearing was requested, and none was held. After consideration of all of the comments received regarding the proposed regulations, those amendments are adopted by this Treasury decision with revisions in response to those comments. A summary of the principal comments received and revisions made in the final regulations in response to those comments is provided below.

Explanation of Provisions

The notice of proposed rulemaking included estate tax regulations that described the implementation of the new valuation standard, including an explanation of the general effective date of May 1, 1989 (§ 20.7520–1), an explanation of the special elections for charitable interests (§ 20.7520–2), a listing of Code provisions that are not subject to section 7520 (§ 20.7520–3), and a description of transitional rules for income, estate, and gift tax valuations (§ 20.7520–4). In the final regulations, the substance of §§ 20.7520–1 through 20.7520–4 has been incorporated into analogous provisions for the Income Tax Regulations (§§ 1.7520–1 through 1.7520–4) and the Gift Tax Regulations (§§ 25.7520–1 through 25.7520–4).

In response to comments, several editorial changes were made to clarify certain of the formulas contained in the proposed regulations. These clarifications principally involve the insertion of additional parentheses or brackets in order to make the formulas easier for the reader to understand and apply.

Also in response to comments, § 1.170A–12(b) was updated in a correction to the proposed regulations that was published in the **Federal Register** on February 3, 1993. The update includes a formula for the computation of the special factor to value a remainder interest following one life where the property is subject to exhaustion, wear and tear, or obsolescence. A similar formula in § 1.170A–12(e), which is applicable to the valuation of a remainder interest following two lives, was also updated. The change in formulas avoids the need to include lengthy commutation factor tables in the regulations.

Clarifying amendments have been made in the final regulations concerning the meaning of "valuation date" for purposes of an election to value a transfer to a charitable remainder trust. In the case of an election under section 7520 to compute the present value of the charitable interest by use of the interest rate component for either of the 2 months preceding the month in which the transfer is made, the month so elected is the valuation date for purposes of determining the interest rate and mortality tables. Sections 1.664–2(c) and 1.664–4(e)(4) of the final regulations have been revised accordingly.

Comments were received pertaining to the rule in the proposed regulations under section 7520 concerning the transfer of more than one partial interest in the same property at different times. In response to these comments, the regulations have been amended to make it clear that, generally, each separate transfer is valued with the interest rate applicable in the month of the transfer.

The proposed regulations provide for making the election to use a prior month's interest rate in the case of a transfer to charity. Comments questioned the need for requiring the filing of detailed information as part of a prior-month election. This information is already required to be filed with the tax return for certain situations involving charitable interests that are subject to measuring lives. See, for example, § 20.2055–2(f)(5). This requirement is now explained in the regulations under section 7520. Comments also raised a question about the revocability of the election and the time for making the election. The final regulations provide that the taxpayer makes the prior-month election by so stating on the return and identifying the elected month. The failure to include with the return other information that is required to describe the transfer, whether or not the election is made, will ordinarily not invalidate the election. For elections made on or before June 10, 1994, a reasonable attempt to make the election and submit the required information will be treated as a valid election. The final regulations also provide that the election is generally made on a timely filed tax return for the year of the transfer. However, the election may also be made or changed on an amended or supplemented return that is made within 24 months after the original return is filed.

Comments were received concerning whether the five percent de minimis test (i.e., a transfer to charity of at least five percent of the value of the interest) set forth in the proposed regulations should be applied in determining if the

taxpayer may elect to use an alternative prior month interest rate. The final regulations delete this de minimis test.

Comments were received concerning the application of these regulations in situations where an individual is expected to die prematurely or where two individuals die simultaneously. See, for example, Rev. Rul. 80–80, 1980–1 C.B. 194, which holds that, in cases where the individual's death is imminent, the standard actuarial tables prescribed by the regulations are not to be used. See, also, *Carter* v. *United States*, 291 F.2d 63 (5th Cir. 1991), where the court refused to ascribe value to an income interest for purposes of the section 2013 credit where the death of the transferee was simultaneous with the death of the transferor. Comments were also received concerning the scope of these regulations in light of *O'Reilly* v. *Commissioner*, 973 F.2d 1403 (8th. Cir. 1992), *rem'd*, T.C.M. 1994–61. In *O'Reilly*, the Circuit Court held that the standard actuarial tables were not applicable to a situation in which the application of those tables would have produced an unreasonable result. In that case, the property held in trust produced an extraordinarily low rate of return. A similar result was reached by the Tax Court in *Froh* v. *Commissioner*, 100 T.C. 1 (1993), dealing with depletable property. Consistent with these comments, the Service and Treasury are contemporaneously proposing an amendment to these regulations that defines the circumstances in which the section 7520 tables would not apply in valuing a transferred interest. That Notice of Proposed Rulemaking is published elsewhere in this issue of the **Federal Register**.

Notice 89–60, 1989–1 C.B. 700, announced a method for determining the deemed yearly rate of return for new pooled income funds. This method defined the deemed rate as the highest annual average section 7520 interest rate for the preceding three years, reduced by one percentage point. The proposed regulations would have defined the deemed rate as the highest annual average section 7520 interest rate for the preceding three years, multiplied by 90 percent. Both methods produced the same result for each of the years after the enactment of section 7520:

First year of pooled income fund	5/1/89 to 12/31/89	1990	1991	1992	1993	1994
Notice 89–60 method	9.4	9.8	9.8	9.8	9.4	8.4
Proposed regulation method	9.4	9.8	9.8	9.8	9.4	8.4

Commentators have indicated a strong preference for the method announced in Notice 89–60, because they view the computation as simpler than that set forth in the proposed regulations. In response to these comments, the final regulations adopt the method described in Notice 89–60 for determining the deemed yearly rate of return for new pooled income funds.

Comments were received concerning whether, in valuing transfers to a new pooled income fund, the same deemed rate of return would be used throughout the entire three-year period. The final regulations provide that the deemed rate of return for transfers to a new pooled income fund is recomputed each calendar year using the monthly section 7520 rates for the three-year period immediately preceding the calendar year in which each transfer to the fund is made until the fund has been in existence for three taxable years and can compute its highest rate of return for the three taxable years immediately preceding the taxable year in which the transfer of property to the fund is made.

A commentator suggested that, with respect to the interpolation method for valuing transfers to pooled income funds and charitable remainder unitrusts, a taxpayer be permitted to elect a more exact method of computing the appropriate interest rate. The method prescribed in the proposed regulations has been in use for many years and is prescribed by the Internal Revenue Service in Publication 1457, "Actuarial Values, Alpha Volume," (8–89) and Internal Revenue Service Publication 1458, "Actuarial Values, Beta Volume," (8–89). The IRS and Treasury believe that any change from the method prescribed in these publications, which are in current use, would create undue confusion for taxpayers. Consequently, the commentator's suggested change is not being adopted at this time.

Comments were received inquiring about the application of section 7520 to the valuation of annuities issued by certain organizations other than insurance companies. In response to these comments, the final regulations explain that the section 7520 tables are to be used in valuing these annuities. This is an application of the principle adopted in Rev. Rul. 84–162, 1984–2 C.B. 200, for transfers after November 23, 1984. A different method of valuation continues to apply for purposes of computing the exclusion ratio in reporting the annuity payments under section 72. These clarifications have been made by updating § 1.101–2(e)(1)(iii)(*b*) and *Example 8* of § 1.1011–2(c).

Comments were received concerning the presumption in the proposed regulations under section 664 that, if a governing instrument for a charitable remainder unitrust does not prescribe when the distribution is made during the period, the distribution is presumed to be made on the first day of the period. Unitrusts have traditionally been regarded as providing for distributions at the beginning of each period unless the governing instrument provides to the contrary. This presumption has been reflected in unitrust factors prescribed in the regulations under section 664 since the enactment of that section. Therefore, the presumption that distributions are made on the first day of the period, if not otherwise provided for in the instrument, is continued in the final regulations.

Effective Dates

These regulations are generally effective in the case of annuities, interests for life or terms of years, and remainder or reversionary interests created after April 30, 1989. The regulations provide certain transitional rules intended to alleviate any adverse consequences resulting from the statutory amendments. Several principal provisions of the regulations were announced in Notice 89–24, 1989–1 C.B. 660 (which announced the change from the 10 percent fixed rate of interest to the section 7520 floating rate of interest), and Notice 89–60 (which announced the change in mortality tables) (See § 601.601(d)(2)(ii)(*b*) of the Statement of Procedural Rules). A transitional rule in the final regulations provides that, for valuation dates of transfers after April 30, 1989, and before June 10, 1994, a transferor can rely on Notice 89–24 or Notice 89–60 in valuing the transferred interest. For gift tax purposes, a transitional rule in the final regulations provides that if, after December 31, 1988, but before May 1, 1989, a donor transferred an interest in property, retaining an interest in the same property, and the donor later transferred the retained interest in the

property after April 30, 1989, and before January 1, 1990, the donor may elect to value the transfer of the retained interest under either the 10 percent tables or the section 7520 tables (whichever is more beneficial). For estate tax purposes, a transitional rule in the final regulations provides that the estate of a mentally incompetent decedent may elect to value the property interest included in the gross estate under the mortality table and interest rate in effect at the time the decedent became mentally incompetent or the mortality table and interest rate in effect on the decedent's date of death if the decedent was under a mental incapacity that existed on May 1, 1989, and continued uninterrupted until the decedent's death. For purposes of determining the value of the remainder interest in a testamentary charitable remainder unitrust or annuity trust, a transitional rule in the final regulations provides that the mortality table and 10 percent interest rate in effect before May 1, 1989, or the mortality table and interest rate under section 7520 may be used if the decedent was mentally incompetent on May 1, 1989, and (1) such incompetency continued uninterrupted until death, or (2) the decedent died within 90 days of first regaining competency after April 30, 1989.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is William L. Blodgett, Office of Chief Counsel (Passthroughs and Special Industries), IRS. However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 20

Estate taxes, Reporting and recordkeeping requirements.

26 CFR Part 25

Gift taxes, Reporting and recordkeeping requirements.

26 CFR Part 602

Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1, 20, 25, and 602 are amended as follows:

Paragraph 1. In the list below, for each section indicated in the left column, remove the language in the middle column and add the language in the right column:

Section	Remove	Add
1.52–1(f)	or 20.2031–10, whichever is appropriate	or, for certain prior periods, 20.2031–7A
1.101–2(e)(2) *Example (1)*(ii)	paragraph (f) of	
1.170A–4(d) *Example 9*, third sentence	Table B of §20.2031–10(f)	§20.2031–7A(c)
1.170A–5(b) *Example 5*, fifth sentence	Table A(1) in §20.2031–10(f)	§20.2031–7A(c)
1.170A–6(c)(3)(i)	or §20.2031–10, whichever is appropriate	or, for certain prior periods, 20.2031–7A
1.170A–6(c)(3)(iii) *Example 1* second sentence	Table B in §20.2031–10(f)	§20.2031–7A(c)
1.170A–6(c)(3)(iii) *Example 2* second sentence	Table B in §20.2031–10(f)	§20.2031–7A(c)
1.170A–6(c)(3)(iii) *Example 3* third sentence	§20.2031–10(e)	§20.2031–7A(c)
1.170A–6(c)(3)(iii) *Example 3* fourth sentence	Table B in §20.2031–10(f)	§20.2031–7A(c)
1.170A–6(c)(4) second sentence	or §20.2031–10, whichever is appropriate.	
1.170A–6(c)(5) *Example 1* sixth sentence	Table B in §20.2031–10(f)	§20.2031–7A(c)
1.170A–6(c)(5) *Example 2*(b)	§1.664–4(b)(5)	§1.664–4A(c)
1.170A–6(c)(5) *Example 3*(b)	§20.2031–10(f)	§20.2031–7A(c)
1.170A–7(c) third sentence	or §20.2031–10, whichever is appropriate	
1.170A–12(a)(3) fourth sentence	paragraph (d) of §25.2512–5 or 25.2512–9 whichever is appropriate.	§25.2512–5 (or, for certain prior periods, §25.2512–5A)
1.170A–12(c) first and third sentences	paragraph (d) in §25.2512–5 or 25.2512–9	§25.2512–5 (or, for certain prior periods, §25.2512–5A)
1.170A–12(c) *Example*, fourth sentence	Table B of §25.2512–9(f)	§25.2512–5A(c)
1.414(c)–2(b)(2)(ii) second sentence	or §20.2031–10 (Estate Tax Regulations), whichever is appropriate.	or, for certain prior periods, §20.2031–7A (Estate Tax Regulations)
1.414(c)–4(b)(3)(i) last sentence	or §20.2031–10 (Estate Tax Regulations), whichever is appropriate.	or, for certain prior periods, §20.2031–7A (Estate Tax Regulations)
1.642(c)–6(d)(2) third and fifth sentences	paragraph (d)(2)	paragraph (d)(3)
1.642(c)–6(d)(2) fourth sentence	paragraph (a)(2) of this section	§1.642(c)–6(b)
1.642(c)–7(d)(2) first and second sentences	paragraph (b)(2) of	
1.664–1(a)(6) *Example (6)*(ii) second sentence	§1.664–4(b)(2)	§1.664–4A(c)
1.664–4(b)(2) second sentence	paragraph (a)(4) of this section	§1.664–4(a)
1.664–4(b)(2) last sentence	paragraph (a)(3) of this section	§1.664–4(b)
1.664–4(b)(3) first sentence	paragraph (b)(5)	paragraph (d)(6)
1.664–4(b)(3) third and sixth sentences	paragraph (b)(3)	paragraph (d)(4)
1.664–4(b)(3) fifth sentence	paragraph (a)(4) of this section	§1.664–4(b)
1.1014–5(a)(3) first sentence	or §20.2031–10, whichever is applicable	or, for certain prior periods, §20.2031–7A
1.1014–5(c) *Example (1)* fourth sentence	Table A(2) in paragraph (f) of §20.2031–10	§20.2031–7A(c)
1.1014–5(c) *Example (2)* second sentence	Table A(2) in paragraph (f) of §20.2031–10	§20.2031–7A(c)
1.1014–5(c) *Example (3)* sixth sentence	Table A(1) in paragraph (f) of §20.2031–10	§20.2031–7A(c)
1.1014–5(c) *Example (4)* third sentence	Table A(1) in paragraph (f) of §20.2031–10	§20.2031–7A(c)
1.1014–5(c) *Example (5)*(a) fifth sentence	Table A(1) in paragraph (f) of §20.2031–10	§20.2031–7A(c)
1.1014–5(c) *Example (6)* fourth sentence	Table A(2) in paragraph (f) of §20.2031–10	§20.2031–7A(c)
20.2031–7(a)(2) first and second sentences	paragraph (f)	paragraph (d)(6)

Section	Remove	Add
20.2031–7(a)(2)	paragraph (e)	paragraph (d)(5)
20.2031–7(b)(1)	paragraph (b)(1)	paragraph (d)(2)(i)
20.2031–7(b)(2)	paragraph (b)(2)	paragraph (d)(2)(ii)
20.2031–7(b)(2) (in the *Example*)	paragraph (b)(1)	paragraph (d)(2)(i)
20.2031–7(b)(3)(i)	paragraphs (b)(1) or (2)	paragraphs (d)(2)(i) or (ii)
20.2031–7(b)(3)(i)	paragraph (b)(3)(i)	paragraph (d)(2)(iii)(A)
20.2031–7(b)(3)(i) (in the *Example*)	paragraph (b)(2)	paragraph (d)(2)(ii)
20.2031–7(b)(3)(ii)	paragraph (b)(3)(ii)	paragraph (d)(2)(iii)(B)
20.2031–7(c)	paragraph (c)	paragraph (d)(3)
20.2031–7(d)	paragraph (d)	paragraph (d)(4)
20.2031–7(e)	paragraph (f)	paragraph (d)(6)
20.2032–1(f)(1) fourth sentence	§20.2031–7	§20.2031–7A(d)
20.2039–2(c)(1)(viii)	through 20.2031–10	or, for certain prior periods, §20.2031–7A
20.2039–5(c)(1)	through 20.2031–10	or, for certain prior periods, §20.2031–7A
20.2039–5(c)(2)	through 20.2031–10	or, for certain prior periods, §20.2031–7A
20.2055–2(f)(2)(iv)	or 20.2031–10, whichever is appropriate	or, for certain prior periods, §20.2031–7A
20.2056(b)–4(d) fourth sentence	paragraph (e)	paragraph (b)
25.2511–1(h)(6)	paragraph (e) of §25.2512–5 or paragraph (e) of §25.2512–9, whichever is applicable.	§25.2512–5
25.2511–1(h)(7)	paragraph (e) of §25.2512–5 or paragraph (e) of §25.2512–9, whichever is applicable.	§25.2512–5
25.2512–5(a)(2) first and second sentences	paragraph (f)	paragraph.(d)(6)
25.2512–5(a)(2) third sentence	paragraph (e)	paragraph (d)(5)
25.2512–5(b)(1) third sentence	paragraph (b)(1)	paragraph (d)(2)(i)
25.2512–5(b)(2) last sentence	paragraph (b)(2)	paragraph (d)(2)(ii)
25.2512–5(b)(2) (in the *Example*)	paragraph (b)(1)	paragraph (d)(2)(i)
25.2512–5(b)(3)(i)	paragraphs (b)(1) or (2)	paragraph (d)(2)(i) or (ii)
25.2512–5(b)(3)(i) last sentence	paragraph (b)(3)(i)	paragraph (d)(2)(iii)(A)
25.2512–5(b)(3)(ii)	paragraph (b)(3)(ii)	paragraph (d)(2)(iii)(B)
25.2512–5(c)	paragraph (c)	paragraph (d)(3)
25.2512–5(d)	paragraph (d)	paragraph (d)(4)
25.2518–3(a)(1)(iv)(A)	§20.2031–10	§20.2031–7
25.2522(c)–3(d)(2)(iv) first sentence	or 25.2512–9, whichever is appropriate	
25.2522(c)–3(d) (2)(iv) *Example 1* second sentence.	Table B in §25.2512–9(f)	§25.2512–5A(c)
25.2522(c)–3(d)(2)(iv) *Example 2* second sentence.	Table B in §25.2512–9(f)	§25.2512–5A(c)
25.2522(c)–3(d)(2)(iv) *Example 3* third sentence.	§25.2512–9(e)	§25.2512–5A(c)
25.2522(c)–3(d)(2)(iv) *Example 3* fourth sentence.	Table B in §25.2512–9(f)	§25.2512–5A(c)
25.2523(a)–1(d) second sentence	or 25.2512–9, whichever is appropriate	or, for certain prior periods, §25.2512–5A.
25.2523(a)–1(d) third sentence	(d) of §25.2 512–5 or 25.2512–9, whichever is appropriate.	(d) of §25.2512–5.
25.2523(a)–1(d) fourth sentence	(see §25.2512–5(e) or 25.2512–9(e), whichever is appropriate).	
25.2523(a)–1(d) fifth sentence	(e) or 25.2512–9(e), whichever is appropriate	(d) or, for certain prior periods, §25.2512–5A.
25.2523(c)–1(c) *Example,* tenth sentence	(70,000 X .708919, as found in Table II of §25.2512–5).	as determined under §25.2512–5A(c)

PART 1—INCOME TAXES

Par. 2. The authority citation for part 1 is amended by adding an entry in numerical order to read as follows:

Authority: 26 U.S.C. 7805 * * *

Section 1.170A–12 also issued under 26 U.S.C. 170(f)(4). * * *

Section 1.642(c)–6 also issued under 26 U.S.C. 642(c)(5).

Section 1.642(c)–6A also issued under 26 U.S.C. 642(c)(5).

Section 1.664–1 also issued under 26 U.S.C. 664(a).

Section 1.664–2 also issued under 26 U.S.C. 664(a).

Section 1.664–3 also issued under 26 U.S.C. 664(a).

Section 1.664–4 also issued under 26 U.S.C. 664(a).

Section 1.664–4A also issued under 26 U.S.C. 664(a). * * *

Section 1.7520–1 also issued under 26 U.S.C. 7520(c)(2).

Section 1.7520–2 also issued under 26 U.S.C. 7520(c)(2).

Section 1.7520–3 also issued under 26 U.S.C. 7520(c)(2).

Section 1.7520–4 also issued under 26 U.S.C. 7520(c)(2).

Par. 3. Section 1.101–2 is amended as follows:

1. Paragraphs (e)(1)(iii)(*b*) (*1*) and (2) are revised.

2. Paragraph (e)(1)(iii)(*b*)(*3*) is removed.

3. The revised provisions read as follows:

§1.101–2 Employees' death benefits.

* * * * *

(e) * * *

(1) * * *

(iii) * * *

(*b*) * * *

(*1*) In the case of an annuity paid by an insurance company or by an organization (other than an insurance company) regularly engaged in issuing annuity contracts with an insurance company as the coinsurer or reinsurer of the obligations under the contract, by use of the discount interest rates and mortality tables used by the insurance company involved to determine the installment benefits; and

(*2*) In the case of an annuity issued after November 23, 1984, to which paragraph (e)(1)(iii)(*b*)(*1*) of this section is not applicable, by use of the

appropriate tables in § 20.2031–7 of this chapter (Estate Tax Regulations).

* * * * *

Par. 4. Section 1.170A–12 is amended as follows:

1. In paragraph (a)(3), a sentence is added between the fourth and fifth sentences.

2. Paragraphs (b), and (e) (1) and (2) are revised.

3. Paragraph (f) is removed.

4. The authority citation at the end of the section is removed.

5. The added and revised provisions read as follows:

§ 1.170A–12 Valuation of a remainder interest in real property for contributions made after July 31, 1969.

(a) * * *

(3) * * * Except as provided in § 1.7520–3(b) of this chapter, for transfers of remainder interests after April 30, 1989, the present value of the remainder interest is determined under § 25.2512–5 of this chapter by use of the interest rate component on the date the interest is transferred unless an election is made under section 7520 and § 1.7520–2 of this chapter to compute the present value of the interest transferred by use of the interest rate component for either of the 2 months preceding the month in which the interest is transferred. * * *

(b) *Valuation of a remainder interest following only one life*—(1) *General rule.* The value of a remainder interest in real property following only one life is determined under the rules provided in § 20.2031–7 (or for certain prior periods, § 20.2031–7A) of this chapter (Estate Tax Regulations), using the interest rate and life contingencies prescribed for the date of the gift. See, however, § 1.7520–3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). However, if any part of the real property is subject to exhaustion, wear and tear, or obsolescence, the special factor determined under paragraph (b)(2) of this section shall be used in valuing the remainder interest in that part. Further, if any part of the property is subject to depletion of its natural resources, such depletion is taken into account in determining the value of the remainder interest.

(2) *Computation of depreciation factor.* If the valuation of the remainder interest in depreciable property is dependent upon the continuation of one life, a special factor must be used. The factor determined under this paragraph (b)(2) is carried to the fifth decimal place. The special factor is to be computed on the basis of the interest rate and life contingencies prescribed in § 20.2031–7 (or for certain prior periods, § 20.2031–7A) of this chapter (Estate Tax Regulations) and on the assumption that the property depreciates on a straight-line basis over its estimated useful life. For transfers for which the valuation date is after April 30, 1989, special factors for determining the present value of a remainder interest following one life and an example describing the computation are contained in Internal Revenue Service Publication 1459, "Actuarial Values, Gamma Volume," (8–89). This publication is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:T:R (IRS Publication 1459), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. See, however, § 1.7520–3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). Otherwise, in the case of the valuation of a remainder interest following one life, the special factor may be obtained through use of the following formula:

$$\left(1+\frac{i}{2}\right)\sum_{t=0}^{n-1} v^{(t+1)}\left[\left(1-\frac{l_{x+t+1}}{l_x}\right)-\left(1-\frac{l_{x+1}}{l_x}\right)\right]\left(1-\frac{1}{2n}-\frac{t}{n}\right)$$

Where:

n=the estimated number of years of useful life,

i=the applicable interest rate under section 7520 of the Internal Revenue Code,

v=1 divided by the sum of 1 plus the applicable interest rate under section 7520 of the Internal Revenue Code,

x=the age of the life tenant, and

lx=number of persons living at age x as set forth in Table 80CNSMT of § 20.2031–7 (or, for prior periods, in § 20.2031–7A) of this chapter.

(3) The following example illustrates the provisions of this paragraph (b):

Example. In June 1992, A, who is 62, donates to Y University a remainder interest in a personal residence, consisting of a house and land, subject to a reserved life estate in A. At the time of the gift, the land has a value of $30,000 and the house has a value of $100,000 with an estimated useful life of 45 years, at the end of which the value of the house is expected to be $20,000. The portion of the property considered to be depreciable is $80,000 (the value of the house ($100,000) less its expected value at the end of 45 years ($20,000)). The portion of the property considered to be nondepreciable is $50,000 (the value of the land at the time of the gift ($20,000) plus the expected value of the house at the end of 45 years ($20,000)). The interest rate prescribed under section 7520 for June 1992 is 8.4 percent. Based on an interest rate of 8.4 percent, the remainder factor for $1.00 prescribed in § 20.2031–7 of this chapter for a person age 62 is 0.29567. The value of the nondepreciable remainder interest is $14,783.50 (0.29567 times $50,000). The value of the depreciable remainder interest is $17,387.20 (0.21734, computed under the formula described in paragraph (b)(2) of this section, times $80,000). Therefore, the value of the remainder interest is $32,170.70.

* * * * *

(e) * * *

(1)(i) If the valuation of the remainder interest in the real property is dependent upon the continuation or the termination of more than one life or upon a term certain concurrent with one or more lives, a special factor must be used.

(ii) The special factor is to be computed on the basis of—

(A) Interest at the rate prescribed under § 25.2512–5 (or, for certain prior periods, § 25.2512–5A) of this chapter, compounded annually;

(B) Life contingencies determined from the values that are set forth in the mortality table in § 20.2031–7 (or, for certain prior periods, § 20.2031–7A) of this chapter; and

(C) If depreciation is involved, the assumption that the property depreciates on a straight-line basis over its estimated useful life.

(iii) If any part of the property is subject to depletion of its natural resources, such depletion must be taken into account in determining the value of the remainder interest.

(2) In the case of the valuation of a remainder interest following two lives, the special factor may be obtained through use of the following formula:

$$\left(1+\frac{i}{2}\right)\sum_{t=0}^{n-1}v^{(t+1)}\left[\left(1-\frac{l_{x+t+1}}{l_x}\right)\left(1-\frac{l_{y+t+1}}{l_y}\right)-\left(1-\frac{l_{x+t}}{l_x}\right)\left(1-\frac{l_{y+t}}{l_y}\right)\right]\left(1-\frac{1}{2n}-\frac{t}{n}\right)$$

Where:
n=the estimated number of years of useful life,
i=the applicable interest rate under section 7520 of the Internal Revenue Code,
v=1 divided by the sum of 1 plus the applicable interest rate under section 7520 of the Internal Revenue Code,
x and y=the ages of the life tenants, and
lx and ly=the number of persons living at ages x and y as set forth in Table 80CNSMT in § 20.2031–7 (or, for prior periods, in § 20.2031–7A) of this chapter.

§ 1.170A–13 [Amended]

Par. 5. Section 1.170A–13 is amended by removing the authority citation immediately following paragraph (d)(3).

Par. 6. Section 1.170A–14 is amended by:

1. Revising the third and fourth sentences of paragraph (h)(4), *Example 2*, as set forth below.

2. Removing the fifth sentence of paragraph (h)(4), *Example 2*.

§ 1.170A–14 Qualified conservation contributions.

* * * * *

(h) * * *

(4) * * *

Example 2. * * * Under § 1.170A–12(b), the value of a remainder interest in real property following one life is determined under § 25.2512–5 of this chapter (Gift Tax Regulations). (See § 25.2512–5A of this chapter with respect to the valuation of annuities, interests for life or term of years, and remainder or reversionary interests transferred before December 1, 1983.)

* * * * *

Par. 7. Immediately following § 1.643(d)-2, an undesignated center heading and § 1.642(c)–6A are added to read as follows:

Pooled Income Fund Actuarial Tables Applicable Before May 1, 1989

§ 1.642(c)–6A Valuation of charitable remainder interests for which the valuation date is before May 1, 1989.

(a) *Valuation of charitable remainder interests for which the valuation date is before January 1, 1952.* There was no provision for the qualification of pooled income funds under section 642 until 1969. See § 20.2031–7A(a) of this chapter (Estate Tax Regulations) for the determination of the present value of a charitable remainder interest created before January 1, 1952.

(b) *Valuation of charitable remainder interests for which the valuation date is after December 31, 1951, and before January 1, 1971.* No charitable deduction is allowable for a transfer to a pooled income fund for which the valuation date is after the effective dates of the Tax Reform Act of 1969 unless the pooled income fund meets the requirements of section 642(c)(5). See § 20.2031–7A(b) of this chapter (Estate Tax Regulations) for the determination of the present value of a charitable remainder interest for which the valuation date is after December 31, 1951, and before January 1, 1971.

(c) *Present value of remainder interest in the case of transfers to pooled income funds for which the valuation date is after December 31, 1970, and before December 1, 1983.* For the determination of the present value of a remainder interest in property transferred to a pooled income fund for which the valuation date is after December 31, 1970, and before December 1, 1983, see § 20.2031–7A(c) of this chapter (Estate Tax Regulations) and former § 1.642(c)–6(e) (as contained in the 26 CFR part 1 edition revised as of April 1, 1994).

(d) *Present value of remainder interest dependent on the termination of one life in the case of transfers to pooled income funds made after November 30, 1983, for which the valuation date is before May 1, 1989*—(1) *In general.* For transfers to pooled income funds made after November 30, 1983, for which the valuation date is before May 1, 1989, the present value of the remainder interest at the time of the transfer of property to the fund is determined by computing the present value (at the time of the transfer) of the life income interest in the transferred property (as determined under paragraph (d)(2) of this section) and subtracting that value from the fair market value of the transferred property on the valuation date. The present value of a remainder interest that is dependent on the termination of the life of one individual is computed by use of Table G in paragraph (d)(4) of this section. For purposes of the computation under this section, the age of an individual is to be taken as the age of the individual at the individual's nearest birthday.

(2) *Present value of life income interest.* The present value of the life income interest in property transferred to a pooled income fund shall be computed on the basis of:

(i) Life contingencies determined from the values of *lx* that are set forth in Table LN of § 20.2031–7A(d)(6) of this chapter (Estate Tax Regulations); and

(ii) Discount at a rate of interest, compounded annually, equal to the highest yearly rate of return of the pooled income fund for the 3 taxable years immediately preceding its taxable year in which the transfer of property to the fund is made. For purposes of this paragraph (d)(2), the yearly rate of return of a pooled income fund is determined as provided in § 1.642(c)–6(c) unless the highest yearly rate of return is deemed to be 9 percent. For purposes of this paragraph (d)(2), the first taxable year of a pooled income fund is considered a taxable year even though the taxable year consists of less than 12 months. However, appropriate adjustments must be made to annualize the rate of return earned by the fund for that period. Where it appears from the facts and circumstances that the highest yearly rate of return for the 3 taxable years immediately preceding the taxable year in which the transfer of property is made has been purposely manipulated to be substantially less than the rate of return that would otherwise be reasonably anticipated with the purpose of obtaining an excessive charitable deduction, that rate of return may not be used. In that case, the highest yearly rate of return of the fund is determined by treating the fund as a pooled income fund that has been in existence for less than 3 preceding taxable years. If a pooled income fund has been in existence less than 3 taxable years immediately preceding the taxable year in which the transfer of property to the fund is made, the highest yearly rate of return is deemed to be 9 percent.

Par. 8. Section 1.642(c)–6 is amended as follows:

1. The section heading is revised.

2. Paragraphs (a) and (b) are revised.

3. Paragraph (c)(1) is revised.

4. Paragraphs (d)(2) and (d)(3) are redesignated as § 1.642(c)–6A, paragraphs (d)(3) and (d)(4), respectively.

5. Paragraph (d)(1) is redesignated as paragraph (d) and revised.

6. Paragraph (e) is revised.

7. The authority citation at the end of the section is removed.

8. Paragraph (f) is added.

9. The added and revised provisions read as follows:

§ 1.642(c)–6 Valuation of a remainder interest in property transferred to a pooled income fund after April 30, 1989.

(a) *In general.* (1) For purposes of sections 170, 2055, 2106, and 2522, the fair market value of a remainder interest in property transferred to a pooled income fund is its present value determined under paragraph (d) of this section.

(2) The present value of a remainder interest at the time of the transfer of property to the pooled income fund is determined by computing the present value (at the time of the transfer) of the life income interest and subtracting that value from the fair market value of the transferred property on the valuation date. The fact that the income beneficiary may not receive the last income payment, as provided in paragraph (b)(7) of § 1.642(c)–5, is not taken into account for purposes of determining the value of the life income interest. For purposes of this section, the valuation date is the date on which property is transferred to the fund by the donor except that, for purposes of section 2055 or 2106, it is the alternate valuation date, if elected, under the provisions and limitations set forth in section 2032 and the regulations thereunder.

(3) Any claim for a deduction on any return for the value of the remainder interest in property transferred to a pooled income fund must be supported by a statement attached to the return showing the computation of the present value of the interest.

(b) *Actuarial computations by the Internal Revenue Service.* The regulations in this and in related sections provide tables of actuarial factors and examples that illustrate the use of the tables in determining the value of remainder interests in property. Section 1.7520–1(c)(2) refers to government publications that provide additional tables of factors and examples of computations for more complex situations. If the computation requires the use of a factor that is not provided in this section, the Commissioner may supply the factor upon a request for a ruling. A request for a ruling must be accompanied by a recitation of the facts including the pooled income fund's highest yearly rate of return for the 3 taxable years immediately preceding the date of transfer, the date of birth of each measuring life, and copies of the relevant documents. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see §§ 601.201 and 601.601(d)(2)(ii)(*b*) of this chapter) and include payment of the required user fee. If the Commissioner furnishes the factor, a copy of the letter supplying the factor should be attached to the tax return in which the deduction is claimed. If the Commissioner does not furnish the factor, the taxpayer must furnish a factor computed in accordance with the principles set forth in this section.

(c) *Computation of pooled income fund's yearly rate of return.* (1) For purposes of determining the present value of the life income interest, the yearly rate of return earned by a pooled income fund for a taxable year is the percentage obtained by dividing the amount of income earned by the pooled income fund for the taxable year by an amount equal to—

(i) The average fair market value of the property in such fund for that taxable year; less

(ii) The corrective term adjustment.

* * * * *

(d) *Valuation.* The present value of the remainder interest in property transferred to a pooled income fund after April 30, 1989, is determined under paragraph (e) of this section. The present value of the remainder interest in property transferred to a pooled income fund for which the valuation date is before May 1, 1989, is determined under the following sections:

Valuation dates		Applicable regulations
After	Before	
	01–01–52	1.642(c)–6A(a)
12–31–51	01–01–71	1.642(c)–6A(b)
12–31–70	12–01–83	1.642(c)–6A(c)
11–30–83	05–01–89	1.642(c)–6A(d)

(e) *Present value of the remainder interest in the case of transfers to pooled income funds for which the valuation date is after April 30, 1989*—(1) *In general.* In the case of transfers to pooled income funds for which the valuation date is after April 30, 1989, the present value of a remainder interest is determined under this section. See, however, § 1.7520–3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). The present value of a remainder interest that is dependent on the termination of the life of one individual is computed by the use of Table S in paragraph (e)(5) of this section. For purposes of the computations under this section, the age of an individual is the age at the individual's nearest birthday. If the valuation date of a transfer to a pooled income fund is after April 30, 1989, and before June 10, 1994, a transferor can rely on Notice 89–24, 1989–1 C.B. 660, or Notice 89–60, 1989–1 C.B. 700, in valuing the transferred interest. (See § 601.601(d)(2)(ii)(*b*) of this chapter.)

(2) *Present value of a remainder interest.* The present value of a remainder interest in property transferred to a pooled income fund is computed on the basis of—

(i) Life contingencies determined from the values of *lx* that are set forth in Table 80CNSMT in § 20.2031–7(d)(6) of this chapter (Estate Tax Regulations); and

(ii) Discount at a rate of interest, compounded annually, equal to the highest yearly rate of return of pooled income fund for the 3 taxable years immediately preceding its taxable year in which the transfer of property to the fund is made. For purposes of this paragraph (e), the yearly rate of return of a pooled income fund is determined as provided in § 1.642(c)–6(c) unless the highest rate of return is deemed to be the rate described in paragraph (e)(3) of this section for funds in existence less than 3 taxable years. For purposes of this paragraph (e)(2)(ii), the first taxable year of a pooled income fund is considered a taxable year even though the taxable year consists of less than 12 months. However, appropriate adjustments must be made to annualize the rate of return earned by the fund for that period. Where it appears from the facts and circumstances that the highest yearly rate of return of the fund for the 3 taxable years immediately preceding the taxable year in which the transfer of property is made has been purposely manipulated to be substantially less than the rate of return that would otherwise be reasonably anticipated with the purpose of obtaining an excessive charitable deduction, that rate of return may not be used. In that case, the highest yearly rate of return of the fund is determined by treating the fund as a pooled income fund that has been in existence for less than 3 preceding taxable years.

(3) *Pooled income funds in existence less than 3 taxable years.* If a pooled income fund has been in existence less than 3 taxable years immediately preceding the taxable year in which the transfer is made to the fund and the transfer to the fund is made after April 30, 1989, the highest rate of return is deemed to be the interest rate (rounded to the nearest two-tenths of one percent) that is 1 percent less than the highest annual average of the monthly section 7520 rates for the 3 calendar years immediately preceding the calendar year in which the transfer to the pooled income fund is made. The deemed rate of return for transfers to new pooled

income funds is recomputed each calendar year using the monthly section 7520 rates for the 3-year period immediately preceding the calendar year in which each transfer to the fund is made until the fund has been in existence for 3 taxable years and can compute its highest rate of return for the 3 taxable years immediately preceding the taxable year in which the transfer of property to the fund is made in accordance with the rules set forth in the first sentence of paragraph (e)(2)(ii) of this section.

(4) *Computation of value of remainder interest.* The factor that is used in determining the present value of a remainder interest that is dependent on the termination of the life of one individual is the factor from Table S in paragraph (e)(5) of this section under the appropriate yearly rate of return opposite the number that corresponds to the age of the individual upon whose life the value of the remainder interest is based. The tables in paragraph (e)(5) of this section include factors for yearly rates of return from 4.2 to 14 percent. Many actuarial factors not contained in the tables in paragraph (e)(5) of this section are contained in Table S in Internal Revenue Service Publication 1457, "Actuarial Values, Alpha Volume," (8–89). A copy of this publication may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402. For other situations, see § 1.642(c)–6(b). If the yearly rate of return is a percentage that is between the yearly rates of return for which factors are provided, a linear interpolation must be made. The present value of the remainder interest is determined by multiplying the fair market value of the property on the valuation date by the appropriate remainder factor. This paragraph may be illustrated by the following example:

Example. A, who will be 55 years old on May 8, 1990, transfers $100,000 to a pooled income fund on January 1, 1990, and retains a life income interest in the property. The highest yearly rate of return earned by the fund for its 3 preceding taxable years is 9.47 percent. In Table S, the remainder factor opposite 55 years under 9.4 percent is .18785 and under 9.6 percent is .18322. The present value of the remainder interest is $18,623.00, computed as follows:

Factor at 9.4 percent for age 55	.18785
Factor at 9.6 percent for age 55	.18322
Difference	.00463

Interpolation adjustment:

$$\frac{9.47\% - 9.4\%}{0.2\%} = \frac{x}{.00463}$$

$$x = .00162$$

Factor at 9.4 percent for age 55	.18785
Less: Interpolation adjustment	.00162
Interpolated factor	.18623
Present value of remainder interest: ($100,000×.18623)	$18,623.00

(5) *Actuarial tables.* In the case of transfers for which the valuation date is after April 30, 1989, the present value of a remainder interest dependent on the termination of one life in the case of a transfer to a pooled income fund is determined by use of the following tables:

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
0	.07389	.06749	.06188	.05695	.05261	.04879	.04541	.04243	.03978	.03744
1	.06494	.05832	.05250	.04738	.04287	.03889	.03537	.03226	.02950	.02705
2	.06678	.05999	.05401	.04874	.04410	.03999	.03636	.03314	.03028	.02773
3	.06897	.06200	.05587	.05045	.04567	.04143	.03768	.03435	.03139	.02875
4	.07139	.06425	.05796	.05239	.04746	.04310	.03922	.03578	.03271	.02998
5	.07401	.06669	.06023	.05451	.04944	.04494	.04094	.03738	.03421	.03137
6	.07677	.06928	.06265	.05677	.05156	.04692	.04279	.03911	.03583	.03289
7	.07968	.07201	.06521	.05918	.05381	.04903	.04477	.04097	.03757	.03453
8	.08274	.07489	.06792	.06172	.05621	.05129	.04689	.04297	.03945	.03630
9	.08597	.07794	.07079	.06443	.05876	.05370	.04917	.04511	.04148	.03821
10	.08936	.08115	.07383	.06730	.06147	.05626	.05159	.04741	.04365	.04027
11	.09293	.08453	.07704	.07035	.06436	.05900	.05419	.04988	.04599	.04250
12	.09666	.08807	.08040	.07354	.06739	.06188	.05693	.05248	.04847	.04486
13	.10049	.09172	.08387	.07684	.07053	.06487	.05977	.05518	.05104	.04731
14	.10437	.09541	.08738	.08017	.07370	.06788	.06263	.05791	.05364	.04978
15	.10827	.09912	.09090	.08352	.07688	.07090	.06551	.06064	.05623	.05225
16	.11220	.10285	.09445	.08689	.08008	.07394	.06839	.06337	.05883	.05472
17	.11615	.10661	.09802	.09028	.08330	.07699	.07129	.06612	.06144	.05719
18	.12017	.11043	.10165	.09373	.08656	.08009	.07422	.06890	.06408	.05969
19	.12428	.11434	.10537	.09726	.08992	.08327	.07724	.07177	.06679	.06226
20	.12850	.11836	.10919	.10089	.09337	.08654	.08035	.07471	.06959	.06492
21	.13282	.12248	.11311	.10462	.09692	.08991	.08355	.07775	.07247	.06765
22	.13728	.12673	.11717	.10848	.10059	.09341	.08686	.08090	.07546	.07049
23	.14188	.13113	.12136	.11248	.10440	.09703	.09032	.08418	.07858	.07345
24	.14667	.13572	.12575	.11667	.10839	.10084	.09395	.08764	.08187	.07659
25	.15167	.14051	.13034	.12106	.11259	.10486	.09778	.09130	.08536	.07991
26	.15690	.14554	.13517	.12569	.11703	.10910	.10184	.09518	.08907	.08346
27	.16237	.15081	.14024	.13056	.12171	.11359	.10614	.09930	.09302	.08724
28	.16808	.15632	.14555	.13567	.12662	.11831	.11068	.10366	.09720	.09125
29	.17404	.16208	.15110	.14104	.13179	.12329	.11547	.10827	.10163	.09551
30	.18025	.16808	.15692	.14665	.13721	.12852	.12051	.11313	.10631	.10002
31	.18672	.17436	.16300	.15255	.14291	.13403	.12584	.11827	.11127	.10480
32	.19344	.18090	.16935	.15870	.14888	.13980	.13142	.12367	.11650	.10985
33	.20044	.18772	.17598	.16514	.15513	.14587	.13730	.12936	.12201	.11519
34	.20770	.19480	.18287	.17185	.16165	.15221	.14345	.13533	.12780	.12080

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
35	.21522	.20215	.19005	.17884	.16846	.15883	.14989	.14159	.13388	.12670
36	.22299	.20974	.19747	.18609	.17552	.16571	.15660	.14812	.14022	.13287
37	.23101	.21760	.20516	.19360	.18286	.17288	.16358	.15492	.14685	.13933
38	.23928	.22572	.21311	.20139	.19048	.18032	.17085	.16201	.15377	.14607
39	.24780	.23409	.22133	.20945	.19837	.18804	.17840	.16939	.16097	.15310
40	.25658	.24273	.22982	.21778	.20654	.19605	.18624	.17706	.16847	.16043
41	.26560	.25163	.23858	.22639	.21499	.20434	.19436	.18502	.17627	.16806
42	.27486	.26076	.24758	.23525	.22370	.21289	.20276	.19326	.18434	.17597
43	.28435	.27013	.25683	.24436	.23268	.22172	.21143	.20177	.19270	.18416
44	.29407	.27975	.26633	.25373	.24191	.23081	.22038	.21057	.20134	.19265
45	.30402	.28961	.27608	.26337	.25142	.24019	.22962	.21966	.21028	.20144
46	.31420	.29970	.28608	.27326	.26120	.24983	.23913	.22904	.21951	.21053
47	.32460	.31004	.29632	.28341	.27123	.25975	.24892	.23870	.22904	.21991
48	.33521	.32058	.30679	.29379	.28151	.26992	.25897	.24862	.23883	.22957
49	.34599	.33132	.31746	.30438	.29201	.28032	.26926	.25879	.24888	.23949
50	.35695	.34224	.32833	.31518	.30273	.29094	.27978	.26921	.25918	.24966
51	.36809	.35335	.33940	.32619	.31367	.30180	.29055	.27987	.26973	.26010
52	.37944	.36468	.35070	.33744	.32486	.31292	.30158	.29081	.28057	.27083
53	.39098	.37622	.36222	.34892	.33629	.32429	.31288	.30203	.29170	.28186
54	.40269	.38794	.37393	.36062	.34795	.33590	.32442	.31349	.30308	.29316
55	.41457	.39985	.38585	.37252	.35983	.34774	.33621	.32522	.31474	.30473
56	.42662	.41194	.39796	.38464	.37193	.35981	.34824	.33720	.32666	.31658
57	.43884	.42422	.41028	.39697	.38426	.37213	.36053	.34945	.33885	.32872
58	.45123	.43668	.42279	.40951	.39682	.38468	.37307	.36196	.35132	.34114
59	.46377	.44931	.43547	.42224	.40958	.39745	.38584	.37471	.36405	.35383
60	.47643	.46206	.44830	.43513	.42250	.41040	.39880	.38767	.37699	.36674
61	.48916	.47491	.46124	.44814	.43556	.42350	.41192	.40080	.39012	.37985
62	.50196	.48783	.47427	.46124	.44874	.43672	.42518	.41408	.40340	.39314
63	.51480	.50081	.48736	.47444	.46201	.45006	.43856	.42749	.41684	.40658
64	.52770	.51386	.50054	.48773	.47540	.46352	.45208	.44105	.43043	.42019
65	.54069	.52701	.51384	.50115	.48892	.47713	.46577	.45480	.44422	.43401
66	.55378	.54029	.52727	.51472	.50262	.49093	.47965	.46876	.45824	.44808
67	.56697	.55368	.54084	.52845	.51648	.50491	.49373	.48293	.47248	.46238
68	.58026	.56717	.55453	.54231	.53049	.51905	.50800	.49729	.48694	.47691
69	.59358	.58072	.56828	.55624	.54459	.53330	.52238	.51179	.50154	.49160
70	.60689	.59427	.58205	.57021	.55874	.54762	.53683	.52638	.51624	.50641
71	.62014	.60778	.59578	.58415	.57287	.56193	.55131	.54100	.53099	.52126
72	.63334	.62123	.60948	.59808	.58700	.57624	.56579	.55563	.54577	.53617
73	.64648	.63465	.62315	.61198	.60112	.59056	.58029	.57030	.56059	.55113
74	.65961	.64806	.63682	.62590	.61527	.60492	.59485	.58504	.57550	.56620
75	.67274	.66149	.65054	.63987	.62948	.61936	.60950	.59990	.59053	.58140
76	.68589	.67495	.66429	.65390	.64377	.63390	.62427	.61487	.60570	.59676
77	.69903	.68841	.67806	.66796	.65811	.64849	.63910	.62993	.62097	.61223
78	.71209	.70182	.69179	.68199	.67242	.66307	.65393	.64501	.63628	.62775
79	.72500	.71507	.70537	.69588	.68660	.67754	.66867	.65999	.65151	.64321
80	.73768	.72809	.71872	.70955	.70058	.69180	.68320	.67479	.66655	.65849
81	.75001	.74077	.73173	.72288	.71422	.70573	.69741	.68926	.68128	.67345
82	.76195	.75306	.74435	.73582	.72746	.71926	.71123	.70335	.69562	.68804
83	.77346	.76491	.75654	.74832	.74026	.73236	.72460	.71699	.70952	.70219
84	.78456	.77636	.76831	.76041	.75265	.74503	.73756	.73021	.72300	.71592
85	.79530	.78743	.77971	.77212	.76466	.75733	.75014	.74306	.73611	.72928
86	.80560	.79806	.79065	.78337	.77621	.76917	.76225	.75544	.74875	.74216
87	.81535	.80813	.80103	.79404	.78717	.78041	.77375	.76720	.76076	.75442
88	.82462	.81771	.81090	.80420	.79760	.79111	.78472	.77842	.77223	.76612
89	.83356	.82694	.82043	.81401	.80769	.80147	.79533	.78929	.78334	.77747
90	.84225	.83593	.82971	.82357	.81753	.81157	.80570	.79991	.79420	.78857
91	.85058	.84455	.83861	.83276	.82698	.82129	.81567	.81013	.80466	.79927
92	.85838	.85263	.84696	.84137	.83585	.83040	.82503	.81973	.81449	.80933
93	.86557	.86009	.85467	.84932	.84405	.83884	.83370	.82862	.82360	.81865
94	.87212	.86687	.86169	.85657	.85152	.84653	.84160	.83673	.83192	.82717
95	.87801	.87298	.86801	.86310	.85825	.85345	.84872	.84404	.83941	.83484
96	.88322	.87838	.87360	.86888	.86420	.85959	.85502	.85051	.84605	.84165
97	.88795	.88328	.87867	.87411	.86961	.86515	.86074	.85639	.85208	.84782
98	.89220	.88769	.88323	.87883	.87447	.87016	.86589	.86167	.85750	.85337
99	.89612	.89176	.88745	.88318	.87895	.87478	.87064	.86656	.86251	.85850
100	.89977	.89555	.89136	.88722	.88313	.87908	.87506	.87109	.86716	.86327
101	.90326	.89917	.89511	.89110	.88712	.88318	.87929	.87543	.87161	.86783
102	.90690	.90294	.89901	.89513	.89128	.88746	.88369	.87995	.87624	.87257
103	.91076	.90694	.90315	.89940	.89569	.89200	.88835	.88474	.88116	.87760

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
104	.91504	.91138	.90775	.90415	.90058	.89704	.89354	.89006	.88661	.88319
105	.92027	.91681	.91337	.90996	.90658	.90322	.89989	.89659	.89331	.89006
106	.92763	.92445	.92130	.91816	.91506	.91197	.90890	.90586	.90284	.89983
107	.93799	.93523	.93249	.92977	.92707	.92438	.92170	.91905	.91641	.91378
108	.95429	.95223	.95018	.94814	.94611	.94409	.94208	.94008	.93809	.93611
109	.97985	.97893	.97801	.97710	.97619	.97529	.97438	.97348	.97259	.97170

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
0	.03535	.03349	.03183	.03035	.02902	.02783	.02676	.02579	.02492	.02413
1	.02486	.02292	.02119	.01963	.01824	.01699	.01587	.01486	.01395	.01312
2	.02547	.02345	.02164	.02002	.01857	.01727	.01609	.01504	.01408	.01321
3	.02640	.02429	.02241	.02073	.01921	.01785	.01662	.01552	.01451	.01361
4	.02753	.02535	.02339	.02163	.02005	.01863	.01735	.01619	.01514	.01418
5	.02883	.02656	.02453	.02269	.02105	.01956	.01822	.01700	.01590	.01490
6	.03026	.02790	.02578	.02387	.02215	.02060	.01919	.01792	.01677	.01572
7	.03180	.02935	.02714	.02515	.02336	.02174	.02027	.01894	.01773	.01664
8	.03347	.03092	.02863	.02656	.02469	.02300	.02146	.02007	.01881	.01766
9	.03528	.03263	.03025	.02810	.02615	.02438	.02278	.02133	.02000	.01880
10	.03723	.03449	.03201	.02977	.02774	.02590	.02423	.02271	.02133	.02006
11	.03935	.03650	.03393	.03160	.02949	.02757	.02583	.02424	.02279	.02147
12	.04160	.03865	.03598	.03356	.03136	.02936	.02755	.02589	.02438	.02299
13	.04394	.04088	.03811	.03560	.03331	.03123	.02934	.02761	.02603	.02458
14	.04629	.04312	.04025	.03764	.03527	.03311	.03113	.02933	.02768	.02617
15	.04864	.04536	.04238	.03968	.03721	.03496	.03290	.03103	.02930	.02773
16	.05099	.04759	.04451	.04170	.03913	.03679	.03466	.03270	.03090	.02926
17	.05333	.04982	.04662	.04370	.04104	.03861	.03638	.03434	.03247	.03075
18	.05570	.05207	.04875	.04573	.04296	.04044	.03812	.03599	.03404	.03225
19	.05814	.05438	.05095	.04781	.04494	.04231	.03990	.03769	.03565	.03378
20	.06065	.05677	.05321	.04996	.04698	.04424	.04173	.03943	.03731	.03535
21	.06325	.05922	.05554	.05217	.04907	.04623	.04362	.04122	.03901	.03697
22	.06594	.06178	.05797	.05447	.05126	.04831	.04559	.04309	.04078	.03865
23	.06876	.06446	.06051	.05688	.05355	.05048	.04766	.04505	.04265	.04042
24	.07174	.06729	.06321	.05945	.05599	.05281	.04987	.04715	.04465	.04233
25	.07491	.07031	.06609	.06219	.05861	.05530	.05224	.04941	.04680	.04438
26	.07830	.07355	.06918	.06515	.06142	.05799	.05481	.05187	.04915	.04662
27	.08192	.07702	.07250	.06832	.06446	.06090	.05759	.05454	.05170	.04906
28	.08577	.08071	.07603	.07171	.06772	.06402	.06059	.05740	.05445	.05170
29	.08986	.08464	.07981	.07534	.07120	.06736	.06380	.06049	.05742	.05456
30	.09420	.08882	.08383	.07921	.07492	.07095	.06725	.06381	.06061	.05763
31	.09881	.09327	.08812	.08335	.07891	.07479	.07095	.06738	.06405	.06095
32	.10369	.09797	.09267	.08774	.08315	.07888	.07491	.07120	.06774	.06451
33	.10885	.10297	.09750	.09241	.08767	.08325	.07913	.07529	.07170	.06834
34	.11430	.10824	.10261	.09736	.09246	.08790	.08363	.07964	.07592	.07243
35	.12002	.11380	.10800	.10259	.09754	.09282	.08841	.08428	.08041	.07679
36	.12602	.11963	.11366	.10809	.10288	.09800	.09344	.08917	.08516	.08140
37	.13230	.12574	.11961	.11387	.10850	.10347	.09876	.09433	.09018	.08628
38	.13887	.13214	.12584	.11994	.11441	.10922	.10436	.09978	.09549	.09145
39	.14573	.13883	.13237	.12630	.12061	.11527	.11025	.10553	.10109	.09690
40	.15290	.14583	.13920	.13297	.12712	.12162	.11644	.11157	.10698	.10266
41	.16036	.15312	.14633	.13994	.13393	.12827	.12294	.11792	.11318	.10871
42	.16810	.16071	.15375	.14720	.14103	.13522	.12973	.12456	.11967	.11505
43	.17614	.16858	.16146	.15475	.14842	.14245	.13682	.13149	.12645	.12169
44	.18447	.17675	.16948	.16261	.15613	.15000	.14421	.13873	.13355	.12864
45	.19310	.18524	.17780	.17078	.16414	.15787	.15192	.14630	.14096	.13591
46	.20204	.19402	.18644	.17926	.17247	.16604	.15995	.15418	.14870	.14350
47	.21128	.20311	.19538	.18806	.18112	.17454	.16830	.16238	.15676	.15141
48	.22080	.21249	.20462	.19716	.19007	.18335	.17696	.17090	.16513	.15964
49	.23059	.22214	.21413	.20653	.19930	.19244	.18591	.17970	.17379	.16816
50	.24063	.23206	.22391	.21617	.20881	.20180	.19514	.18879	.18274	.17697
51	.25095	.24225	.23398	.22610	.21861	.21147	.20466	.19818	.19199	.18609
52	.26157	.25275	.24436	.23636	.22874	.22147	.21453	.20791	.20159	.19556
53	.27249	.26357	.25505	.24694	.23919	.23180	.22474	.21799	.21154	.20537

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
54	.28369	.27466	.26604	.25782	.24995	.24244	.23526	.22839	.22181	.21552
55	.29518	.28605	.27734	.26900	.26103	.25341	.24611	.23912	.23243	.22601
56	.30695	.29774	.28893	.28050	.27242	.26469	.25728	.25019	.24338	.23685
57	.31902	.30973	.30084	.29232	.28415	.27632	.26881	.26161	.25469	.24805
58	.33138	.32203	.31306	.30446	.29621	.28829	.28069	.27339	.26637	.25962
59	.34402	.33461	.32558	.31691	.30859	.30059	.29290	.28550	.27839	.27155
60	.35690	.34745	.33836	.32963	.32124	.31317	.30540	.29792	.29073	.28379
61	.36999	.36050	.35137	.34259	.33414	.32601	.31817	.31062	.30334	.29633
62	.38325	.37374	.36458	.35576	.34726	.33907	.33117	.32356	.31621	.30912
63	.39669	.38717	.37799	.36913	.36060	.35236	.34441	.33674	.32933	.32217
64	.41031	.40078	.39159	.38272	.37415	.36588	.35789	.35016	.34270	.33548
65	.42416	.41464	.40545	.39656	.38798	.37968	.37166	.36390	.35639	.34912
66	.43825	.42876	.41958	.41070	.40211	.39380	.38576	.37797	.37043	.36312
67	.45260	.44315	.43399	.42513	.41655	.40824	.40019	.39238	.38482	.37749
68	.46720	.45779	.44868	.43985	.43129	.42299	.41494	.40713	.39956	.39221
69	.48197	.47263	.46357	.45478	.44625	.43798	.42995	.42215	.41458	.40722
70	.49686	.48760	.47861	.46988	.46140	.45316	.44516	.43738	.42983	.42248
71	.51182	.50265	.49374	.48508	.47666	.46847	.46051	.45276	.44523	.43790
72	.52685	.51778	.50896	.50038	.49203	.48390	.47599	.46829	.46079	.45349
73	.54194	.53298	.52426	.51578	.50751	.49946	.49161	.48397	.47652	.46926
74	.55714	.54832	.53972	.53134	.52317	.51520	.50744	.49986	.49247	.48527
75	.57250	.56382	.55536	.54710	.53904	.53118	.52351	.51601	.50870	.50156
76	.58803	.57951	.57120	.56308	.55515	.54740	.53984	.53245	.52522	.51817
77	.60369	.59535	.58720	.57923	.57144	.56383	.55639	.54912	.54200	.53504
78	.61942	.61126	.60329	.59549	.58787	.58040	.57310	.56596	.55896	.55212
79	.63508	.62713	.61935	.61174	.60428	.59698	.58983	.58283	.57597	.56925
80	.65059	.64285	.63527	.62785	.62058	.61345	.60646	.59961	.59290	.58632
81	.66579	.65827	.65090	.64368	.63659	.62965	.62283	.61615	.60959	.60316
82	.68061	.67332	.66616	.65914	.65226	.64550	.63886	.63235	.62595	.61968
83	.69499	.68793	.68099	.67418	.66749	.66092	.65447	.64813	.64191	.63579
84	.70896	.70213	.69541	.68881	.68233	.67595	.66969	.66353	.65748	.65153
85	.72256	.71596	.70947	.70308	.69681	.69063	.68456	.67859	.67271	.66693
86	.73569	.72931	.72305	.71688	.71081	.70484	.69896	.69318	.68748	.68188
87	.74818	.74204	.73599	.73003	.72417	.71839	.71271	.70711	.70159	.69616
88	.76011	.75419	.74836	.74261	.73695	.73137	.72588	.72046	.71512	.70986
89	.77169	.76599	.76037	.75484	.74938	.74400	.73870	.73347	.72831	.72323
90	.78302	.77755	.77215	.76683	.76158	.75640	.75129	.74625	.74128	.73638
91	.79395	.78870	.78352	.77842	.77337	.76840	.76349	.75864	.75385	.74913
92	.80423	.79920	.79423	.78933	.78449	.77971	.77499	.77033	.76572	.76118
93	.81377	.80894	.80417	.79946	.79481	.79022	.78568	.78120	.77677	.77239
94	.82247	.81784	.81325	.80873	.80425	.79983	.79547	.79115	.78688	.78266
95	.83033	.82586	.82145	.81709	.81278	.80852	.80431	.80014	.79602	.79195
96	.83729	.83298	.82872	.82451	.82034	.81622	.81215	.80812	.80414	.80019
97	.84361	.83944	.83532	.83124	.82721	.82322	.81927	.81537	.81151	.80769
98	.84929	.84525	.84126	.83730	.83339	.82952	.82569	.82190	.81815	.81443
99	.85454	.85062	.84674	.84290	.83910	.83534	.83161	.82792	.82427	.82066
100	.85942	.85561	.85184	.84810	.84440	.84074	.83711	.83352	.82997	.82644
101	.86408	.86037	.85670	.85306	.84946	.84589	.84236	.83886	.83539	.83196
102	.86894	.86534	.86177	.85823	.85473	.85126	.84782	.84442	.84104	.83770
103	.87408	.87060	.86714	.86371	.86032	.85695	.85362	.85031	.84703	.84378
104	.87980	.87644	.87311	.86980	.86653	.86328	.86005	.85686	.85369	.85054
105	.88684	.88363	.88046	.87731	.87418	.87108	.86800	.86494	.86191	.85890
106	.89685	.89389	.89095	.88804	.88514	.88226	.87940	.87656	.87374	.87094
107	.91117	.90858	.90600	.90344	.90089	.89836	.89584	.89334	.89085	.88838
108	.93414	.93217	.93022	.92828	.92634	.92442	.92250	.92060	.91870	.91681
109	.97081	.96992	.96904	.96816	.96729	.96642	.96555	.96468	.96382	.96296

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
0	.02341	.02276	.02217	.02163	.02114	.02069	.02027	.01989	.01954	.01922
1	.01237	.01170	.01108	.01052	.01000	.00953	.00910	.00871	.00834	.00801
2	.01243	.01172	.01107	.01048	.00994	.00944	.00899	.00857	.00819	.00784
3	.01278	.01203	.01135	.01073	.01016	.00964	.00916	.00872	.00832	.00795

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
4	.01332	.01253	.01182	.01116	.01056	.01001	.00951	.00904	.00862	.00822
5	.01400	.01317	.01241	.01172	.01109	.01051	.00998	.00949	.00904	.00862
6	.01477	.01390	.01310	.01238	.01171	.01110	.01054	.01002	.00954	.00910
7	.01563	.01472	.01389	.01312	.01242	.01178	.01118	.01064	.01013	.00966
8	.01660	.01564	.01477	.01396	.01322	.01254	.01192	.01134	.01081	.01031
9	.01770	.01669	.01577	.01492	.01414	.01342	.01276	.01216	.01159	.01107
10	.01891	.01785	.01688	.01599	.01517	.01442	.01372	.01308	.01249	.01194
11	.02026	.01915	.01814	.01720	.01634	.01555	.01481	.01414	.01351	.01293
12	.02173	.02056	.01950	.01852	.01761	.01678	.01601	.01529	.01463	.01402
13	.02326	.02204	.02092	.01989	.01895	.01807	.01726	.01651	.01582	.01517
14	.02478	.02351	.02234	.02126	.02027	.01935	.01850	.01771	.01698	.01630
15	.02628	.02495	.02372	.02259	.02155	.02058	.01969	.01886	.01810	.01738
16	.02774	.02635	.02507	.02388	.02279	.02178	.02084	.01997	.01917	.01842
17	.02917	.02772	.02637	.02513	.02399	.02293	.02194	.02103	.02018	.01940
18	.03059	.02907	.02767	.02637	.02517	.02406	.02302	.02207	.02118	.02035
19	.03205	.03046	.02899	.02763	.02637	.02521	.02412	.02312	.02218	.02131
20	.03355	.03188	.03035	.02892	.02760	.02638	.02524	.02419	.02320	.02229
21	.03509	.03334	.03173	.03024	.02886	.02758	.02638	.02527	.02424	.02328
22	.03669	.03487	.03318	.03162	.03017	.02882	.02757	.02640	.02532	.02430
23	.03837	.03646	.03470	.03306	.03154	.03013	.02881	.02759	.02644	.02538
24	.04018	.03819	.03634	.03463	.03303	.03155	.03016	.02888	.02767	.02655
25	.04214	.04006	.03812	.03633	.03465	.03309	.03164	.03029	.02902	.02784
26	.04428	.04210	.04008	.03820	.03644	.03481	.03328	.03186	.03052	.02928
27	.04662	.04434	.04223	.04025	.03841	.03670	.03509	.03360	.03219	.03088
28	.04915	.04677	.04456	.04249	.04056	.03876	.03708	.03550	.03403	.03264
29	.05189	.04941	.04709	.04493	.04291	.04102	.03925	.03760	.03604	.03458
30	.05485	.05226	.04984	.04757	.04546	.04348	.04162	.03988	.03825	.03671
31	.05805	.05535	.05282	.05045	.04824	.04616	.04421	.04238	.04067	.03905
32	.06149	.05867	.05603	.05356	.05124	.04906	.04702	.04510	.04329	.04160
33	.06520	.06226	.05950	.05692	.05449	.05221	.05007	.04806	.04616	.04438
34	.06916	.06609	.06322	.06052	.05799	.05560	.05336	.05125	.04926	.04738
35	.07339	.07020	.06720	.06439	.06174	.05925	.05690	.05469	.05260	.05063
36	.07787	.07455	.07143	.06850	.06573	.06313	.06068	.05836	.05617	.05411
37	.08262	.07917	.07593	.07287	.06999	.06727	.06470	.06228	.05999	.05783
38	.08765	.08407	.08069	.07751	.07451	.07167	.06899	.06646	.06407	.06180
39	.09296	.08925	.08574	.08243	.07931	.07635	.07356	.07092	.06841	.06604
40	.09858	.09472	.09109	.08765	.08440	.08132	.07841	.07565	.07303	.07055
41	.10449	.10050	.09673	.09316	.08978	.08658	.08355	.08067	.07794	.07535
42	.11069	.10656	.10265	.09895	.09544	.09212	.08896	.08596	.08312	.08041
43	.11718	.11291	.10887	.10503	.10140	.09794	.09466	.09154	.08858	.08576
44	.12399	.11958	.11540	.11143	.10766	.10407	.10067	.09743	.09434	.09141
45	.13111	.12656	.12224	.11814	.11423	.11052	.10699	.10362	.10042	.09736
46	.13856	.13387	.12941	.12516	.12113	.11728	.11362	.11013	.10680	.10363
47	.14633	.14150	.13690	.13252	.12835	.12438	.12059	.11697	.11352	.11022
48	.15442	.14945	.14471	.14020	.13589	.13179	.12787	.12412	.12055	.11713
49	.16280	.15769	.15281	.14816	.14373	.13949	.13544	.13157	.12787	.12433
50	.17147	.16622	.16121	.15643	.15186	.14749	.14331	.13931	.13548	.13182
51	.18045	.17507	.16993	.16501	.16030	.15580	.15150	.14737	.14342	.13963
52	.18979	.18427	.17899	.17394	.16911	.16448	.16004	.15579	.15172	.14780
53	.19947	.19383	.18842	.18324	.17828	.17352	.16896	.16458	.16038	.15635
54	.20950	.20372	.19819	.19288	.18779	.18291	.17822	.17372	.16940	.16524
55	.21986	.21397	.20831	.20288	.19767	.19266	.18785	.18322	.17878	.17450
56	.23058	.22457	.21879	.21324	.20791	.20278	.19785	.19310	.18854	.18414
57	.24167	.23554	.22965	.22399	.21854	.21329	.20824	.20338	.19870	.19419
58	.25314	.24690	.24090	.23512	.22956	.22420	.21904	.21407	.20927	.20464
59	.26497	.25863	.25252	.24664	.24097	.23550	.23023	.22515	.22024	.21551
60	.27712	.27068	.26448	.25849	.25272	.24716	.24178	.23659	.23158	.22674
61	.28956	.28304	.27674	.27067	.26480	.25913	.25366	.24837	.24325	.23831
62	.30228	.29567	.28929	.28312	.27717	.27141	.26584	.26045	.25524	.25020
63	.31525	.30857	.30211	.29586	.28982	.28397	.27832	.27284	.26754	.26240
64	.32851	.32176	.31522	.30890	.30278	.29685	.29111	.28555	.28016	.27493
65	.34209	.33528	.32868	.32229	.31610	.31010	.30429	.29865	.29317	.28787
66	.35604	.34918	.34253	.33609	.32983	.32377	.31788	.31217	.30663	.30124
67	.37037	.36347	.35678	.35028	.34398	.33786	.33191	.32614	.32053	.31508
68	.38508	.37815	.37142	.36489	.35854	.35237	.34638	.34055	.33488	.32937
69	.40008	.39313	.38638	.37982	.37344	.36724	.36120	.35533	.34961	.34405
70	.41533	.40838	.40162	.39504	.38864	.38241	.37634	.37043	.36468	.35907
71	.43076	.42382	.41705	.41047	.40405	.39780	.39171	.38578	.38000	.37436
72	.44638	.43945	.43269	.42611	.41969	.41344	.40733	.40138	.39558	.38991

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
73	.46218	.45527	.44854	.44197	.43556	.42931	.42321	.41725	.41143	.40575
74	.47823	.47137	.46466	.45812	.45173	.44549	.43940	.43345	.42763	.42195
75	.49459	.48777	.48112	.47462	.46826	.46205	.45598	.45004	.44424	.43856
76	.51127	.50452	.49793	.49148	.48517	.47900	.47297	.46706	.46129	.45563
77	.52823	.52157	.51505	.50867	.50243	.49632	.49033	.48447	.47873	.47311
78	.54541	.53885	.53242	.52613	.51996	.51392	.50800	.50220	.49652	.49094
79	.56267	.55621	.54989	.54369	.53762	.53166	.52582	.52009	.51448	.50897
80	.57987	.57354	.56733	.56125	.55527	.54941	.54366	.53802	.53248	.52705
81	.59685	.59065	.58457	.57860	.57274	.56699	.56134	.55579	.55035	.54499
82	.61351	.60746	.60151	.59567	.58993	.58429	.57875	.57331	.56796	.56270
83	.62978	.62387	.61806	.61236	.60675	.60123	.59581	.59047	.58523	.58007
84	.64567	.63992	.63426	.62869	.62321	.61783	.61253	.60731	.60218	.59713
85	.66125	.65565	.65014	.64472	.63938	.63413	.62896	.62387	.61886	.61392
86	.67636	.67092	.66557	.66030	.65511	.65000	.64496	.64000	.63511	.63030
87	.69081	.68554	.68034	.67522	.67018	.66520	.66031	.65548	.65071	.64602
88	.70468	.69957	.69453	.68956	.68466	.67983	.67507	.67037	.66574	.66117
89	.71821	.71326	.70838	.70357	.69882	.69414	.68952	.68495	.68045	.67601
90	.73153	.72676	.72204	.71739	.71280	.70827	.70379	.69938	.69502	.69071
91	.74447	.73986	.73532	.73083	.72640	.72202	.71770	.71343	.70921	.70504
92	.75669	.75225	.74787	.74354	.73927	.73504	.73087	.72674	.72267	.71864
93	.76807	.76379	.75957	.75540	.75127	.74719	.74317	.73918	.73524	.73135
94	.77849	.77437	.77030	.76627	.76229	.75835	.75446	.75061	.74680	.74303
95	.78792	.78394	.78001	.77611	.77226	.76845	.76468	.76096	.75727	.75362
96	.79630	.79244	.78863	.78485	.78112	.77742	.77377	.77015	.76657	.76303
97	.80391	.80016	.79646	.79280	.78917	.78559	.78203	.77852	.77504	.77160
98	.81076	.80712	.80352	.79996	.79643	.79294	.78948	.78606	.78267	.77931
99	.81709	.81354	.81004	.80657	.80313	.79972	.79635	.79302	.78971	.78644
100	.82296	.81950	.81609	.81270	.80934	.80602	.80273	.79947	.79624	.79304
101	.82855	.82518	.82185	.81854	.81526	.81201	.80880	.80561	.80245	.79932
102	.83438	.83110	.82785	.82462	.82142	.81826	.81512	.81200	.80892	.80586
103	.84056	.83737	.83420	.83106	.82795	.82487	.82181	.81878	.81577	.81279
104	.84743	.84433	.84127	.83822	.83521	.83221	.82924	.82630	.82338	.82048
105	.85591	.85295	.85001	.84709	.84419	.84132	.83846	.83563	.83282	.83003
106	.86816	.86540	.86266	.85993	.85723	.85454	.85187	.84922	.84659	.84397
107	.88592	.88348	.88105	.87863	.87623	.87384	.87147	.86911	.86676	.86443
108	.91493	.91306	.91119	.90934	.90749	.90566	.90383	.90201	.90020	.89840
109	.96211	.96125	.96041	.95956	.95872	.95788	.95704	.95620	.95537	.95455

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
0	.01891	.01864	.01838	.01814	.01791	.01770	.01750	.01732	.01715	.01698
1	.00770	.00741	.00715	.00690	.00667	.00646	.00626	.00608	.00590	.00574
2	.00751	.00721	.00693	.00667	.00643	.00620	.00600	.00580	.00562	.00544
3	.00760	.00728	.00699	.00671	.00646	.00622	.00600	.00579	.00560	.00541
4	.00786	.00752	.00721	.00692	.00665	.00639	.00616	.00594	.00573	.00554
5	.00824	.00788	.00755	.00724	.00695	.00668	.00643	.00620	.00598	.00578
6	.00869	.00832	.00796	.00764	.00733	.00705	.00678	.00654	.00630	.00608
7	.00923	.00883	.00846	.00811	.00779	.00749	.00720	.00694	.00669	.00646
8	.00986	.00943	.00904	.00867	.00833	.00801	.00771	.00743	.00716	.00692
9	.01059	.01014	.00972	.00933	.00897	.00863	.00831	.00801	.00773	.00747
10	.01142	.01095	.01051	.01009	.00971	.00935	.00901	.00869	.00840	.00812
11	.01239	.01189	.01142	.01098	.01057	.01019	.00983	.00950	.00918	.00889
12	.01345	.01292	.01243	.01197	.01154	.01113	.01075	.01040	.01007	.00975
13	.01457	.01401	.01349	.01300	.01255	.01212	.01172	.01135	.01100	.01067
14	.01567	.01508	.01453	.01402	.01354	.01309	.01267	.01227	.01190	.01155
15	.01672	.01610	.01552	.01498	.01448	.01400	.01356	.01314	.01275	.01238
16	.01772	.01707	.01646	.01589	.01536	.01486	.01439	.01396	.01354	.01315
17	.01866	.01798	.01734	.01674	.01618	.01566	.01516	.01470	.01427	.01386
18	.01958	.01886	.01818	.01755	.01697	.01641	.01590	.01541	.01495	.01452
19	.02050	.01974	.01903	.01837	.01775	.01717	.01662	.01611	.01563	.01517
20	.02143	.02064	.01989	.01919	.01854	.01793	.01735	.01681	.01630	.01582
21	.02238	.02154	.02075	.02002	.01933	.01868	.01807	.01750	.01696	.01646
22	.02336	.02247	.02164	.02087	.02014	.01946	.01882	.01821	.01764	.01711

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
23	.02438	.02345	.02257	.02176	.02099	.02027	.01959	.01895	.01835	.01778
24	.02550	.02451	.02359	.02273	.02192	.02115	.02044	.01976	.01913	.01853
25	.02673	.02569	.02472	.02381	.02295	.02214	.02138	.02067	.01999	.01936
26	.02811	.02701	.02598	.02502	.02411	.02326	.02246	.02170	.02098	.02031
27	.02965	.02849	.02741	.02639	.02543	.02452	.02367	.02287	.02211	.02140
28	.03134	.03013	.02898	.02790	.02689	.02593	.02503	.02418	.02338	.02262
29	.03322	.03193	.03072	.02958	.02851	.02750	.02654	.02564	.02479	.02398
30	.03527	.03391	.03264	.03143	.03030	.02923	.02821	.02726	.02635	.02550
31	.03753	.03610	.03475	.03348	.03228	.03115	.03008	.02907	.02811	.02720
32	.04000	.03849	.03707	.03573	.03446	.03326	.03213	.03105	.03004	.02907
33	.04269	.04111	.03961	.03819	.03685	.03558	.03438	.03325	.03217	.03115
34	.04561	.04394	.04236	.04087	.03946	.03812	.03685	.03565	.03451	.03342
35	.04877	.04702	.04535	.04378	.04229	.04087	.03953	.03826	.03706	.03591
36	.05215	.05031	.04856	.04690	.04533	.04384	.04242	.04108	.03980	.03859
37	.05578	.05384	.05200	.05025	.04860	.04703	.04553	.04411	.04276	.04148
38	.05965	.05761	.05568	.05385	.05211	.05045	.04888	.04738	.04595	.04460
39	.06379	.06165	.05962	.05770	.05587	.05412	.05247	.05089	.04939	.04795
40	.06820	.06596	.06383	.06181	.05989	.05806	.05631	.05465	.05307	.05155
41	.07288	.07054	.06832	.06620	.06418	.06226	.06042	.05868	.05701	.05541
42	.07784	.07539	.07306	.07085	.06873	.06671	.06479	.06295	.06119	.05952
43	.08308	.08052	.07808	.07576	.07355	.07143	.06941	.06748	.06564	.06387
44	.08861	.08594	.08340	.08097	.07865	.07644	.07432	.07230	.07036	.06851
45	.09445	.09167	.08901	.08648	.08406	.08174	.07953	.07741	.07538	.07343
46	.10060	.09770	.09494	.09230	.08977	.08735	.08503	.08281	.08068	.07865
47	.10707	.10406	.10119	.09843	.09579	.09327	.09085	.08853	.08630	.08417
48	.11386	.11073	.10774	.10487	.10213	.09949	.09697	.09455	.09222	.08999
49	.12094	.11769	.11458	.11160	.10874	.10600	.10337	.10084	.09842	.09609
50	.12831	.12494	.12172	.11862	.11565	.11280	.11006	.10743	.10490	.10247
51	.13600	.13251	.12917	.12596	.12288	.11991	.11706	.11432	.11169	.10915
52	.14405	.14044	.13698	.13366	.13046	.12738	.12442	.12157	.11883	.11619
53	.15247	.14875	.14517	.14172	.13841	.13522	.13215	.12919	.12635	.12360
54	.16124	.15740	.15370	.15014	.14671	.14341	.14023	.13717	.13421	.13136
55	.17039	.16642	.16261	.15893	.15539	.15198	.14868	.14551	.14244	.13948
56	.17991	.17583	.17190	.16811	.16445	.16092	.15752	.15423	.15106	.14799
57	.18984	.18564	.18160	.17769	.17392	.17029	.16677	.16338	.16010	.15692
58	.20018	.19587	.19172	.18770	.18382	.18007	.17645	.17295	.16956	.16628
59	.21093	.20652	.20225	.19812	.19414	.19028	.18655	.18294	.17945	.17606
60	.22206	.21753	.21316	.20893	.20483	.20087	.19703	.19332	.18972	.18624
61	.23353	.22890	.22442	.22009	.21589	.21182	.20788	.20407	.20037	.19678
62	.24532	.24059	.23601	.23158	.22728	.22311	.21907	.21515	.21135	.20767
63	.25742	.25260	.24793	.24339	.23900	.23473	.23060	.22658	.22268	.21890
64	.26987	.26495	.26019	.25556	.25107	.24671	.24248	.23837	.23438	.23050
65	.28271	.27771	.27286	.26815	.26357	.25912	.25480	.25059	.24651	.24254
66	.29601	.29093	.28600	.28120	.27654	.27200	.26760	.26331	.25913	.25507
67	.30978	.30462	.29961	.29474	.29000	.28539	.28090	.27653	.27227	.26813
68	.32401	.31879	.31371	.30877	.30396	.29927	.29471	.29027	.28593	.28171
69	.33863	.33336	.32822	.32322	.31835	.31359	.30896	.30445	.30005	.29576
70	.35361	.34829	.34310	.33804	.33311	.32830	.32361	.31903	.31457	.31021
71	.36886	.36349	.35826	.35316	.34818	.34332	.33858	.33394	.32942	.32500
72	.38439	.37899	.37373	.36858	.36356	.35866	.35387	.34919	.34461	.34015
73	.40021	.39479	.38950	.38432	.37927	.37433	.36950	.36478	.36016	.35565
74	.41639	.41096	.40565	.40046	.39538	.39042	.38556	.38081	.37616	.37161
75	.43301	.42758	.42226	.41706	.41198	.40699	.40212	.39734	.39267	.38809
76	.45009	.44467	.43937	.43417	.42908	.42410	.41921	.41443	.40974	.40514
77	.46761	.46221	.45693	.45175	.44667	.44170	.43682	.43203	.42734	.42274
78	.48548	.48013	.47488	.46973	.46468	.45972	.45486	.45009	.44541	.44082
79	.50356	.49826	.49306	.48795	.48294	.47802	.47319	.46845	.46379	.45922
80	.52171	.51647	.51133	.50628	.50132	.49644	.49166	.48695	.48233	.47779
81	.53974	.53457	.52950	.52451	.51961	.51479	.51006	.50541	.50083	.49633
82	.55753	.55245	.54745	.54254	.53771	.53296	.52828	.52369	.51917	.51472
83	.57500	.57001	.56510	.56026	.55551	.55083	.54623	.54170	.53724	.53285
84	.59216	.58726	.58245	.57770	.57304	.56844	.56391	.55945	.55506	.55074
85	.60906	.60428	.59956	.59492	.59034	.58583	.58139	.57702	.57270	.56845
86	.62555	.62088	.61627	.61173	.60725	.60284	.59849	.59420	.58997	.58580
87	.64139	.63683	.63233	.62790	.62352	.61921	.61495	.61076	.60661	.60253
88	.65666	.65221	.64783	.64350	.63923	.63502	.63086	.62675	.62270	.61871
89	.67163	.66730	.66304	.65882	.65466	.65055	.64650	.64249	.63854	.63463
90	.68646	.68226	.67812	.67402	.66998	.66599	.66204	.65814	.65430	.65049
91	.70093	.69686	.69285	.68888	.68496	.68108	.67725	.67347	.66973	.66604

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
92	.71466	.71073	.70684	.70300	.69920	.69545	.69173	.68806	.68444	.68085
93	.72750	.72370	.71994	.71622	.71254	.70890	.70530	.70174	.69822	.69474
94	.73931	.73562	.73198	.72838	.72481	.72129	.71780	.71434	.71093	.70755
95	.75001	.74644	.74291	.73941	.73595	.73253	.72914	.72579	.72247	.71919
96	.75953	.75606	.75262	.74923	.74586	.74253	.73924	.73598	.73275	.72955
97	.76819	.76481	.76147	.75816	.75489	.75165	.74844	.74526	.74211	.73899
98	.77599	.77270	.76944	.76621	.76302	.75986	.75672	.75362	.75054	.74750
99	.78319	.77998	.77680	.77365	.77053	.76744	.76437	.76134	.75833	.75535
100	.78987	.78673	.78362	.78054	.77748	.77446	.77146	.76849	.76555	.76263
101	.79622	.79315	.79010	.78708	.78409	.78113	.77819	.77528	.77239	.76953
102	.80283	.79983	.79685	.79390	.79097	.78807	.78519	.78234	.77951	.77671
103	.80983	.80690	.80399	.80111	.79825	.79541	.79260	.78981	.78705	.78430
104	.81760	.81475	.81192	.80912	.80633	.80357	.80083	.79810	.79541	.79273
105	.82726	.82451	.82178	.81907	.81638	.81371	.81106	.80843	.80582	.80322
106	.84137	.83879	.83623	.83368	.83115	.82863	.82614	.82366	.82119	.81874
107	.86211	.85981	.85751	.85523	.85297	.85071	.84847	.84624	.84403	.84182
108	.89660	.89481	.89304	.89127	.88950	.88775	.88601	.88427	.88254	.88081
109	.95372	.95290	.95208	.95126	.95045	.94964	.94883	.94803	.94723	.94643

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
0	.01683	.01669	.01655	.01642	.01630	.01618	.01607	.01596	.01586	.01576
1	.00559	.00544	.00531	.00518	.00506	.00494	.00484	.00473	.00464	.00454
2	.00528	.00513	.00499	.00485	.00473	.00461	.00449	.00439	.00428	.00419
3	.00524	.00508	.00493	.00479	.00465	.00453	.00441	.00429	.00419	.00408
4	.00536	.00519	.00503	.00488	.00473	.00460	.00447	.00435	.00423	.00412
5	.00558	.00540	.00523	.00507	.00492	.00477	.00464	.00451	.00439	.00427
6	.00588	.00569	.00550	.00533	.00517	.00502	.00487	.00473	.00460	.00448
7	.00624	.00604	.00584	.00566	.00549	.00532	.00517	.00502	.00488	.00475
8	.00668	.00646	.00626	.00606	.00588	.00570	.00554	.00538	.00523	.00509
9	.00722	.00699	.00677	.00656	.00636	.00617	.00600	.00583	.00567	.00552
10	.00785	.00761	.00737	.00715	.00694	.00674	.00655	.00637	.00620	.00604
11	.00861	.00835	.00810	.00786	.00764	.00743	.00723	.00704	.00686	.00668
12	.00946	.00918	.00891	.00866	.00843	.00820	.00799	.00779	.00760	.00741
13	.01035	.01006	.00978	.00951	.00927	.00903	.00880	.00859	.00839	.00819
14	.01122	.01091	.01061	.01034	.01007	.00982	.00958	.00936	.00914	.00894
15	.01203	.01171	.01140	.01110	.01082	.01056	.01031	.01007	.00985	.00963
16	.01279	.01244	.01211	.01181	.01151	.01123	.01097	.01072	.01048	.01025
17	.01347	.01311	.01276	.01244	.01213	.01184	.01156	.01130	.01104	.01081
18	.01411	.01373	.01336	.01302	.01270	.01239	.01210	.01182	.01155	.01130
19	.01474	.01434	.01396	.01359	.01325	.01293	.01262	.01233	.01205	.01178
20	.01537	.01494	.01454	.01415	.01379	.01345	.01313	.01282	.01252	.01224
21	.01598	.01553	.01510	.01470	.01432	.01396	.01361	.01329	.01298	.01268
22	.01660	.01613	.01568	.01525	.01485	.01446	.01410	.01375	.01343	.01312
23	.01725	.01674	.01627	.01581	.01539	.01498	.01460	.01423	.01388	.01355
24	.01796	.01742	.01692	.01644	.01599	.01556	.01515	.01476	.01439	.01404
25	.01876	.01819	.01765	.01714	.01666	.01621	.01577	.01536	.01497	.01460
26	.01967	.01907	.01850	.01796	.01745	.01696	.01650	.01606	.01565	.01525
27	.02072	.02008	.01948	.01890	.01836	.01784	.01735	.01688	.01644	.01601
28	.02190	.02122	.02057	.01996	.01938	.01883	.01831	.01781	.01734	.01689
29	.02322	.02249	.02181	.02116	.02054	.01996	.01940	.01887	.01836	.01788
30	.02469	.02392	.02319	.02250	.02184	.02122	.02062	.02006	.01952	.01900
31	.02634	.02552	.02475	.02401	.02331	.02264	.02201	.02140	.02083	.02028
32	.02816	.02729	.02647	.02568	.02494	.02423	.02355	.02291	.02229	.02170
33	.03018	.02926	.02838	.02755	.02675	.02600	.02528	.02459	.02393	.02331
34	.03239	.03142	.03048	.02960	.02875	.02795	.02718	.02645	.02575	.02508
35	.03482	.03378	.03279	.03185	.03095	.03009	.02928	.02850	.02775	.02704
36	.03743	.03633	.03528	.03428	.03333	.03242	.03155	.03072	.02992	.02916
37	.04026	.03909	.03798	.03692	.03591	.03494	.03401	.03313	.03228	.03147
38	.04330	.04207	.04089	.03977	.03869	.03767	.03668	.03574	.03484	.03398
39	.04658	.04528	.04403	.04284	.04170	.04061	.03957	.03857	.03762	.03670
40	.05011	.04873	.04741	.04615	.04495	.04379	.04269	.04163	.04061	.03964
41	.05389	.05244	.05104	.04971	.04844	.04721	.04604	.04492	.04384	.04281

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
42	.05791	.05638	.05491	.05350	.05216	.05086	.04962	.04844	.04729	.04620
43	.06219	.06057	.05902	.05754	.05612	.05475	.05344	.05218	.05098	.04981
44	.06673	.06503	.06340	.06184	.06034	.05890	.05752	.05619	.05491	.05368
45	.07157	.06978	.06806	.06642	.06484	.06332	.06186	.06046	.05911	.05781
46	.07669	.07481	.07301	.07128	.06962	.06802	.06649	.06501	.06358	.06221
47	.08212	.08015	.07826	.07645	.07470	.07302	.07140	.06984	.06834	.06690
48	.08784	.08578	.08380	.08190	.08006	.07830	.07660	.07496	.07338	.07186
49	.09384	.09169	.08961	.08762	.08570	.08384	.08206	.08034	.07868	.07708
50	.10013	.09787	.09570	.09361	.09160	.08966	.08779	.08598	.08424	.08256
51	.10671	.10436	.10209	.09991	.09780	.09577	.09381	.09192	.09009	.08832
52	.11365	.11120	.10883	.10655	.10435	.10222	.10017	.09819	.09628	.09442
53	.12095	.11840	.11593	.11355	.11126	.10904	.10689	.10482	.10282	.10088
54	.12860	.12595	.12338	.12090	.11851	.11619	.11396	.11179	.10970	.10767
55	.13663	.13386	.13120	.12862	.12613	.12372	.12138	.11912	.11694	.11482
56	.14503	.14217	.13940	.13672	.13413	.13162	.12919	.12683	.12456	.12235
57	.15385	.15089	.14801	.14523	.14254	.13994	.13741	.13496	.13259	.13029
58	.16311	.16004	.15706	.15418	.15139	.14868	.14606	.14352	.14105	.13866
59	.17279	.16961	.16654	.16355	.16066	.15786	.15514	.15250	.14994	.14745
60	.18286	.17958	.17640	.17332	.17033	.16743	.16462	.16188	.15922	.15664
61	.19330	.18992	.18665	.18347	.18038	.17738	.17447	.17164	.16889	.16622
62	.20409	.20061	.19724	.19396	.19078	.18768	.18467	.18175	.17891	.17614
63	.21522	.21165	.20818	.20480	.20152	.19833	.19523	.19221	.18928	.18642
64	.22672	.22306	.21949	.21602	.21265	.20937	.20617	.20306	.20003	.19708
65	.23867	.23491	.23125	.22769	.22423	.22085	.21757	.21437	.21125	.20821
66	.25112	.24727	.24353	.23988	.23632	.23286	.22948	.22619	.22299	.21986
67	.26409	.26016	.25633	.25260	.24896	.24541	.24195	.23857	.23528	.23206
68	.27760	.27359	.26968	.26586	.26214	.25851	.25497	.25151	.24814	.24484
69	.29157	.28748	.28350	.27961	.27581	.27211	.26849	.26495	.26150	.25812
70	.30596	.30181	.29775	.29379	.28992	.28614	.28245	.27884	.27532	.27187
71	.32069	.31648	.31236	.30833	.30440	.30055	.29679	.29312	.28952	.28600
72	.33578	.33151	.32733	.32325	.31925	.31535	.31152	.30778	.30412	.30054
73	.35123	.34691	.34269	.33855	.33450	.33054	.32666	.32286	.31914	.31550
74	.36715	.36279	.35852	.35434	.35024	.34623	.34230	.33845	.33468	.33098
75	.38360	.37921	.37491	.37069	.36656	.36250	.35853	.35464	.35082	.34708
76	.40064	.39623	.39190	.38765	.38349	.37941	.37540	.37148	.36762	.36384
77	.41823	.41381	.40947	.40521	.40103	.39692	.39290	.38895	.38507	.38126
78	.43632	.43189	.42755	.42329	.41910	.41499	.41095	.40698	.40309	.39926
79	.45473	.45032	.44599	.44173	.43755	.43344	.42940	.42543	.42153	.41770
80	.47333	.46894	.46463	.46040	.45623	.45213	.44811	.44414	.44025	.43642
81	.49191	.48755	.48328	.47907	.47493	.47085	.46684	.46290	.45902	.45520
82	.51034	.50603	.50179	.49762	.49351	.48947	.48549	.48157	.47772	.47392
83	.52852	.52427	.52008	.51595	.51189	.50788	.50394	.50006	.49623	.49246
84	.54648	.54228	.53815	.53407	.53006	.52610	.52221	.51836	.51458	.51084
85	.56426	.56013	.55606	.55205	.54810	.54420	.54035	.53656	.53282	.52913
86	.58169	.57764	.57364	.56970	.56581	.56197	.55818	.55445	.55076	.54713
87	.59850	.59452	.59060	.58673	.58291	.57913	.57541	.57174	.56811	.56453
88	.61476	.61086	.60702	.60322	.59947	.59577	.59212	.58851	.58494	.58142
89	.63078	.62697	.62321	.61950	.61583	.61220	.60862	.60508	.60159	.59813
90	.64674	.64302	.63935	.63573	.63215	.62861	.62511	.62165	.61823	.61485
91	.66238	.65877	.65520	.65167	.64819	.64474	.64133	.63795	.63462	.63132
92	.67730	.67379	.67032	.66689	.66350	.66014	.65682	.65354	.65029	.64708
93	.69130	.68789	.68452	.68119	.67789	.67463	.67140	.66820	.66504	.66191
94	.70421	.70090	.69762	.69438	.69118	.68800	.68486	.68175	.67867	.67563
95	.71594	.71272	.70954	.70639	.70326	.70017	.69712	.69409	.69109	.68812
96	.72638	.72325	.72014	.71707	.71403	.71101	.70803	.70507	.70215	.69925
97	.73590	.73285	.72982	.72682	.72385	.72090	.71799	.71510	.71224	.70941
98	.74448	.74149	.73853	.73560	.73269	.72981	.72696	.72414	.72134	.71856
99	.75240	.74948	.74658	.74371	.74086	.73805	.73525	.73248	.72974	.72702
100	.75974	.75687	.75403	.75121	.74842	.74566	.74292	.74020	.73751	.73484
101	.76669	.76388	.76109	.75833	.75559	.75287	.75018	.74751	.74486	.74223
102	.77393	.77117	.76844	.76573	.76304	.76037	.75773	.75511	.75251	.74993
103	.78158	.77888	.77620	.77355	.77091	.76830	.76571	.76313	.76058	.75805
104	.79007	.78743	.78482	.78222	.77964	.77709	.77455	.77203	.76953	.76705
105	.80065	.79809	.79556	.79304	.79054	.78805	.78559	.78314	.78071	.77829
106	.81631	.81389	.81149	.80911	.80674	.80438	.80204	.79972	.79741	.79511
107	.83963	.83745	.83529	.83313	.83099	.82886	.82674	.82463	.82254	.82045
108	.87910	.87739	.87569	.87400	.87232	.87064	.86897	.86731	.86566	.86401
109	.94563	.94484	.94405	.94326	.94248	.94170	.94092	.94014	.93937	.93860

(f) *Effective date.* This section is effective as of May 1, 1989.

Par. 9. Section 1.642(c)–6A is further amended by revising the heading for Table G in newly designated paragraph (d)(4) to read as follows:

§ 1.642(c)–6A Valuation of charitable remainder interests for which the valuation date is before May 1, 1989.

* * * * *

(d) *Present value of remainder interest dependent on the termination of one life in the case of transfers to pooled income funds made after November 30, 1983, for which the valuation date is before May 1, 1989.*

* * * * *

(4) * * *

Table G

Table G—Single Life, Unisex—Table Showing the Present Worth of the Remainder Interest in Property Transferred to a Pooled Income Fund Having the Yearly Rate of Return Shown—Applicable for Transfers After November 30, 1983, and Before May 1, 1989

* * * * *

Par. 10. Section 1.664–1 is amended as follows:

1. Paragraph (a)(5)(ii)(*b*) is revised.

2. Paragraphs (a)(5)(iv) (*a*) through (*c*) are revised and paragraph (a)(5)(iv)(*d*) is added.

3. Paragraph (a)(6), the introductory text, is revised.

4. The authority citation at the end of the section is removed.

5. The added and revised provisions read as follows:

§ 1.664–1 Charitable remainder trusts.

(a) * * *

(5) * * *

(ii) * * *

(*b*) (*1*) In the case of transfers made after November 30, 1983, for which the valuation date is before May 1, 1989, a factor equal to 1.000000 less the factor under the appropriate adjusted payout rate in column 2 of Table D in § 1.664–4A(d)(6) opposite the number of years in column 1 between the date of death of the decedent and the date of the earlier of the death of the last recipient or the last day of such taxable year.

(*2*) In the case of transfers for which the valuation date is after April 30, 1989, a factor equal to 1.000000 less the factor under the appropriate adjusted payout rate in Table D in § 1.664–4(e)(6) opposite the number of years in column 1 between the date of death of the decedent and the date of the earlier of the death of the last recipient or the last day of such taxable year. The appropriate adjusted payout rate is determined by using the appropriate Table F contained in § 1.664–4(e)(6) for the section 7520 rate for the month of the valuation date.

(*3*) If the number of years between the date of death and the date of the earlier of the death of the last recipient or the last day of such taxable year is between periods for which factors are provided, a linear interpolation must be made.

* * * * *

(iv) * * *

(*a*) The section 7520 rate for the month in which the valuation date with respect to the transfer is (or one of the prior two months if elected under § 1.7520–2(b)) after April 30, 1989;

(*b*) 10 percent for instruments executed or amended (other than in the case of a reformation under section 2055(e)(3)) on or after August 9, 1984, and before May 1, 1989, and not subsequently amended;

(*c*) 6 percent or 10 percent for instruments executed or amended (other than in the case of a reformation under section 2055(e)(3)) after October 24, 1983, and before August 9, 1984; and

(*d*) 6 percent for instruments executed before October 25, 1983, and not subsequently amended (other than in the case of a reformation under section 2055(e)(3)).

(6) *Examples.* The application of the rules in paragraphs (a)(4) and (a)(5) of this section require the use of actuarial factors contained in § 1.664–4(e), § 1.664–4A(d), and former § 1.664–4(d) (as contained in the 26 CFR Part 1 edition revised as of April 1, 1994) and may be illustrated by use of the following examples:

* * * * *

Par. 11. Section 1.664–2 is amended as follows:

1. Paragraph (c) is revised as set forth below.

2. The authority citation at the end of the section is removed.

§ 1.664–2 Charitable remainder annuity trust.

* * * * *

(c) *Calculation of the fair market value of the remainder interest of a charitable remainder annuity trust.* For purposes of sections 170, 2055, 2106, and 2522, the fair market value of the remainder interest of a charitable remainder annuity trust (as described in this section) is the net fair market value (as of the appropriate valuation date) of the property placed in trust less the present value of the annuity. For purposes of this section, *valuation date* means, in general, the date on which the property is transferred to the trust by the donor regardless of when the trust is created. In the case of transfers to a charitable remainder annuity trust for which the valuation date is after April 30, 1989, if an election is made under section 7520 and § 1.7520–2(b) to compute the present value of the charitable interest by use of the interest rate component for either of the 2 months preceding the month in which the transfer is made, the month so elected is the valuation date for purposes of determining the interest rate and mortality tables. For purposes of section 2055 or 2106, the valuation date is the date of death unless the alternate valuation date is elected in accordance with section 2032, in which event, and within the limitations set forth in section 2032 and the regulations thereunder, the valuation date is the alternate valuation date. If the decedent's estate elects the alternate valuation date under section 2032 and also elects, under section 7520 and § 1.7520–2(b), to use the interest rate component for one of the 2 months preceding the alternate valuation date, the month so elected is the valuation date for purposes of determining the interest rate and mortality tables. The present value of an annuity is computed under § 20.2031–7(d) of this chapter (Estate Tax Regulations) for transfers for which the valuation date is after April 30, 1989, or under § 20.2031–7A (a) through (d) of this chapter, whichever is applicable, for transfers for which the valuation date is before May 1, 1989. See, however, § 1.7520–3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). If the valuation date of a transfer to a charitable remainder annuity trust is after April 30, 1989, and before June 10, 1994, a transferor can rely on Notice 89–24, 1989–1 C.B. 660, or Notice 89–60, 1989–1 C.B. 700 (See § 601.601(d)(2)(ii)(*b*) of this chapter), in valuing the transferred interest.

Par. 12. Immediately following § 1.664–4 an undesignated center heading and § 1.664–4A are added to read as follows:

Unitrust Actuarial Tables Applicable Before May 1, 1989

§ 1.664–4A Valuation of charitable remainder interests for which the valuation date is before May 1, 1989.

(a) *Valuation of charitable remainder interests for which the valuation date is before January 1, 1952.* There was no provision for the qualification of a charitable remainder unitrust under section 664 until 1969. See § 20.2031–7A(a) of this chapter (Estate Tax Regulations) for the determination of the present value of a charitable interest for

which the valuation date is before January 1, 1952.

(b) *Valuation of charitable remainder interests for which the valuation date is after December 31, 1951, and before January 1, 1971.* No charitable deduction is allowable for a transfer to a unitrust for which the valuation date is after the effective dates of the Tax Reform Act of 1969 unless the unitrust meets the requirements of section 664. See § 20.2031–7A(b) of this chapter (Estate Tax Regulations) for the determination of the present value of a charitable remainder interest for which the valuation date is after December 31, 1951, and before January 1, 1971.

(c) *Valuation of charitable remainder unitrusts having certain payout sequences for transfers for which the valuation date is after December 31, 1970, and before December 1, 1983.* For the determination of the present value of a charitable remainder unitrust for which the valuation date is after December 31, 1970, and before December 1, 1983, see § 20.2031–7A(c) of this chapter (Estate Tax Regulations) and former § 1.664–4(d) (as contained in the 26 CFR part 1 edition revised as of April 1, 1994).

(d) *Valuation of charitable remainder unitrusts having certain payout sequences for transfers for which the valuation date is after November 30, 1983, and before May 1, 1989*—(1) *In general.* Except as otherwise provided in paragraph (d)(2) of this section, in the case of transfers made after November 30, 1983, for which the valuation date is before May 1, 1989, the present value of a remainder interest that is dependent on a term of years or the termination of the life of one individual is determined under paragraphs (d)(3) through (d)(6) of this section, provided that the amount of the payout as of any payout date during any taxable year of the trust is not larger than the amount that the trust could distribute on such date under § 1.664–3(a)(1)(v) if the taxable year of the trust were to end on such date. The present value of the remainder interest in the trust is determined by computing the adjusted payout rate (as defined in paragraph (d)(3) of this section) and following the procedure outlined in paragraph (d)(4) or (d)(5) of this section, whichever is applicable. The present value of a remainder interest that is dependent on a term of years is computed under paragraph (d)(4) of this section. The present value of a remainder interest that is dependent on the termination of the life of one individual is computed under paragraph (d)(5) of this section. See paragraph (d)(2) of this section for testamentary transfers for which the valuation date is after November 30, 1983, and before August 9, 1984.

(2) *Rules for determining the present value for testamentary transfers where the decedent dies after November 30, 1983, and before August 9, 1984.* For purposes of section 2055 or 2106, if—

(i) The decedent dies after November 30, 1983, and before August 9, 1984; or

(ii) On December 1, 1983, the decedent was mentally incompetent so that the disposition of the property could not be changed, and the decedent died after November 30, 1983, without regaining competency to dispose of the decedent's property, or died within 90 days of the date on which the decedent first regained competency, the present value determined under this section of a remainder interest is determined in accordance with paragraph (d)(1) and paragraphs (d)(3) through (d)(6) of this section, or § 1.664–4A(c), at the option of the taxpayer.

Par. 13. Section 1.664–4 is amended as follows:

1. Paragraph (a) is revised.

2. Paragraphs (b)(2) through (b)(5) are redesignated as paragraphs (d)(3) through (d)(6) of § 1.664–4A, respectively.

3. Paragraph (b)(1) is redesignated as paragraph (b) and revised.

4. Paragraphs (c) and (d) are revised.

5. The authority citation at the end of the section is removed.

6. Paragraphs (e) and (f) are added.

7. The revisions and additions read as follows:

§ 1.664–4 Calculation of the fair market value of the remainder interest in a charitable remainder unitrust.

(a) *Rules for determining present value.* For purposes of sections 170, 2055, 2106, and 2522, the fair market value of a remainder interest in a charitable remainder unitrust (as described in § 1.664–3) is its present value determined under paragraph (d) of this section. The present value determined under this section shall be computed on the basis of—

(1) Life contingencies determined as to each life involved, from the values of *Ix* set forth in Table 80CNSMT contained in § 20.2031–7(d)(6) of this chapter (Estate Tax Regulations) in the case of transfers for which the valuation date is after April 30, 1989, or column 2 of Table LN, of § 20.2031–7A(d)(6) of this chapter in the case of transfers made after November 30, 1983, for which the valuation date is before May 1, 1989. See § 20.2031–7A (a) through (c) of this chapter, whichever is applicable, for transfers for which the valuation date is before December 1, 1983;

(2) Interest at the section 7520 rate in the case of transfers for which the valuation date is after April 30, 1989, or 10 percent in the case of transfers to charitable remainder unitrusts made after November 30, 1983, for which the valuation date is before May 1, 1989. See § 20.2031–7A (a) through (c) of this chapter, whichever is applicable, for transfers for which the valuation date is before December 1, 1983; and

(3) The assumption that the amount described in § 1.664–3(a)(1)(*i*)(*a*) is distributed in accordance with the payout sequence described in the governing instrument. If the governing instrument does not prescribe when the distribution is made during the period for which the payment is made, for purposes of this section, the distribution is considered payable on the first day of the period for which the payment is made.

(b) *Actuarial Computations by the Internal Revenue Service.* The regulations in this and in related sections provide tables of actuarial factors and examples that illustrate the use of the tables in determining the value of remainder interests in property. Section 1.7520–1(c)(2) refers to government publications that provide additional tables of factors and examples of computations for more complex situations. If the computation requires the use of a factor that is not provided in this section, the Commissioner may supply the factor upon a request for a ruling. A request for a ruling must be accompanied by a recitation of the facts including the date of birth of each measuring life, and copies of the relevant documents. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (See § 601.601(d)(2)(ii)(*b*) of this chapter) and include payment of the required user fee. If the Commissioner furnishes the factor, a copy of the letter supplying the factor should be attached to the tax return in which the deduction is claimed. If the Commissioner does not furnish the factor, the taxpayer must furnish a factor computed in accordance with the principles set forth in this section.

(c) *Statement supporting deduction required.* Any claim for a deduction on any return for the value of a remainder interest in a charitable remainder unitrust must be supported by a full statement attached to the return showing the computation of the present value of such interest.

(d) *Valuation.* The fair market value of a remainder interest in a charitable remainder unitrust (as described in

§ 1.664–3) for transfers for which the valuation date is after April 30, 1989, is its present value determined under paragraph (e) of this section. The fair market value of a remainder interest in a charitable remainder unitrust (as described in § 1.664–3) for transfers for which the valuation date is before May 1, 1989, is its present value determined under the following sections:

Valuation dates		Applicable regulations
After	Before	
	01–01–52	1.664–4A(a)
12–31–51	01–01–71	1.664–4A(b)
12–31–70	12–01–83	1.664–4A(c)
11–30–83	05–01–89	1.664–4A(d)

(e) *Valuation of charitable remainder unitrusts having certain payout sequences for transfers for which the valuation date is after April 30, 1989*—(1) *In general.* Except as otherwise provided in paragraph (e)(2) of this section, in the case of transfers for which the valuation date is after April 30, 1989, the present value of a remainder interest is determined under paragraphs (e)(3) through (e)(6) of this section, provided that the amount of the payout as of any payout date during any taxable year of the trust is not larger than the amount that the trust could distribute on such date under § 1.664–3(a)(1)(v) if the taxable year of the trust were to end on such date. See, however, § 1.7520–3(b) (relating to exceptions to the use of the prescribed tables under certain circumstances).

(2) *Transitional rules for valuation of charitable remainder unitrusts.* (i) If the valuation date of a transfer to a charitable remainder unitrust is after April 30, 1989, and before June 10, 1994, a transferor can rely upon Notice 89–24, 1989–1 C.B. 660, or Notice 89–60, 1989–1 C.B. 700, in valuing the transferred interest. (See § 601.601(d)(2)(ii)(*b*) of this chapter.)

(ii) For purposes of sections 2055, 2106, or 2624, if on May 1, 1989, the decedent was mentally incompetent so that the disposition of the property could not be changed, and the decedent died after April 30, 1989, without having regained competency to dispose of the decedent's property, or the decedent died within 90 days of the date that the decedent first regained competency after April 30, 1989, the present value of a remainder interest determined under this section is determined as if the valuation date with respect to the decedent's gross estate is either before May 1, 1989, or after April 30, 1989, at the option of the decedent's executor.

(3) *Adjusted payout rate.* For transfers for which the valuation date is after April 30, 1989, the adjusted payout rate is determined by using the appropriate Table F, contained in paragraph (e)(6) of this section, for the section 7520 interest rate applicable to the transfer. If the interest rate is between 4.2 and 14 percent, see paragraph (e)(6) of this section. If the interest rate is below 4.2 percent or greater than 14 percent, see § 1.664–4(b). The adjusted payout rate is determined by multiplying the fixed percentage described in § 1.664–3(a)(1)(i)(*a*) by the factor describing the payout sequence of the trust and the number of months by which the valuation date for the first full taxable year of the trust precedes the first payout date for such taxable year. If the governing instrument does not prescribe when the distribution or distributions shall be made during the taxable year of the trust, see § 1.664–4(a). In the case of a trust having a payout sequence for which no figures have been provided by the appropriate table, and in the case of a trust that determines the fair market value of the trust assets by taking the average of valuations on more than one date during the taxable year, see § 1.664–4(b).

(4) *Period is a term of years.* If the period described in § 1.664–3(a)(5) is a term of years, the factor that is used in determining the present value of the remainder interest for transfers for which the valuation date is after April 30, 1989, is the factor under the appropriate adjusted payout rate in Table D in paragraph (e)(6) of this section corresponding to the number of years in the years. If the adjusted payout rate is an amount that is between adjusted payout rates for which factors are provided in Table D, a linear interpolation must be made. The present value of the remainder interest is determined by multiplying the net fair market value (as of the appropriate valuation date) of the property placed in trust by the factor determined under this paragraph. For purposes of this section, the valuation date is, in the case of an inter vivos transfer, the date on which the property is transferred to the trust by the donor. However, if an election is made under section 7520 and § 1.7520–2(b) to compute the present value of the charitable interest by use of the interest rate component for either of the 2 months preceding the month in which the date of transfer falls, the month so elected is the valuation date for purposes of determining the interest rate and mortality tables. In the case of a testamentary transfer under section 2055, 2106, or 2624, the valuation date is the date of death, unless the alternate valuation date is elected under section 2032, in which event, and within the limitations set forth in section 2032 and the regulations thereunder, the valuation date is the alternate valuation date. If the decedent's estate elects the alternate valuation date under section 2032 and also elects, under section 7520 and § 1.7520–2(b), to use the interest rate component for one of the 2 months preceding the alternate valuation date, the month so elected is the valuation date for purposes of determining the interest rate and mortality tables. If the adjusted payout rate is between 4.2 and 14 percent, see paragraph (e)(6) of this section. If the adjusted payout rate is less than 4.2 percent or greater than 14 percent, see § 1.664–4(b). The application of this paragraph may be illustrated by the following example:

Example. D transfers $100,000 to a charitable remainder unitrust on January 1, 1990. The trust instrument requires that the trust pay 8 percent of the fair market value of the trust assets as of January 1st for a term of 12 years to D in quarterly payments (March 31, June 30, September 30, and December 31). The section 7520 rate of January 1990 is 9.6 percent. Under Table F(9.6), the appropriate adjustment factor is .944628 for quarterly payments payable at the end of each quarter. The adjusted payout rate is 7.557 (8%×.944628). Based on the remainder factors in Table D, the present value of the remainder interest is $38,950.30, computed as follows:

Factor at 7.4 percent for 12 years	.397495
Factor at 7.6 percent for 12 years	.387314
Difference	.010181

Interpolation adjustment:

$$\frac{7.557\% - 7.4\%}{0.2\%} = \frac{x}{.010181}$$

$$x = .007992$$

Factor at 7.4 percent for 12 years	.397495
Less: Interpolation adjustment	.007992
Interpolated factor	.389503
Present value of remainder interest: ($100,000×.389503]	$38,950.30

(5) *Period is the life of one individual.* If the period described in § 1.664–3(a)(5) is the life of one individual, the factor that is used in determining the present value of the remainder interest for transfers for which the valuation date is after April 30, 1989, is the factor in Table U(1) in paragraph (e)(6) of this section under the appropriate adjusted payout. For purposes of the computations described in this paragraph, the age of an individual is

the age of that individual at the individual's nearest birthday. If the adjusted payout rate is an amount that is between adjusted payout rates for which factors are provided in the appropriate table, a linear interpolation must be made. The present value of the remainder interest is determined by multiplying the net fair market value (as of the valuation date as determined in paragraph (e)(4) of this section) of the property placed in trust by the factor determined under this paragraph (e)(5). If the adjusted payout rate is between 4.2 and 14 percent, see paragraph (e)(6) of this section. If the adjusted payout rate is below 4.2 percent or greater than 14 percent, see § 1.664–4(b). The application of this paragraph may be illustrated by the following example:

Example. A, who will be 45 years old on February 19, 1990, transfers $100,000 to a charitable remainder unitrust on January 1, 1990. The trust instrument requires that the trust pay to A semiannually (on June 30 and December 31) 9 percent of the fair market value of the trust assets as of January 1st during A's life. The section 7520 rate for January 1990 is 9.6 percent. Under Table F(9.6), the appropriate adjustment factor is .933805 for semiannual payments payable at the end of the semiannual period. The adjusted payout rate is 8.404 (9%×.933805). Based on the remainder factors in Table U(1), the present value of the remainder interest is $11,098.00, computed as follows:

Factor at 8.4 percent at age 45	.11106
Factor at 8.6 percent at age 45	.10683
Difference	.00423

Interpolation adjustment:

$$\frac{8.404\% - 8.4\%}{0.2\%} = \frac{x}{.00423}$$

$$x = .00008$$

Factor at 8.4 percent at age 45	.11106
Less: Interpolation adjustment	.00008
Interpolated Factor	.11098
Present value of remainder interest: ($100,000×.11098)	$11,098.00

(6) *Actuarial tables for transfers for which the valuation date is after April 30, 1989.* For transfers for which the valuation date is after April 30, 1989, the present value of a charitable remainder unitrust interest that is dependent on a term of years or the termination of a life interest is determined by using the section 7520 rate and the tables set forth below. See, however, § 1.7520–3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). Many actuarial factors not contained in the following tables are contained in Internal Revenue Service Publication 1458, "Actuarial Values, Beta Volume," (8–89). A copy of this publication may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402.

TABLE D.—SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN IN A CHARITABLE REMAINDER UNITRUST

[Applicable after April 30, 1989]

Years	Adjusted payout rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
1	.958000	.956000	.954000	.952000	.950000	.948000	.946000	.944000	.942000	.940000
2	.917764	.913936	.910116	.906304	.902500	.898704	.894916	.891136	.887364	.883600
3	.879218	.873723	.868251	.862801	.857375	.851971	.846591	.841232	.835897	.830584
4	.842291	.835279	.828311	.821387	.814506	.807669	.800875	.794123	.787415	.780749
5	.806915	.798527	.790209	.781960	.773781	.765670	.757627	.749652	.741745	.733904
6	.773024	.763392	.753859	.744426	.735092	.725855	.716716	.707672	.698724	.689870
7	.740557	.729802	.719182	.708694	.698337	.688111	.678013	.668042	.658198	.648478
8	.709454	.697691	.686099	.674677	.663420	.652329	.641400	.630632	.620022	.609569
9	.679657	.666993	.654539	.642292	.630249	.618408	.606765	.595317	.584061	.572995
10	.651111	.637645	.624430	.611462	.598737	.586251	.573999	.561979	.550185	.538615
11	.623764	.609589	.595706	.582112	.568800	.555766	.543003	.530508	.518275	.506298
12	.597566	.582767	.568304	.554170	.540360	.526866	.513681	.500800	.488215	.475920
13	.572469	.557125	.542162	.527570	.513342	.499469	.485942	.472755	.459898	.447365
14	.548425	.532611	.517222	.502247	.487675	.473496	.459701	.446281	.433224	.420523
15	.525391	.509177	.493430	.478139	.463291	.448875	.434878	.421289	.408097	.395292
16	.503325	.486773	.470732	.455188	.440127	.425533	.411394	.397697	.384427	.371574
17	.482185	.465355	.449079	.433339	.418120	.403405	.389179	.375426	.362131	.349280
18	.461933	.444879	.428421	.412539	.397214	.382428	.368163	.354402	.341127	.328323
19	.442532	.425304	.408714	.392737	.377354	.362542	.348282	.334555	.321342	.308624
20	.423946	.406591	.389913	.373886	.358486	.343690	.329475	.315820	.302704	.290106

TABLE D.—SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN IN A CHARITABLE REMAINDER UNITRUST

[Applicable after April 30, 1989]

Years	Adjusted payout rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
1	.938000	.936000	.934000	.932000	.930000	.928000	.926000	.924000	.922000	.920000
2	.879844	.876096	.872356	.868624	.864900	.861184	.857476	.853776	.850084	.846400
3	.825294	.820026	.814781	.809558	.804357	.799179	.794023	.788889	.783777	.778688
4	.774125	.767544	.761005	.754508	.748052	.741638	.735265	.728933	.722643	.716393
5	.726130	.718421	.710779	.703201	.695688	.688240	.680855	.673535	.666277	.659082
6	.681110	.672442	.663867	.655383	.646990	.638687	.630472	.622346	.614307	.606355
7	.638881	.629406	.620052	.610817	.601701	.592701	.583817	.575048	.566391	.557847
8	.599270	.589124	.579129	.569282	.559582	.550027	.540615	.531344	.522213	.513219

TABLE D.—SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN IN A CHARITABLE REMAINDER UNITRUST—Continued

[Applicable after April 30, 1989]

Years	Adjusted payout rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
9	.562115	.551420	.540906	.530571	.520411	.510425	.500609	.490962	.481480	.472161
10	.527264	.516129	.505206	.494492	.483982	.473674	.463564	.453649	.443925	.434388
11	.494574	.483097	.471863	.460866	.450104	.439570	.429260	.419171	.409298	.399637
12	.463910	.452179	.440720	.429527	.418596	.407921	.397495	.387314	.377373	.367666
13	.435148	.423239	.411632	.400320	.389295	.378550	.368081	.357879	.347938	.338253
14	.408169	.396152	.384465	.373098	.362044	.351295	.340843	.330680	.320799	.311193
15	.382862	.370798	.359090	.347727	.336701	.326002	.315620	.305548	.295777	.286297
16	.359125	.347067	.335390	.324082	.313132	.302529	.292264	.282326	.272706	.263394
17	.336859	.324855	.313254	.302044	.291213	.280747	.270637	.260870	.251435	.242322
18	.315974	.304064	.292579	.281505	.270828	.260533	.250610	.241044	.231823	.222936
19	.296383	.284604	.273269	.262363	.251870	.241775	.232065	.222724	.213741	.205101
20	.278008	.266389	.255233	.244522	.234239	.224367	.214892	.205797	.197069	.188693

TABLE D.—SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN IN A CHARITABLE REMAINDER UNITRUST

[Applicable after April 30, 1989]

Years	Adjusted payout rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
1	.918000	.916000	.914000	.912000	.910000	.908000	.906000	.904000	.902000	.900000
2	.842724	.839056	.835396	.831744	.828100	.824464	.820836	.817216	.813604	.810000
3	.773621	.768575	.763552	.758551	.753571	.748613	.743677	.738763	.733871	.729000
4	.710184	.704015	.697886	.691798	.685750	.679741	.673772	.667842	.661951	.656100
5	.651949	.644878	.637868	.630920	.624032	.617205	.610437	.603729	.597080	.590490
6	.598489	.590708	.583012	.575399	.567869	.560422	.553056	.545771	.538566	.531441
7	.549413	.541089	.532873	.524764	.516761	.508863	.501069	.493377	.485787	.478297
8	.504361	.495637	.487046	.478585	.470253	.462048	.453968	.446013	.438180	.430467
9	.463003	.454004	.445160	.436469	.427930	.419539	.411295	.403196	.395238	.387420
10	.425037	.415867	.406876	.398060	.389416	.380942	.372634	.364489	.356505	.348678
11	.390184	.380934	.371885	.363031	.354369	.345895	.337606	.329498	.321567	.313811
12	.358189	.348936	.339902	.331084	.322475	.314073	.305871	.297866	.290054	.282430
13	.328817	.319625	.310671	.301949	.293453	.285178	.277119	.269271	.261628	.254187
14	.301854	.292777	.283953	.275377	.267042	.258942	.251070	.243421	.235989	.228768
15	.277102	.268184	.259533	.251144	.243008	.235119	.227469	.220053	.212862	.205891
16	.254380	.245656	.237213	.229043	.221137	.213488	.206087	.198928	.192001	.185302
17	.233521	.225021	.216813	.208887	.201235	.193847	.186715	.179830	.173185	.166772
18	.214372	.206119	.198167	.190505	.183124	.176013	.169164	.162567	.156213	.150095
19	.196794	.188805	.181125	.173741	.166643	.159820	.153262	.146960	.140904	.135085
20	.180657	.172946	.165548	.158452	.151645	.145117	.138856	.132852	.127096	.121577

TABLE D.—SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN IN A CHARITABLE REMAINDER UNITRUST

[Applicable after April 30, 1989]

Years	Adjusted payout rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
1	.898000	.896000	.894000	.892000	.890000	.888000	.886000	.884000	.882000	.880000
2	.806404	.802816	.799236	.795664	.792100	.788544	.784996	.781456	.777924	.774400
3	.724151	.719323	.714517	.709732	.704969	.700227	.695506	.690807	.686129	.681472
4	.650287	.644514	.638778	.633081	.627422	.621802	.616219	.610673	.605166	.599695
5	.583958	.577484	.571068	.564708	.558406	.552160	.545970	.539835	.533756	.527732
6	.524394	.517426	.510535	.503720	.496981	.490318	.483729	.477214	.470773	.464404
7	.470906	.463613	.456418	.449318	.442313	.435402	.428584	.421858	.415222	.408676
8	.422874	.415398	.408038	.400792	.393659	.386637	.379726	.372922	.366226	.359635
9	.379741	.372196	.364786	.357506	.350356	.343334	.336437	.329663	.323011	.316478
10	.341007	.333488	.326118	.318896	.311817	.304881	.298083	.291422	.284896	.278501
11	.306224	.298805	.291550	.284455	.277517	.270734	.264102	.257617	.251278	.245081
12	.274989	.267729	.260645	.253734	.246990	.240412	.233994	.227734	.221627	.215671
13	.246941	.239886	.233017	.226331	.219821	.213486	.207319	.201317	.195475	.189791
14	.221753	.214937	.208317	.201887	.195641	.189575	.183684	.177964	.172409	.167016
15	.199134	.192584	.186236	.180083	.174121	.168343	.162744	.157320	.152065	.146974
16	.178822	.172555	.166495	.160634	.154967	.149488	.144191	.139071	.134121	.129337

TABLE D.—SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN IN A CHARITABLE REMAINDER UNITRUST—Continued

[Applicable after April 30, 1989]

Years	Adjusted payout rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
17	.160582	.154609	.148846	.143286	.137921	.132746	.127754	.122939	.118295	.113817
18	.144203	.138530	.133069	.127811	.122750	.117878	.113190	.108678	.104336	.100159
19	.129494	.124123	.118963	.114007	.109247	.104676	.100286	.096071	.092024	.088140
20	.116286	.111214	.106353	.101694	.097230	.092952	.088853	.084927	.081166	.077563

TABLE D.—SHOWING THE PRESENT WORTH OF A REMAINDER INTEREST POSTPONED FOR A TERM CERTAIN IN A CHARITABLE REMAINDER UNITRUST

[Applicable after April 30, 1989]

Years	Adjusted payout rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
1	.878000	.876000	.874000	.872000	.870000	.868000	.866000	.864000	.862000	.860000
2	.770884	.767376	.763876	.760384	.756900	.753424	.749956	.746496	.743044	.739600
3	.676836	.672221	.667628	.663055	.658503	.653972	.649462	.644973	.640504	.636056
4	.594262	.588866	.583507	.578184	.572898	.567648	.562434	.557256	.552114	.547008
5	.521762	.515847	.509985	.504176	.498421	.492718	.487068	.481469	.475923	.470427
6	.458107	.451882	.445727	.439642	.433626	.427679	.421801	.415990	.410245	.404567
7	.402218	.395848	.389565	.383368	.377255	.371226	.365279	.359415	.353631	.347928
8	.353147	.346763	.340480	.334297	.328212	.322224	.316332	.310535	.304830	.299218
9	.310063	.303764	.297579	.291507	.285544	.279690	.273944	.268302	.262764	.257327
10	.272236	.266098	.260084	.254194	.248423	.242771	.237235	.231813	.226502	.221302
11	.239023	.233102	.227314	.221657	.216128	.210725	.205446	.200286	.195245	.190319
12	.209862	.204197	.198672	.193285	.188032	.182910	.177916	.173047	.168301	.163675
13	.184259	.178877	.173640	.168544	.163588	.158766	.154075	.149513	.145076	.140760
14	.161779	.156696	.151761	.146971	.142321	.137809	.133429	.129179	.125055	.121054
15	.142042	.137266	.132639	.128158	.123819	.119618	.115550	.111611	.107798	.104106
16	.124713	.120245	.115927	.111754	.107723	.103828	.100066	.096432	.092922	.089531
17	.109498	.105334	.101320	.097450	.093719	.090123	.086657	.083317	.080098	.076997
18	.096139	.092273	.088554	.084976	.081535	.078227	.075045	.071986	.069045	.066217
19	.084410	.080831	.077396	.074099	.070936	.067901	.064989	.062196	.059517	.056947
20	.074112	.070808	.067644	.064614	.061714	.058938	.056280	.053737	.051303	.048974

TABLE F(4.2).—WITH INTEREST AT 4.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.989820	.984755	.981389
1	2	.996577	.986432	.981385	.978030
2	3	.993166	.983056	.978026	
3	4	.989767	.979691	.974679	
4	5	.986380	.976338		
5	6	.983004	.972996		
6	7	.979639	.969666		
7	8	.976286			
8	9	.972945			
9	10	.969615			
10	11	.966296			
11	12	.962989			
12		.959693			

TABLE F(4.4).—WITH INTEREST AT 4.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.989350	.984054	.980533
1	2	.996418	.985806	.980529	.977021
2	3	.992849	.982275	.977017	
3	4	.989293	.978757	.973517	
4	5	.985749	.975251		
5	6	.982219	.971758		
6	7	.978700	.968277		
7	8	.975195			
8	9	.971702			
9	10	.968221			
10	11	.964753			
11	12	.961298			
12		.957854			

TABLE F(4.6).—WITH INTEREST AT 4.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.988882	.983354	.979680
1	2	.996259	.985183	.979676	.976015
2	3	.992532	.981498	.976011	
3	4	.988820	.977826	.972360	
4	5	.985121	.974168		
5	6	.981436	.970524		
6	7	.977764	.966894		
7	8	.974107			
8	9	.970463			
9	10	.966832			
10	11	.963216			
11	12	.959613			
12		.956023			

TABLE F(4.8).—With Interest at 4.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.988415	.982657	.978830
1	2	.996101	.984561	.978825	.975013
2	3	.992217	.980722	.975008	
3	4	.988348	.976898	.971206	
4	5	.984494	.973089		
5	6	.980655	.969294		
6	7	.976831	.965515		
7	8	.973022			
8	9	.969228			
9	10	.965448			
10	11	.961684			

TABLE F(4.8).—With Interest at 4.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS—Continued

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
11	12	.957934			
12	.....	.954198			

TABLE F(5.0).—WITH INTEREST AT 5.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.987950	.981961	.977982
1	2	.995942	.983941	.977977	.974014
2	3	.991901	.979949	.974009	
3	4	.987877	.975973	.970057	
4	5	.983868	.972013		
5	6	.979876	.968069		
6	7	.975900	.964141		
7	8	.971940			
8	9	.967997			
9	10	.964069			
10	11	.960157			
11	12	.956261			
12	.....	.952381			

TABLE F(5.2).—WITH INTEREST AT 5.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.987486	.981268	.977137
1	2	.995784	.983323	.977132	.973018
2	3	.991587	.979178	.973012	
3	4	.987407	.975050	.968911	
4	5	.983244	.970940		
5	6	.979099	.966847		
6	7	.974972	.962771		
7	8	.970862			
8	9	.966769			
9	10	.962694			
10	11	.958636			
11	12	.954594			
12	.....	.950570			

TABLE F(5.4).—WITH INTEREST AT 5.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.987023	.980577	.976295
1	2	.995627	.982707	.976289	.972026
2	3	.991273	.978409	.972019	
3	4	.986938	.974131	.967769	
4	5	.982622	.969871		
5	6	.978325	.965629		
6	7	.974047	.961407		
7	8	.969787			
8	9	.965546			
9	10	.961323			
10	11	.957119			
11	12	.952934			
12	.....	.948767			

TABLE F(5.6).—WITH INTEREST AT 5.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.986562	.979888	.975455
1	2	.995470	.982092	.975449	.971036
2	3	.990960	.977643	.971029	
3	4	.986470	.973214	.966630	
4	5	.982001	.968805		
5	6	.977552	.964416		
6	7	.973124	.960047		
7	8	.968715			
8	9	.964326			
9	10	.959958			
10	11	.955609			
11	12	.951279			
12	.....	.946970			

TABLE F(5.8).—WITH INTEREST AT 5.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.986102	.979201	.974618
1	2	.995313	.981480	.974611	.970050
2	3	.990647	.976879	.970043	
3	4	.986004	.972300	.965496	
4	5	.981382	.967743		
5	6	.976782	.963206		
6	7	.972203	.958692		
7	8	.967646			
8	9	.963111			
9	10	.958596			
10	11	.954103			
11	12	.949631			
12	.....	.945180			

TABLE F(6.0).—WITH INTEREST AT 6.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.985643	.978516	.973784
1	2	.995156	.980869	.973776	.969067
2	3	.990336	.976117	.969059	
3	4	.985538	.971389	.964365	
4	5	.980764	.966684		
5	6	.976014	.962001		
6	7	.971286	.957341		
7	8	.966581			
8	9	.961899			
9	10	.957239			
10	11	.952603			
11	12	.947988			
12	.....	.943396			

TABLE F(6.2).—WITH INTEREST AT 6.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.985185	.977833	.972952
1	2	.995000	.980259	.972944	.968087
2	3	.990024	.975358	.968079	
3	4	.985074	.970481	.963238	
4	5	.980148	.965628		
5	6	.975247	.960799		
6	7	.970371	.955995		
7	8	.965519			
8	9	.960691			
9	10	.955887			
10	11	.951107			
11	12	.946352			
12	.....	.941620			

TABLE F(6.4).—WITH INTEREST AT 6.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.984729	.977152	.972122
1	2	.994844	.979652	.972114	.967110
2	3	.989714	.974600	.967101	
3	4	.984611	.969575	.962115	
4	5	.979534	.964576		
5	6	.974483	.959602		
6	7	.969458	.954654		
7	8	.964460			
8	9	.959487			
9	10	.954539			
10	11	.949617			

TABLE F(6.4).—WITH INTEREST AT 6.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS—Continued

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
11	12	.944721			
12	.....	.939850			

TABLE F(6.6).—WITH INTEREST AT 6.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.984274	.976473	.971295
1	2	.994688	.979046	.971286	.966136
2	3	.989404	.973845	.966127	
3	4	.984149	.968672	.960995	
4	5	.978921	.963527		
5	6	.973721	.958408		
6	7	.968549	.953317		
7	8	.963404			
8	9	.958286			
9	10	.953196			
10	11	.948132			
11	12	.943096			
12	.....	.938086			

TABLE F(6.8).—WITH INTEREST AT 6.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.983821	.975796	.970471
1	2	.994533	.978442	.970461	.965165
2	3	.989095	.973092	.965156	
3	4	.983688	.967772	.959879	
4	5	.978309	.962481		
5	6	.972961	.957219		
6	7	.967641	.951985		
7	8	.962351			
8	9	.957089			
9	10	.951857			
10	11	.946653			
11	12	.941477			
12	.....	.936330			

TABLE F(7.0).—WITH INTEREST AT 7.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.983368	.975122	.969649
1	2	.994378	.977839	.969639	.964198
2	3	.988787	.972342	.964187	
3	4	.983228	.966875	.958766	
4	5	.977700	.961439		
5	6	.972203	.956033		
6	7	.966736	.950658		
7	8	.961301			
8	9	.955896			
9	10	.950522			
10	11	.945178			
11	12	.939864			
12	.....	.934579			

TABLE F(7.2).—WITH INTEREST AT 7.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.982917	.974449	.968830
1	2	.994223	.977239	.968819	.963233
2	3	.988479	.971593	.963222	
3	4	.982769	.965980	.957658	
4	5	.977091	.960400		
5	6	.971446	.954851		
6	7	.965834	.949335		
7	8	.960255			
8	9	.954707			
9	10	.949192			
10	11	.943708			
11	12	.938256			
12	.....	.932836			

TABLE F(7.4).—WITH INTEREST AT 7.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.982467	.973778	.968013
1	2	.994068	.976640	.968002	.962271
2	3	.988172	.970847	.962260	
3	4	.982311	.965088	.956552	
4	5	.976484	.959364		
5	6	.970692	.953673		
6	7	.964935	.948017		
7	8	.959211			
8	9	.953521			
9	10	.947866			
10	11	.942243			

TABLE F(7.4).—WITH INTEREST AT 7.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS—Continued

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
11	12	.936654			
12	.....	.931099			

TABLE F(7.6).—WITH INTEREST AT 7.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.982019	.973109	.967199
1	2	.993914	.976042	.967187	.961313
2	3	.987866	.970103	.961301	
3	4	.981854	.964199	.955451	
4	5	.975879	.958331		
5	6	.969940	.952499		
6	7	.964037	.946703		
7	8	.958171			
8	9	.952340			
9	10	.946544			
10	11	.940784			
11	12	.935058			
12	.....	.929368			

TABLE F(7.8).—WITH INTEREST AT 7.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.0000000	.981571	.972442	.966387
1	2	.993761	.975447	.966374	.960357
2	3	.987560	.969361	.960345	
3	4	.981398	.963312	.954353	
4	5	.975275	.957302		
5	6	.969190	.951329		
6	7	.963143	.945393		
7	8	.957133			
8	9	.951161			
9	10	.945227			
10	11	.939329			
11	12	.933468			
12	.....	.927644			

TABLE F(8.0).—WITH INTEREST AT 8.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.981125	.971777	.965578
1	2	.993607	.974853	.965564	.959405
2	3	.987255	.968621	.959392	
3	4	.980944	.962429	.953258	
4	5	.974673	.956276		
5	6	.968442	.950162		
6	7	.962250	.944088		
7	8	.956099			
8	9	.949987			
9	10	.943913			
10	11	.937879			
11	12	.931883			
12	.....	.925926			

TABLE F(8.2).—WITH INTEREST AT 8.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.980680	.971114	.964771
1	2	.993454	.974261	.964757	.958455
2	3	.986951	.967883	.958441	
3	4	.980490	.961547	.952167	
4	5	.974072	.955253		
5	6	.967695	.949000		
6	7	.961361	.942788		
7	8	.955068			
8	9	.948816			
9	10	.942605			
10	11	.936434			
11	12	.930304			
12	.....	.924214			

TABLE F(8.2).—WITH INTEREST AT 8.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.980237	.970453	.963966
1	2	.993301	.973670	.963952	.957509
2	3	.986647	.967148	.957494	
3	4	.980037	.960669	.951080	
4	5	.973472	.954233		
5	6	.966951	.947841		
6	7	.960473	.941491		
7	8	.954039			
8	9	.947648			
9	10	.941300			
10	11	.934994			
11	12	.928731			
12	.....	.922509			

TABLE F(8.6).—WITH INTEREST AT 8.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.979794	.969794	.963164
1	2	.993148	.973081	.963149	.956565
2	3	.986344	.966414	.956550	
3	4	.979586	.959793	.949996	
4	5	.972874	.953217		
5	6	.966209	.946686		
6	7	.959589	.940199		
7	8	.953014			
8	9	.946484			
9	10	.940000			
10	11	.933559			
11	12	.927163			
12	.....	.920810			

TABLE F(8.8).—WITH INTEREST AT 8.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.979353	.969136	.962364
1	2	.992996	.972494	.962349	.955624
2	3	.986041	.965683	.955609	
3	4	.979135	.958919	.948916	
4	5	.972278	.952203		
5	6	.965468	.945534		
6	7	.958706	.938912		
7	8	.951992			
8	9	.945324			
9	10	.938703			
10	11	.932129			
11	12	.925600			
12	.....	.919118			

TABLE F(9.0).—WITH INTEREST AT 9.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.978913	.968481	.961567
1	2	.992844	.971908	.961551	.954686
2	3	.985740	.964954	.954670	
3	4	.978686	.958049	.947839	
4	5	.971683	.951193		
5	6	.964730	.944387		
6	7	.957826	.937629		
7	8	.950972			
8	9	.944167			
9	10	.937411			
10	11	.930703			
11	12	.924043			
12	.....	.917431			

TABLE F(9.2).—WITH INTEREST AT 9.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.978474	.967827	.960772
1	2	.992693	.971324	.960755	.953752
2	3	.985439	.964226	.953734	
3	4	.978238	.957180	.946765	
4	5	.971089	.950186		
5	6	.963993	.943242		
6	7	.956949	.936350		
7	8	.949956			
8	9	.943014			
9	10	.936123			
10	11	.929283			
11	12	.922492			
12	.....	.915751			

TABLE F (9.4).—WITH INTEREST AT 9.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.978037	.967176	.959980
1	2	.992541	.970742	.959962	.952820
2	3	.985138	.963501	.952802	
3	4	.977790	.956315	.945695	
4	5	.970497	.949182		
5	6	.963258	.942102		
6	7	.956074	.935075		
7	8	.948942			
8	9	.941865			
9	10	.934839			
10	11	.927867			
11	12	.920946			
12	.....	.914077			

TABLE F(9.6).—WITH INTEREST AT 9.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.977600	.966526	.959190
1	2	.992390	.970161	.959171	.951890
2	3	.984838	.962778	.951872	
3	4	.977344	.955452	.944628	
4	5	.969906	.948181		
5	6	.962526	.940965		
6	7	.955201	.933805		
7	8	.947932			
8	9	.940718			
9	10	.933560			
10	11	.926455			
11	12	.919405			
12	.....	.912409			

TABLE F(9.8).—With Interest at 9.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.977165	.965878	.958402
1	2	.992239	.969582	.958382	.950964
2	3	.984539	.962057	.950945	
3	4	.976898	.954591	.943565	
4	5	.969317	.947183		
5	6	.961795	.939832		
6	7	.954331	.932539		
7	8	.946924			
8	9	.939576			
9	10	.932284			
10	11	.925049			
11	12	.917870			
12	.....	.910747			

TABLE F(10.0).—With Interest at 10.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.976731	.965232	.957616
1	2	.992089	.969004	.957596	.950041
2	3	.984240	.961338	.950021	
3	4	.976454	.953733	.942505	
4	5	.968729	.946188		
5	6	.961066	.938703		
6	7	.953463	.931277		
7	8	.945920			
8	9	.938436			
9	10	.931012			
10	11	.923647			
11	12	.916340			
12	.....	.909091			

TABLE F(10.2).—WITH INTEREST AT 10.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.976298	.964588	.956833
1	2	.991939	.968428	.956812	.949120
2	3	.983943	.960622	.949099	
3	4	.976011	.952878	.941448	
4	5	.968143	.945196		
5	6	.960338	.937577		
6	7	.952597	.930019		
7	8	.944918			
8	9	.937301			
9	10	.929745			
10	11	.922250			
11	12	.914816			
12	.....	.907441			

TABLE F(10.4).—WITH INTEREST AT 10.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.975867	.963946	.956052
1	2	.991789	.967854	.956031	.948202
2	3	.983645	.959907	.948181	
3	4	.975568	.952025	.940395	
4	5	.967558	.944208		
5	6	.959613	.936455		
6	7	.951734	.928765		
7	8	.943919			
8	9	.936168			
9	10	.928481			
10	11	.920858			
11	12	.913296			
12	.....	.905797			

TABLE F(10.6).—WITH INTEREST AT 10.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.975436	.963305	.955274
1	2	.991639	.967281	.955252	.947287
2	3	.983349	.959194	.947265	
3	4	.975127	.951174	.939345	
4	5	.966974	.943222		
5	6	.958890	.935336		
6	7	.950873	.927516		
7	8	.942923			
8	9	.935039			
9	10	.927222			
10	11	.919470			
11	12	.911782			
12	.....	.904159			

TABLE F(10.8).—WITH INTEREST AT 10.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.975007	.962667	.954498
1	2	.991490	.966710	.954475	.946375
2	3	.983052	.958483	.946352	
3	4	.974687	.950327	.938299	
4	5	.966392	.942239		
5	6	.958168	.934221		
6	7	.950014	.926271		
7	8	.941930			
8	9	.933914			
9	10	.925966			
10	11	.918086			
11	12	.910273			
12	.....	.902527			

TABLE F(11.0).—WITH INTEREST AT 11.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.974579	.962030	.953724
1	2	.991341	.966140	.953700	.945466
2	3	.982757	.957774	.945442	
3	4	.974247	.949481	.937255	
4	5	.965811	.941260		
5	6	.957449	.933109		
6	7	.949158	.925029		
7	8	.940939			
8	9	.932792			
9	10	.924715			
10	11	.916708			
11	12	.908770			
12	.....	.900901			

TABLE F(11.2).—WITH INTEREST AT 11.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.974152	.961395	.952952
1	2	.991192	.965572	.952927	.944559
2	3	.982462	.957068	.944534	
3	4	.973809	.948638	.936215	
4	5	.965232	.940283		
5	6	.956731	.932001		
6	7	.948304	.923792		
7	8	.939952			
8	9	.931673			
9	10	.923467			
10	11	.915333			
11	12	.907272			
12	.....	.899281			

TABLE F(11.4).—WITH INTEREST AT 11.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.973726	.960762	.952183
1	2	.991044	.965005	.952157	.943655
2	3	.982168	.956363	.943630	
3	4	.973372	.947798	.935178	
4	5	.964654	.939309		
5	6	.956015	.930896		
6	7	.947452	.922559		
7	8	.938967			
8	9	.930557			
9	10	.922223			
10	11	.913964			
11	12	.905778			
12	.....	.897666			

TABLE F(11.6).—WITH INTEREST AT 11.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.973302	.960130	.951416
1	2	.990896	.964440	.951389	.942754
2	3	.981874	.955660	.942728	
3	4	.972935	.946959	.934145	
4	5	.964077	.938338		
5	6	.955300	.929795		
6	7	.946603	.921330		
7	8	.937985			
8	9	.929445			
9	10	.920984			
10	11	.912599			
11	12	.904290			
12	.....	.896057			

TABLE F(11.8).—WITH INTEREST AT 11.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Seminannual period	Quarterly period	Monthly period
	1	1.000000	.972878	.959501	.950651
1	2	.990748	.963877	.950624	.941855
2	3	.981582	.954959	.941828	
3	4	.972500	.946124	.933114	
4	5	.963502	.937370		
5	6	.954588	.928698		
6	7	.945756	.920105		
7	8	.937006			
8	9	.928337			
9	10	.919748			
10	11	.911238			
11	12	.902807			
12	.....	.894454			

TABLE F(12.0).—WITH INTEREST AT 12.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Seminannual period	Quarterly period	Monthly period
	1	1.000000	.972456	.958873	.949888
1	2	.990600	.963315	.949860	.940960
2	3	.981289	.954260	.940932	
3	4	.972065	.945290	.932087	
4	5	.962928	.936405		
5	6	.953877	.927603		
6	7	.944911	.918884		
7	8	.936029			
8	9	.927231			
9	10	.918515			
10	11	.909882			
11	12	.901329			
12	.....	.892857			

TABLE F(12.2).—WITH INTEREST AT 12.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.972034	.958247	.949128
1	2	.990453	.962754	.949099	.940067
2	3	.980997	.953563	.940038	
3	4	.971632	.944460	.931063	
4	5	.962356	.935443		
5	6	.953168	.926512		
6	7	.944069	.917667		
7	8	.935056			
8	9	.926129			
9	10	.917287			
10	11	.908530			
11	12	.899856			
12	.....	.891266			

TABLE F(12.4).—WITH INTEREST AT 12.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Montly period
	1	1.000000	.971614	.957623	.948370
1	2	.990306	.962195	.948340	.939176
2	3	.980706	.952868	.939147	
3	4	.971199	.943631	.930043	
4	5	.961785	.934484		
5	6	.952461	.925425		
6	7	.943228	.916454		
7	8	.934085			
8	9	.925030			
9	10	.916063			
10	11	.907183			
11	12	.898389			
12	.....	.889680			

TABLE F(12.6).—WITH INTEREST AT 12.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	but less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.971195	.957000	.947614
1	2	.990159	.961638	.947583	.938289
2	3	.980416	.952175	.938258	
3	4	.970768	.942805	.929025	
4	5	.961215	.933527		
5	6	.951756	.924341		
6	7	.942390	.915245		
7	8	.933117			
8	9	.923934			
9	10	.914842			
10	11	.905840			

TABLE F(12.6).—WITH INTEREST AT 12.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS—Continued

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	but less than	Annual period	Semiannual period	Quarterly period	Monthly period
11	12	.896926			
12	.....	.888099			

TABLE F(12.8).—WITH INTEREST AT 12.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	but less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.970777	.956379	.946860
1	2	.990013	.961082	.946828	.937403
2	3	.980126	.951484	.937372	
3	4	.970337	.941981	.928011	
4	5	.960647	.932574		
5	6	.951053	.923260		
6	7	.941554	.914040		
7	8	.932151			
8	9	.922842			
9	10	.913625			
10	11	.904501			
11	12	.895468			
12	.....	.886525			

TABLE F(13.0).—WITH INTEREST AT 13.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.970360	.955760	.946108
1	2	.989867	.960528	.946075	.936521
2	3	.979836	.950795	.936489	
3	4	.969908	.941160	.926999	
4	5	.960079	.931623		
5	6	.950351	.922183		
6	7	.940721	.912838		
7	8	.931188			
8	9	.921753			
9	10	.912412			
10	11	.903167			
11	12	.894015			
12	.....	.884956			

TABLE F(13.2).—WITH INTEREST AT 13.2 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.969945	.955143	.945359
1	2	.989721	.959975	.945325	.935641
2	3	.979548	.950107	.935608	
3	4	.969479	.940341	.925991	
4	5	.959514	.930675		
5	6	.949651	.921109		
6	7	.939889	.911641		
7	8	.930228			
8	9	.920667			
9	10	.911203			
10	11	.901837			
11	12	.892567			
12	.....	.883392			

TABLE F(13.4).—WITH INTEREST AT 13.4 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quaterly period	Monthly period
	1	1.000000	.969530	.954527	.944611
1	2	.989575	.959423	.944577	.934764
2	3	.979260	.949422	.934730	
3	4	.969051	.939524	.924986	
4	5	.958949	.929730		
5	6	.948953	.920038		
6	7	.939060	.910447		
7	8	.929271			
8	9	.919584			
9	10	.909998			
10	11	.900511			
11	12	.891124			
12	.....	.881834			

TABLE F(13.6).—WITH INTEREST AT 13.6 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quaterly period	Monthly period
	1	1.000000	.969117	.953913	.943866
1	2	.989430	.958873	.943831	.933890
2	3	.978972	.948738	.933854	
3	4	.968624	.938710	.923984	
4	5	.958386	.928788		
5	6	.948256	.918971		
6	7	.938233	.909257		
7	8	.928316			
8	9	.918504			
9	10	.908796			
10	11	.899190			
11	12	.889686			
12	.....	.880282			

TABLE F(13.8).—WITH INTEREST AT 13.8 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first full taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.968704	.953301	.943123
1	2	.989285	.958325	.943087	.933018
2	3	.978685	.948056	.932982	
3	4	.968199	.937898	.922985	
4	5	.957824	.927849		
5	6	.947561	.917907		
6	7	.937408	.908072		
7	8	.927364			
8	9	.917428			
9	10	.907598			
10	11	.897873			
11	12	.888252			
12	.....	.878735			

TABLE F(14.0).—WITH INTEREST AT 14.0 PERCENT, SHOWING FACTORS FOR COMPUTATION OF THE ADJUSTED PAYOUT RATE FOR CERTAIN VALUATIONS

[Applicable after April 30, 1989]

1 Number of months by which the valuation date for the first rull taxable year of the trust precedes the first payout		2 Factors for payout at the end of each period			
At least	But less than	Annual period	Semiannual period	Quarterly period	Monthly period
	1	1.000000	.968293	.952691	.942382
1	2	.989140	.957778	.942345	.932148
2	3	.978399	.947377	.932111	
3	4	.967774	.937088	.921989	
4	5	.957264	.926912		
5	6	.946868	.916846		
6	7	.936586	.906889		
7	8	.926415			
8	9	.916354			
9	10	.906403			
10	11	.896560			
11	12	.886824			
12	.....	.877193			

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS

[Applicable After April 30, 1989]

Age	Adjusted payout rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
0	.06797	.06181	.05645	.05177	.04768	.04410	.04096	.03820	.03578	.03364
1	.05881	.05243	.04686	.04199	.03773	.03400	.03072	.02784	.02531	.02308
2	.06049	.05394	.04821	.04319	.03880	.03494	.03155	.02856	.02593	.02361
3	.06252	.05579	.04990	.04473	.04020	.03621	.03270	.02961	.02688	.02446
4	.06479	.05788	.05182	.04650	.04183	.03771	.03408	.03087	.02804	.02553
5	.06724	.06016	.05393	.04845	.04363	.03937	.03562	.03230	.02936	.02675
6	.06984	.06257	.05618	.05054	.04557	.04117	.03729	.03385	.03080	.02809
7	.07259	.06513	.05856	.05276	.04764	.04310	.03909	.03552	.03236	.02954
8	.07548	.06784	.06109	.05513	.04985	.04517	.04102	.03733	.03405	.03113
9	.07854	.07071	.06378	.05765	.05221	.04738	.04310	.03928	.03588	.03285
10	.08176	.07374	.06663	.06033	.05473	.04976	.04533	.04138	.03786	.03471
11	.08517	.07695	.06966	.06319	.05743	.05230	.04772	.04364	.04000	.03673
12	.08872	.08031	.07284	.06619	.06026	.05498	.05026	.04604	.04227	.03889
13	.09238	.08378	.07612	.06929	.06320	.05776	.05289	.04853	.04463	.04113
14	.09608	.08728	.07943	.07243	.06616	.06056	.05554	.05104	.04701	.04338
15	.09981	.09081	.08276	.07557	.06914	.06337	.05820	.05356	.04938	.04563

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable After April 30, 1989]

Age	Adjusted payout rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
16	.10356	.09435	.08612	.07874	.07213	.06619	.06086	.05607	.05176	.04787
17	.10733	.09792	.08949	.08192	.07513	.06902	.06353	.05858	.05413	.05010
18	.11117	.10155	.09291	.08515	.07817	.07189	.06623	.06113	.05652	.05236
19	.11509	.10526	.09642	.08847	.08130	.07484	.06901	.06375	.05899	.05469
20	.11913	.10908	.10003	.09188	.08452	.07788	.07188	.06645	.06154	.05708
21	.12326	.11300	.10375	.09539	.08784	.08101	.07483	.06923	.06416	.05955
22	.12753	.11705	.10758	.09902	.09127	.08426	.07789	.07212	.06688	.06212
23	.13195	.12125	.11156	.10279	.09484	.08763	.08109	.07514	.06973	.06481
24	.13655	.12563	.11573	.10675	.09860	.09119	.08446	.07833	.07274	.06766
25	.14136	.13022	.12010	.11091	.10255	.09495	.08802	.08171	.07595	.07069
26	.14640	.13504	.12471	.11530	.10674	.09893	.09181	.08531	.07937	.07394
27	.15169	.14011	.12956	.11994	.11117	.10316	.09584	.08915	.08302	.07742
28	.15721	.14542	.13465	.12482	.11583	.10762	.10010	.09322	.08691	.08112
29	.16299	.15097	.13999	.12994	.12075	.11233	.10461	.09753	.09104	.08507
30	.16901	.15678	.14559	.13533	.12592	.11729	.10937	.10210	.09541	.08926
31	.17531	.16287	.15146	.14099	.13137	.12254	.11441	.10694	.10006	.09372
32	.18186	.16921	.15759	.14691	.13709	.12804	.11972	.11205	.10497	.09844
33	.18869	.17584	.16401	.15312	.14309	.13384	.12531	.11744	.11017	.10345
34	.19578	.18273	.17070	.15961	.14937	.13992	.13119	.12312	.11565	.10874
35	.20315	.18990	.17767	.16637	.15593	.14628	.13735	.12908	.12142	.11431
36	.21076	.19732	.18490	.17340	.16276	.15291	.14377	.13531	.12745	.12016
37	.21863	.20501	.19239	.18071	.16987	.15982	.15049	.14182	.13377	.12628
38	.22676	.21296	.20016	.18828	.17725	.16701	.15748	.14862	.14037	.13269
39	.23515	.22118	.20820	.19614	.18492	.17448	.16476	.15571	.14727	.13940
40	.24379	.22967	.21652	.20428	.19288	.18225	.17234	.16310	.15447	.14641
41	.25270	.23842	.22511	.21270	.20112	.19031	.18021	.17078	.16197	.15372
42	.26184	.24742	.23395	.22137	.20962	.19864	.18836	.17875	.16975	.16132
43	.27123	.25666	.24305	.23031	.21840	.20724	.19679	.18700	.17782	.16921
44	.28085	.26616	.25241	.23952	.22745	.21613	.20551	.19554	.18618	.17739
45	.29072	.27591	.26203	.24901	.23678	.22530	.21452	.20438	.19485	.18589
46	.30082	.28591	.27191	.25875	.24639	.23476	.22381	.21352	.20382	.19468
47	.31116	.29616	.28204	.26877	.25626	.24449	.23340	.22295	.21309	.20379
48	.32171	.30663	.29241	.27902	.26640	.25449	.24326	.23265	.22264	.21318
49	.33245	.31730	.30300	.28950	.27676	.26473	.25336	.24262	.23246	.22285
50	.34338	.32816	.31379	.30020	.28735	.27521	.26371	.25283	.24253	.23277
51	.35449	.33923	.32479	.31112	.29818	.28593	.27431	.26331	.25287	.24297
52	.36582	.35053	.33603	.32230	.30927	.29692	.28520	.27408	.26352	.25349
53	.37736	.36205	.34751	.33372	.32063	.30819	.29637	.28514	.27446	.26431
54	.38909	.37376	.35921	.34537	.33221	.31970	.30780	.29647	.28569	.27542
55	.40099	.38568	.37111	.35724	.34404	.33146	.31949	.30807	.29719	.28681
56	.41308	.39779	.38322	.36934	.35610	.34348	.33143	.31994	.30898	.29851
57	.42536	.41011	.39555	.38167	.36841	.35575	.34366	.33210	.32106	.31051
58	.43781	.42262	.40810	.39422	.38096	.36828	.35615	.34454	.33344	.32281
59	.45043	.43530	.42083	.40698	.39373	.38104	.36888	.35724	.34609	.33540
60	.46318	.44813	.43372	.41992	.40668	.39400	.38183	.37017	.35898	.34824
61	.47602	.46107	.44674	.43299	.41979	.40713	.39497	.38329	.37207	.36129
62	.48893	.47410	.45986	.44617	.43303	.42039	.40825	.39657	.38534	.37454
63	.50190	.48720	.47306	.45946	.44638	.43379	.42168	.41001	.39878	.38796
64	.51494	.50038	.48636	.47286	.45986	.44733	.43526	.42362	.41240	.40158
65	.52808	.51368	.49980	.48641	.47350	.46104	.44903	.43743	.42624	.41544
66	.54134	.52711	.51338	.50013	.48733	.47496	.46302	.45148	.44033	.42956
67	.55471	.54068	.52712	.51401	.50134	.48908	.47723	.46577	.45467	.44394
68	.56820	.55437	.54100	.52805	.51552	.50339	.49165	.48027	.46925	.45858
69	.58172	.56812	.55495	.54219	.52982	.51783	.50620	.49494	.48401	.47341
70	.59526	.58190	.56894	.55637	.54417	.53234	.52086	.50971	.49889	.48838
71	.60874	.59564	.58291	.57055	.55854	.54687	.53554	.52453	.51382	.50342
72	.62218	.60934	.59685	.58471	.57291	.56143	.55026	.53939	.52882	.51854
73	.63557	.62301	.61078	.59887	.58728	.57600	.56501	.55431	.54389	.53373
74	.64896	.63669	.62472	.61307	.60171	.59064	.57985	.56932	.55906	.54906
75	.66237	.65040	.63872	.62733	.61622	.60538	.59480	.58447	.57439	.56455
76	.67581	.66416	.65279	.64168	.63083	.62023	.60988	.59977	.58989	.58023
77	.68925	.67793	.66688	.65606	.64550	.63516	.62506	.61517	.60551	.59605
78	.70263	.69166	.68093	.67044	.66016	.65010	.64026	.63062	.62119	.61195
79	.71585	.70525	.69486	.68468	.67471	.66495	.65538	.64600	.63681	.62780
80	.72885	.71860	.70856	.69872	.68906	.67959	.67031	.66120	.65227	.64350
81	.74150	.73162	.72193	.71242	.70308	.69392	.68492	.67609	.66742	.65890
82	.75376	.74425	.73490	.72572	.71671	.70785	.69915	.69059	.68219	.67393
83	.76559	.75643	.74744	.73859	.72989	.72134	.71293	.70466	.69652	.68852
84	.77700	.76821	.75955	.75104	.74266	.73441	.72629	.71831	.71044	.70270

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable After April 30, 1989]

Age	Adjusted payout rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
85	.78805	.77961	.77130	.76311	.75505	.74711	.73929	.73158	.72399	.71652
86	.79866	.79056	.78258	.77472	.76697	.75933	.75180	.74438	.73707	.72985
87	.80870	.80094	.79329	.78574	.77829	.77095	.76370	.75656	.74951	.74255
88	.81825	.81081	.80348	.79623	.78908	.78202	.77506	.76818	.76139	.75469
89	.82746	.82035	.81332	.80638	.79952	.79275	.78606	.77945	.77292	.76647
90	.83643	.82963	.82291	.81627	.80971	.80322	.79681	.79047	.78420	.77801
91	.84503	.83854	.83212	.82578	.81950	.81330	.80716	.80109	.79509	.78915
92	.85308	.84689	.84076	.83470	.82870	.82276	.81689	.81107	.80532	.79963
93	.86052	.85460	.84875	.84295	.83721	.83152	.82590	.82033	.81481	.80935
94	.86729	.86163	.85602	.85046	.84496	.83951	.83412	.82877	.82348	.81823
95	.87338	.86795	.86257	.85723	.85195	.84672	.84153	.83639	.83129	.82624
96	.87877	.87354	.86836	.86323	.85814	.85309	.84809	.84313	.83822	.83334
97	.88365	.87861	.87362	.86867	.86375	.85888	.85405	.84926	.84450	.83979
98	.88805	.88318	.87835	.87356	.86880	.86409	.85941	.85477	.85016	.84559
99	.89210	.88739	.88271	.87807	.87347	.86890	.86436	.85986	.85539	.85095
100	.89588	.89131	.88678	.88227	.87780	.87337	.86896	.86459	.86024	.85593
101	.89949	.89506	.89066	.88629	.88195	.87764	.87336	.86911	.86488	.86069
102	.90325	.89897	.89471	.89047	.88627	.88209	.87794	.87381	.86971	.86564
103	.90724	.90311	.89900	.89491	.89085	.88681	.88279	.87880	.87484	.87089
104	.91167	.90770	.90376	.89983	.89593	.89205	.88819	.88435	.88053	.87673
105	.91708	.91333	.90959	.90587	.90217	.89848	.89481	.89116	.88752	.88391
106	.92470	.92126	.91782	.91440	.91100	.90760	.90422	.90085	.89749	.89414
107	.93545	.93246	.92948	.92650	.92353	.92057	.91762	.91467	.91173	.90880
108	.95239	.95016	.94792	.94569	.94346	.94123	.93900	.93678	.93456	.93234
109	.97900	.97800	.97700	.97600	.97500	.97400	.97300	.97200	.97100	.97000

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS

[Applicable After April 30, 1989]

Age	Adjusted payout rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
0	.03176	.03009	.02861	.02730	.02613	.02509	.02416	.02333	.02258	.02191
1	.02110	.01936	.01781	.01644	.01522	.01413	.01316	.01229	.01150	.01080
2	.02156	.01974	.01812	.01669	.01541	.01427	.01325	.01234	.01152	.01078
3	.02233	.02043	.01875	.01725	.01591	.01471	.01364	.01268	.01182	.01105
4	.02330	.02132	.01956	.01800	.01660	.01535	.01422	.01322	.01231	.01149
5	.02443	.02237	.02054	.01890	.01743	.01612	.01494	.01389	.01293	.01208
6	.02568	.02353	.02162	.01990	.01837	.01700	.01576	.01465	.01365	.01275
7	.02704	.02480	.02280	.02102	.01941	.01798	.01668	.01552	.01446	.01351
8	.02852	.02619	.02411	.02224	.02057	.01906	.01770	.01648	.01537	.01437
9	.03014	.02772	.02554	.02360	.02184	.02027	.01885	.01756	.01640	.01535
10	.03190	.02938	.02711	.02508	.02325	.02160	.02012	.01877	.01755	.01645
11	.03381	.03119	.02883	.02672	.02481	.02308	.02153	.02012	.01884	.01768
12	.03585	.03313	.03068	.02847	.02648	.02468	.02305	.02157	.02023	.01902
13	.03798	.03515	.03260	.03030	.02822	.02635	.02464	.02310	.02170	.02042
14	.04012	.03718	.03453	.03213	.02997	.02801	.02623	.02462	.02315	.02181
15	.04225	.03919	.03644	.03395	.03169	.02965	.02779	.02611	.02457	.02317
16	.04436	.04120	.03833	.03574	.03339	.03126	.02932	.02756	.02595	.02449
17	.04647	.04319	.04021	.03752	.03507	.03285	.03082	.02898	.02730	.02577
18	.04860	.04519	.04210	.03930	.03675	.03443	.03232	.03040	.02864	.02703
19	.05079	.04725	.04404	.04113	.03847	.03606	.03386	.03185	.03001	.02833
20	.05304	.04938	.04604	.04301	.04025	.03773	.03543	.03333	.03141	.02965
21	.05537	.05157	.04811	.04495	.04208	.03945	.03705	.03486	.03285	.03101
22	.05779	.05385	.05025	.04698	.04398	.04125	.03874	.03645	.03435	.03242
23	.06032	.05623	.05250	.04910	.04598	.04313	.04052	.03812	.03592	.03390
24	.06302	.05878	.05491	.05136	.04812	.04515	.04242	.03992	.03762	.03550
25	.06589	.06150	.05748	.05380	.05042	.04733	.04448	.04187	.03946	.03725
26	.06897	.06442	.06025	.05643	.05292	.04969	.04673	.04400	.04148	.03916
27	.07228	.06757	.06325	.05928	.05563	.05227	.04917	.04632	.04369	.04126
28	.07582	.07094	.06646	.06234	.05854	.05504	.05182	.04884	.04609	.04355
29	.07958	.07454	.06990	.06562	.06167	.05804	.05468	.05157	.04870	.04604
30	.08360	.07838	.07357	.06913	.06504	.06125	.05775	.05452	.05152	.04874
31	.08788	.08249	.07751	.07291	.06866	.06472	.06108	.05771	.05457	.05167
32	.09242	.08685	.08170	.07694	.07252	.06844	.06465	.06113	.05786	.05483
33	.09724	.09149	.08617	.08124	.07666	.07242	.06848	.06482	.06141	.05824
34	.10234	.09641	.09091	.08581	.08107	.07667	.07257	.06876	.06521	.06191

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable After April 30, 1989]

Age	Adjusted payout rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
35	.10773	.10161	.09594	.09066	.08575	.08119	.07694	.07298	.06928	.06583
36	.11338	.10708	.10122	.09577	.09070	.08597	.08156	.07744	.07360	.07001
37	.11932	.11283	.10680	.10117	.09592	.09102	.08645	.08217	.07818	.07444
38	.12554	.11887	.11265	.10685	.10142	.09636	.09162	.08719	.08304	.07915
39	.13206	.12521	.11880	.11282	.10722	.10198	.09708	.09249	.08818	.08414
40	.13888	.13184	.12526	.11909	.11332	.10791	.10284	.09808	.09361	.08942
41	.14601	.13878	.13201	.12567	.11972	.11414	.10890	.10398	.09935	.09499
42	.15342	.14601	.13906	.13254	.12641	.12066	.11525	.11016	.10537	.10086
43	.16112	.15353	.14640	.13970	.13340	.12747	.12189	.11663	.11168	.10701
44	.16913	.16136	.15406	.14718	.14070	.13460	.12885	.12342	.11830	.11347
45	.17745	.16951	.16202	.15497	.14832	.14204	.13612	.13053	.12525	.12025
46	.18608	.17796	.17030	.16308	.15625	.14981	.14372	.13796	.13251	.12735
47	.19501	.18673	.17890	.17150	.16451	.15790	.15164	.14571	.14010	.13478
48	.20425	.19579	.18780	.18024	.17308	.16630	.15987	.15378	.14800	.14252
49	.21375	.20514	.19698	.18926	.18193	.17499	.16840	.16214	.15620	.15056
50	.22352	.21476	.20644	.19856	.19107	.18396	.17721	.17080	.16470	.15890
51	.23358	.22467	.21620	.20816	.20051	.19325	.18634	.17976	.17350	.16755
52	.24396	.23490	.22628	.21809	.21030	.20288	.19581	.18908	.18267	.17655
53	.25465	.24545	.23670	.22836	.22042	.21285	.20563	.19875	.19218	.18592
54	.26563	.25631	.24742	.23895	.23086	.22315	.21579	.20876	.20204	.19562
55	.27692	.26747	.25846	.24986	.24164	.23379	.22628	.21911	.21225	.20568
56	.28850	.27895	.26982	.26109	.25275	.24476	.23712	.22981	.22281	.21611
57	.30041	.29076	.28152	.27267	.26421	.25610	.24833	.24089	.23376	.22691
58	.31263	.30288	.29355	.28460	.27602	.26780	.25991	.25234	.24508	.23811
59	.32515	.31532	.30590	.29685	.28817	.27984	.27184	.26416	.25677	.24968
60	.33793	.32803	.31853	.30940	.30062	.29219	.28409	.27630	.26880	.26159
61	.35093	.34098	.33141	.32220	.31335	.30483	.29663	.28873	.28113	.27381
62	.36414	.35414	.34451	.33524	.32631	.31771	.30942	.30144	.29374	.28631
63	.37754	.36750	.35783	.34850	.33951	.33084	.32247	.31440	.30661	.29910
64	.39115	.38108	.37137	.36200	.35296	.34422	.33579	.32765	.31978	.31217
65	.40500	.39493	.38519	.37579	.36670	.35792	.34943	.34122	.33328	.32560
66	.41914	.40906	.39932	.38990	.38079	.37197	.36343	.35517	.34717	.33943
67	.43355	.42350	.41376	.40434	.39521	.38636	.37780	.36950	.36145	.35365
68	.44824	.43822	.42851	.41909	.40996	.40111	.39252	.38419	.37611	.36827
69	.46313	.45316	.44348	.43409	.42498	.41613	.40754	.39919	.39109	.38322
70	.47818	.46827	.45864	.44929	.44020	.43137	.42279	.41445	.40634	.39845
71	.49331	.48348	.47391	.46461	.45557	.44677	.43821	.42988	.42177	.41388
72	.50853	.49879	.48930	.48007	.47108	.46233	.45380	.44550	.43741	.42952
73	.52384	.51421	.50482	.49566	.48674	.47805	.46957	.46130	.45324	.44538
74	.53930	.52979	.52050	.51145	.50261	.49399	.48557	.47736	.46934	.46152
75	.55495	.54557	.53641	.52747	.51873	.51020	.50187	.49372	.48577	.47799
76	.57079	.56157	.55256	.54374	.53513	.52670	.51847	.51041	.50253	.49483
77	.58680	.57775	.56890	.56024	.55176	.54346	.53534	.52739	.51960	.51198
78	.60291	.59405	.58537	.57687	.56855	.56040	.55241	.54458	.53691	.52940
79	.61898	.61032	.60184	.59353	.58537	.57738	.56954	.56185	.55431	.54691
80	.63491	.62647	.61819	.61007	.60210	.59428	.58660	.57907	.57167	.56441
81	.65054	.64234	.63427	.62636	.61858	.61094	.60344	.59606	.58882	.58170
82	.66582	.65784	.65000	.64229	.63472	.62727	.61994	.61274	.60566	.59870
83	.68065	.67291	.66530	.65781	.65044	.64319	.63605	.62903	.62212	.61532
84	.69508	.68758	.68020	.67293	.66577	.65872	.65178	.64495	.63821	.63158
85	.70915	.70190	.69475	.68770	.68076	.67392	.66718	.66054	.65399	.64754
86	.72274	.71573	.70882	.70200	.69528	.68865	.68212	.67567	.66931	.66304
87	.73569	.72892	.72224	.71565	.70915	.70273	.69639	.69014	.68397	.67788
88	.74807	.74154	.73509	.72872	.72243	.71622	.71009	.70403	.69805	.69214
89	.76010	.75381	.74759	.74144	.73537	.72937	.72344	.71758	.71179	.70607
90	.77189	.76584	.75985	.75394	.74809	.74230	.73659	.73093	.72534	.71981
91	.78327	.77746	.77171	.76603	.76040	.75484	.74933	.74388	.73850	.73316
92	.79399	.78841	.78289	.77743	.77202	.76667	.76137	.75613	.75093	.74579
93	.80394	.79858	.79328	.78803	.78283	.77768	.77258	.76753	.76252	.75757
94	.81303	.80788	.80278	.79773	.79272	.78776	.78284	.77797	.77315	.76837
95	.82124	.81628	.81136	.80649	.80166	.79687	.79213	.78742	.78276	.77814
96	.82851	.82372	.81897	.81426	.80959	.80496	.80036	.79581	.79129	.78682
97	.83512	.83048	.82588	.82132	.81679	.81230	.80785	.80343	.79905	.79471
98	.84106	.83656	.83210	.82767	.82328	.81892	.81459	.81030	.80604	.80181
99	.84655	.84218	.83785	.83354	.82927	.82503	.82082	.81664	.81249	.80837
100	.85165	.84740	.84318	.83899	.83483	.83070	.82660	.82252	.81848	.81446
101	.85652	.85238	.84827	.84419	.84013	.83611	.83210	.82813	.82418	.82026
102	.86159	.85757	.85358	.84960	.84566	.84174	.83784	.83397	.83012	.82630
103	.86697	.86307	.85920	.85535	.85152	.84771	.84392	.84016	.83642	.83270

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable After April 30, 1989]

Age	Adjusted payout rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
104	.87295	.86919	.86544	.86172	.85802	.85434	.85068	.84704	.84341	.83981
105	.88030	.87672	.87315	.86959	.86605	.86253	.85903	.85554	.85207	.84861
106	.89081	.88749	.88418	.88088	.87760	.87433	.87106	.86782	.86458	.86135
107	.90588	.90296	.90005	.89715	.89425	.89137	.88849	.88561	.88275	.87989
108	.93013	.92791	.92570	.92350	.92129	.91909	.91689	.91469	.91250	.91031
109	.96900	.96800	.96700	.96600	.96500	.96400	.96300	.96200	.96100	.96000

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS

[Applicable after APRIL 30, 1989]

Age	Adjusted payout rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
0	.02130	.02075	.02025	.01980	.01939	.01901	.01867	.01835	.01806	.01779
1	.01017	.00960	.00908	.00861	.00819	.00780	.00745	.00712	.00683	.00655
2	.01011	.00951	.00897	.00848	.00803	.00762	.00725	.00690	.00659	.00630
3	.01035	.00971	.00914	.00862	.00815	.00771	.00732	.00696	.00663	.00632
4	.01076	.01009	.00948	.00894	.00843	.00798	.00756	.00718	.00683	.00650
5	.01130	.01059	.00996	.00938	.00885	.00836	.00792	.00752	.00714	.00680
6	.01193	.01119	.01051	.00990	.00934	.00883	.00836	.00793	.00754	.00717
7	.01265	.01187	.01116	.01051	.00992	.00938	.00888	.00842	.00800	.00762
8	.01347	.01264	.01189	.01121	.01058	.01001	.00948	.00900	.00856	00815
9	.01440	.01353	.01274	.01201	.01135	.01075	.01019	.00968	.00921	00877
10	.01544	.01453	.01369	.01293	.01223	.01159	.01101	.01046	.00997	.00950
11	.01662	.01566	.01478	.01398	.01324	.01257	.01195	.01137	.01085	01036
12	.01791	.01690	.01597	.01513	.01435	.01364	.01298	.01238	.01182	.01131
13	.01926	.01820	.01722	.01634	.01552	.01477	.01408	.01344	.01285	.01231
14	.02059	.01948	.01846	.01752	.01667	.01588	.01515	.01448	.01386	.01328
15	.02189	.02072	.01965	.01867	.01777	.01694	.01617	.01547	.01481	.01421
16	.02315	.02192	.02080	.01977	.01882	.01795	.01714	.01640	.01572	.01508
17	.02436	.02308	.02190	.02082	.01982	.01891	.01806	.01728	.01656	.01589
18	.02556	.02422	.02298	.02184	.02080	.01983	.01894	.01812	.01736	.01665
19	.02679	.02537	.02408	.02288	.02178	.02077	.01983	.01897	.01817	.01742
20	.02804	.02656	.02519	.02394	.02278	.02172	.02073	.01982	.01898	.01819
21	.02932	.02776	.02633	.02501	.02380	.02268	.02164	.02068	.01979	.01896
22	.03065	.02902	.02751	.02613	.02485	.02367	.02258	.02157	.02063	.01976
23	.03204	.03033	.02876	.02730	.02595	.02471	.02356	.02249	.02150	.02058
24	.03356	.03176	.03010	.02857	.02716	.02585	.02463	.02351	.02246	.02149
25	.03520	.03332	.03158	.02997	.02848	.02710	.02582	.02463	.02352	.02249
26	.03702	.03504	.03321	.03152	.02995	.02850	.02714	.02589	.02472	.02363
27	.03902	.03695	.03502	.03324	.03159	.03006	.02863	.02730	.02607	.02492
28	.04120	.03902	.03700	.03513	.03339	.03178	.03027	.02887	.02757	.02635
29	.04358	.04129	.03917	.03720	.03537	.03367	.03208	.03061	.02923	.02794
30	.04616	.04376	.04154	.03947	.03754	.03575	.03408	.03251	.03106	.02969
31	.04897	.04646	.04413	.04195	.03993	.03804	.03627	.03463	.03309	.03165
32	.05200	.04938	.04693	.04465	.04252	.04053	.03867	.03693	.03531	.03378
33	.05529	.05254	.04998	.04758	.04534	.04325	.04130	.03946	.03775	.03614
34	.05883	.05595	.05326	.05075	.04840	.04620	.04414	.04221	.04040	.03870
35	.06262	.05961	.05680	.05417	.05170	.04939	.04723	.04520	.04329	.04149
36	.06665	.06351	.06057	.05781	.05523	.05280	.05053	.04839	.04638	.04449
37	.07094	.06766	.06459	.06171	.05900	.05646	.05407	.05182	.04971	.04771
38	.07550	.07208	.06888	.06586	.06303	.06037	.05786	.05550	.05327	.05118
39	.08034	.07678	.07344	.07029	.06733	.06454	.06191	.05943	.05709	.05489
40	.08547	.08177	.07828	.07499	.07190	.06898	.06623	.06363	.06118	.05886
41	.09090	.08704	.08341	.07998	.07675	.07371	.07083	.06811	.06553	.06310
42	.09661	.09260	.08882	.08525	.08188	.07870	.07569	.07284	.07015	.06760
43	.10260	.09844	.09451	.09080	.08729	.08397	.08083	.07785	.07503	.07236
44	.10891	.10459	.10051	.09666	.09300	.08954	.08626	.08316	.08021	.07741
45	.11553	.11106	.10683	.10282	.09902	.09542	.09201	.08876	.08568	.08276
46	.12247	.11784	.11346	.10930	.10536	.10161	.09806	.09468	.09146	.08841
47	.12974	.12496	.12042	.11611	.11202	.10813	.10443	.10091	.09756	.09438
48	.13732	.13238	.12769	.12323	.11899	.11495	.11111	.10745	.10397	.10065
49	.14520	.14011	.13526	.13064	.12625	.12207	.11809	.11429	.11066	.10721
50	.15338	.14812	.14312	.13836	.13381	.12948	.12535	.12141	.11765	.11405
51	.16187	.15646	.15130	.14639	.14169	.13721	.13294	.12885	.12495	.12121
52	.17072	.16516	.15985	.15478	.14993	.14531	.14088	.13665	.13261	.12873
53	.17993	.17422	.16876	.16353	.15854	.15377	.14920	.14482	.14064	.13662

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after APRIL 30, 1989]

Age	Adjusted payout rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
54	.18949	.18362	.17801	.17264	.16750	.16258	.15787	.15335	.14902	.14486
55	.19940	.19339	.18763	.18212	.17683	.17176	.16690	.16224	.15777	.15348
56	.20968	.20353	.19762	.19196	.18654	.18132	.17632	.17152	.16691	.16247
57	.22035	.21406	.20802	.20222	.19665	.19129	.18615	.18121	.17646	.17189
58	.23142	.22499	.21881	.21287	.20717	.20168	.19640	.19132	.18643	.18172
59	.24286	.23630	.23000	.22393	.21809	.21247	.20705	.20184	.19682	.19198
60	.25465	.24797	.24154	.23534	.22938	.22363	.21808	.21274	.20759	.20262
61	.26676	.25996	.25341	.24710	.24101	.23513	.22946	.22399	.21871	.21361
62	.27916	.27225	.26559	.25916	.25295	.24695	.24117	.23557	.23017	.22495
63	.29184	.28483	.27806	.27152	.26520	.25909	.25319	.24748	.24196	.23661
64	.30483	.29772	.29085	.28421	.27779	.27157	.26555	.25973	.25409	.24863
65	.31817	.31098	.30402	.29729	.29076	.28444	.27832	.27240	.26665	.26108
66	.33192	.32466	.31762	.31079	.30418	.29777	.29155	.28552	.27968	.27400
67	.34609	.33876	.33164	.32474	.31805	.31156	.30525	.29913	.29319	.28742
68	.36066	.35328	.34610	.33914	.33238	.32581	.31943	.31323	.30720	.30134
69	.37558	.36815	.36093	.35391	.34709	.34045	.33400	.32773	.32163	.31569
70	.39078	.38332	.37606	.36900	.36213	.35545	.34894	.34260	.33643	.33042
71	.40620	.39872	.39144	.38435	.37744	.37071	.36415	.35776	.35153	.34547
72	.42184	.41435	.40706	.39994	.39301	.38625	.37965	.37322	.36694	.36082
73	.43771	.43023	.42293	.41581	.40886	.40207	.39545	.38899	.38267	.37651
74	.45387	.44641	.43912	.43201	.42505	.41826	.41163	.40514	.39881	.39261
75	.47039	.46296	.45570	.44861	.44167	.43488	.42824	.42175	.41541	.40920
76	.48729	.47991	.47269	.46563	.45872	.45196	.44534	.43886	.43251	.42630
77	.50452	.49722	.49006	.48305	.47619	.46946	.46287	.45642	.45009	.44389
78	.52203	.51481	.50773	.50079	.49399	.48732	.48078	.47437	.46808	.46191
79	.53966	.53254	.52556	.51870	.51198	.50538	.49891	.49255	.48632	.48019
80	.55728	.55028	.54340	.53665	.53002	.52351	.51712	.51083	.50466	.49860
81	.57471	.56784	.56109	.55445	.54792	54151	.53521	.52901	.52292	.51692
82	.59186	.58512	.57850	.57199	.56558	.55927	.55307	.54697	.54097	.53506
83	.60863	.60204	.59556	.58918	.58289	.57671	.57062	.56462	.55872	.55290
84	.62505	.61862	.61228	.60604	.59989	.59383	.58786	.58198	.57618	.57047
85	.64118	.63491	.62873	.62263	.61663	.61070	.60486	.59911	.59343	.58783
86	.65685	.65075	.64473	.63879	.63294	.62716	.62145	.61583	.61027	.60479
87	.67187	.66594	.66008	.65430	.64859	.64296	.63739	.63190	.62647	.62112
88	.68631	.68054	.67485	.66923	.66367	.65818	.65276	.64740	.64211	.63688
89	.70042	.69483	.68930	.68384	.67845	.67311	.66784	.66262	.65747	.65237
90	.71434	.70894	.70359	.69830	.69307	.68790	.68278	.67772	.67271	.66775
91	.72789	.72266	.71750	.71239	.70733	.70232	.69736	.69246	.68760	.68280
92	.74070	.73567	.73068	.72574	.72085	.71601	.71121	.70647	.70176	.69711
93	.75266	.74780	.74298	.73821	.73348	.72880	.72417	.71957	.71502	.71051
94	.76363	.75893	.75428	.74967	.74510	.74057	.73608	.73163	.72722	.72285
95	.77356	.76901	.76451	.76005	.75562	.75123	.74688	.74257	.73829	.73405
96	.78237	.77797	.77360	.76927	.76497	.76071	.75648	.75229	.74813	.74401
97	.79039	.78612	.78187	.77766	.77348	.76934	.76523	.76115	.75710	.75308
98	.79762	.79345	.78932	.78522	.78115	.77711	.77310	.76913	.76518	.76126
99	.80429	.80023	.79620	.79220	.78823	.78429	.78038	.77649	.77264	.76881
100	.81047	.80651	.80258	.79867	.79479	.79094	.78712	.78332	.77955	.77580
101	.81636	.81249	.80865	.80483	.80104	.79727	.79352	.78981	.78611	.78244
102	.82250	.81872	.81497	.81124	.80754	.80386	.80020	.79656	.79295	.78936
103	.82900	.82532	.82167	.81804	.81442	.81083	.80726	.80371	.80018	.79667
104	.83622	.83266	.82911	.82558	.82207	.81858	.81510	.81165	.80821	.80479
105	.84517	.84174	.83833	.83494	.83156	.82819	.82485	.82151	.81820	.81489
106	.85814	.85494	.85175	.84857	.84540	.84225	.83911	.83598	.83286	.82975
107	.87704	.87420	.87136	.86853	.86571	.86290	.86009	.85729	.85450	.85171
108	.90812	.90593	.90375	.90156	.89939	.89721	.89504	.89286	.89070	.88853
109	.95900	.95800	.95700	.95600	.95500	.95400	.95300	.95200	.95100	.95000

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS

[Applicable after APRIL 30, 1989]

Age	Adjusted payout rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
0	.01754	.01731	.01710	.01690	.01671	.01654	.01638	.01622	.01608	.01594
1	.00630	.00607	.00585	.00565	.00547	.00530	.00514	.00499	.00485	.00472
2	.00604	.00579	.00557	.00536	.00516	.00498	.00481	.00465	.00451	.00437
3	.00604	.00578	.00554	.00532	.00511	.00492	.00474	.00458	.00442	.00427

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after APRIL 30, 1989]

Age	Adjusted payout rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
4	.00621	.00593	.00568	.00544	.00522	.00502	.00483	.00465	.00448	.00433
5	.00648	.00619	.00592	.00567	.00544	.00522	.00502	.00483	.00465	.00449
6	.00684	.00653	.00624	.00597	.00572	.00549	.00528	.00507	.00489	.00471
7	.00726	.00693	.00663	.00634	.00608	.00583	.00560	.00539	.00518	.00499
8	.00777	.00742	.00709	.00679	.00651	.00624	.00600	.00577	.00555	.00535
9	.00837	.00800	.00765	.00733	.00703	.00675	.00649	.00625	.00602	.00580
10	.00908	.00868	.00832	.00797	.00765	.00736	.00708	.00682	.00657	.00634
11	.00991	.00949	.00910	.00874	.00840	.00808	.00779	.00751	.00725	.00700
12	.01083	.01039	.00997	.00959	.00923	.00890	.00858	.00829	.00801	.00775
13	.01181	.01134	.01090	.01049	.01012	.00976	.00943	.00912	.00883	.00855
14	.01275	.01226	.01180	.01137	.01097	.01060	.01025	.00992	.00961	.00932
15	.01365	.01313	.01264	.01219	.01177	.01138	.01101	.01066	.01034	.01003
16	.01449	.01394	.01343	.01295	.01251	.01209	.01171	.01134	.01100	.01068
17	.01526	.01469	.01415	.01365	.01318	.01274	.01233	.01195	.01159	.01125
18	.01600	.01539	.01482	.01430	.01380	.01334	.01291	.01251	.01213	.01177
19	.01673	.01609	.01550	.01494	.01442	.01393	.01348	.01305	.01265	.01227
20	.01747	.01679	.01616	.01557	.01502	.01451	.01403	.01358	.01316	.01276
21	.01820	.01748	.01682	.01620	.01562	.01508	.01457	.01409	.01365	.01323
22	.01895	.01819	.01749	.01683	.01622	.01565	.01511	.01461	.01414	.01369
23	.01972	.01893	.01818	.01749	.01684	.01624	.01567	.01514	.01464	.01417
24	.02058	.01974	.01895	.01822	.01753	.01689	.01629	.01572	.01519	.01469
25	.02154	.02064	.01981	.01903	.01830	.01762	.01698	.01638	.01582	.01529
26	.02262	.02167	.02079	.01996	.01919	.01847	.01779	.01715	.01655	.01599
27	.02385	.02284	.02191	.02103	.02021	.01944	.01872	.01804	.01740	.01680
28	.02521	.02415	.02316	.02222	.02135	.02053	.01977	.01904	.01836	.01772
29	.02673	.02561	.02455	.02357	.02264	.02177	.02095	.02018	.01946	.01877
30	.02842	.02723	.02611	.02506	.02407	.02315	.02227	.02146	.02068	.01996
31	.03030	.02903	.02784	.02673	.02568	.02470	.02377	.02290	.02207	.02130
32	.03235	.03101	.02976	.02857	.02746	.02641	.02543	.02450	.02362	.02279
33	.03463	.03321	.03188	.03062	.02944	.02833	.02728	.02629	.02535	.02447
34	.03711	.03561	.03419	.03286	.03161	.03043	.02931	.02826	.02726	.02632
35	.03981	.03822	.03672	.03531	.03398	.03273	.03154	.03042	.02936	.02836
36	.04271	.04103	.03945	.03796	.03655	.03522	.03396	.03277	.03164	.03057
37	.04584	.04407	.04239	.04081	.03932	.03791	.03657	.03531	.03411	.03297
38	.04920	.04733	.04556	.04389	.04231	.04082	.03940	.03806	.03679	.03558
39	.05280	.05083	.04897	.04721	.04554	.04396	.04246	.04103	.03968	.03840
40	.05667	.05459	.05263	.05077	.04901	.04733	.04575	.04424	.04280	.04144
41	.06080	.05861	.05655	.05459	.05272	.05096	.04928	.04768	.04617	.04472
42	.06518	.06289	.06071	.05864	.05668	.05482	.05305	.05136	.04975	.04822
43	.06982	.06742	.06513	.06296	.06089	.05893	.05706	.05528	.05358	.05196
44	.07475	.07223	.06983	.06754	.06537	.06330	.06133	.05945	.05766	.05595
45	.07998	.07733	.07481	.07242	.07014	.06796	.06588	.06390	.06202	.06021
46	.08550	.08273	.08010	.07758	.07519	.07290	.07072	.06864	.06665	.06474
47	.09134	.08845	.08569	.08306	.08055	.07815	.07586	.07367	.07157	.06957
48	.09748	.09446	.09158	.08882	.08619	.08368	.08128	.07898	.07678	.07467
49	.10391	.10076	.09775	.09487	.09212	.08949	.08697	.08456	.08225	.08003
50	.11062	.10734	.10420	.10120	.09832	.09557	.09293	.09041	.08798	.08566
51	.11764	.11423	.11096	.10783	.10483	.10195	.09919	.09655	.09401	.09158
52	.12503	.12148	.11807	.11481	.11168	.10868	.10581	.10304	.10039	.09784
53	.13278	.12909	.12556	.12216	.11891	.11578	.11278	.10989	.10712	.10445
54	.14088	.13706	.13339	.12986	.12648	.12322	.12009	.11709	.11419	.11141
55	.14936	.14540	.14159	.13793	.13442	.13103	.12778	.12464	.12163	.11872
56	.15821	.15412	.15018	.14639	.14274	.13923	.13584	.13258	.12944	.12642
57	.16749	.16326	.15918	.15526	.15148	.14784	.14433	.14094	.13768	.13453
58	.17719	.17282	.16862	.16456	.16065	.15688	.15324	.14973	.14634	.14306
59	.18731	.18281	.17847	.17429	.17025	.16634	.16258	.15894	.15543	.15203
60	.19782	.19319	.18872	.18440	.18023	.17621	.17231	.16855	.16491	.16139
61	.20869	.20393	.19934	.19489	.19060	.18644	.18242	.17854	.17477	.17113
62	.21990	.21502	.21029	.20573	.20131	.19703	.19289	.18887	.18499	.18123
63	.23144	.22644	.22159	.21690	.21236	.20796	.20370	.19956	.19556	.19167
64	.24335	.23823	.23326	.22845	.22379	.21927	.21489	.21063	.20651	.20250
65	.25568	.25045	.24537	.24044	.23566	.23103	.22653	.22216	.21791	.21379
66	.26850	.26316	.25797	.25293	.24804	.24329	.23868	.23420	.22984	.22560
67	.28182	.27637	.27108	.26594	.26095	.25609	.25137	.24678	.24231	.23797
68	.29565	.29011	.28472	.27949	.27439	.26943	.26461	.25991	.25534	.25089
69	.30991	.30429	.29882	.29349	.28830	.28325	.27833	.27354	.26887	.26432
70	.32457	.31887	.31332	.30791	.30264	.29750	.29249	.28760	.28284	.27820
71	.33955	.33378	.32816	.32267	.31732	.31210	.30701	.30204	.29719	.29246
72	.35485	.34902	.34333	.33778	.33236	.32707	.32190	.31686	.31193	.30711

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after APRIL 30, 1989]

Age	Adjusted payout rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
73	.37049	.36461	.35887	.35326	.34778	.34242	.33719	.33207	.32707	.32218
74	.38656	.38064	.37485	.36920	.36366	.35825	.35296	.34778	.34272	.33776
75	.40312	.39717	.39136	.38566	.38009	.37464	.36930	.36407	.35895	.35394
76	.42022	.41426	.40842	.40271	.39711	.39163	.38625	.38099	.37583	.37077
77	.43782	.43187	.42603	.42031	.41470	.40920	.40380	.39851	.39332	.38823
78	.45586	.44992	.44410	.43839	.43278	.42728	.42188	.41658	.41138	.40627
79	.47418	.46828	.46248	.45679	.45120	.44572	.44033	.43503	.42983	.42472
80	.49264	.48679	.48103	.47538	.46982	.46436	.45900	.45372	.44853	.44343
81	.51103	.50524	.49954	.49394	.48843	.48301	.47768	.47243	.46727	.46219
82	.52925	.52352	.51789	.51235	.50690	.50153	.49624	.49104	.48591	.48087
83	.54718	.54154	.53598	.53051	.52512	.51981	.51459	.50943	.50436	.49936
84	.56484	.55930	.55383	.54844	.54313	.53789	.53273	.52764	.52262	.51767
85	.58231	.57686	.57149	.56619	.56096	.55581	.55072	.54571	.54076	.53588
86	.59939	.59405	.58878	.58358	.57845	.57339	.56839	.56346	.55858	.55377
87	.61583	.61061	.60545	.60035	.59532	.59035	.58545	.58060	.57581	.57108
88	.63171	.62661	.62156	.61658	.61165	.60678	.60196	.59721	.59251	.58786
89	.64733	.64235	.63742	.63255	.62774	.62298	.61827	.61361	.60900	.60444
90	.66285	.65801	.65321	.64847	.64377	.63913	.63453	.62998	.62548	.62103
91	.67804	.67334	.66868	.66407	.65950	.65498	.65050	.64607	.64169	.63735
92	.69250	.68793	.68341	.67893	.67450	.67011	.66575	.66144	.65718	.65295
93	.70604	.70162	.69723	.69288	.68858	.68431	.68008	.67589	.67174	.66762
94	.71852	.71422	.70997	.70575	.70156	.69742	.69331	.68923	.68519	.68119
95	.72984	.72567	.72154	.71744	.71337	.70934	.70534	.70137	.69744	.69354
96	.73992	.73586	.73183	.72784	.72388	.71995	.71605	.71218	.70835	.70454
97	.74910	.74514	.74122	.73733	.73346	.72963	.72582	.72205	.71830	.71458
98	.75737	.75351	.74967	.74587	.74209	.73835	.73463	.73093	.72727	.72363
99	.76501	.76123	.75748	.75376	.75007	.74640	.74276	.73914	.73555	.73198
100	.77208	.76838	.76471	.76107	.75745	.75385	.75028	.74673	.74321	.73971
101	.77879	.77517	.77157	.76800	.76444	.76092	.75741	.75392	.75046	.74702
102	.78579	.78224	.77871	.77521	.77173	.76827	.76483	.76141	.75801	.75463
103	.79318	.78971	.78626	.78283	.77942	.77604	.77266	.76931	.76598	.76267
104	.80139	.79801	.79464	.79129	.78796	.78465	.78136	.77808	.77482	.77157
105	.81161	.80834	.80508	.80184	.79861	.79540	.79220	.78902	.78585	.78270
106	.82665	.82357	.82049	.81743	.81438	.81134	.80831	.80530	.80229	.79930
107	.84893	.84616	.84340	.84064	.83789	.83515	.83241	.82969	.82696	.82425
108	.88637	.88421	.88205	.87989	.87774	.87559	.87344	.87129	.86915	.86701
109	.94900	.94800	.94700	.94600	.94500	.94400	.94300	.94200	.94100	.94000

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Adjusted payout rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
0	.01581	.01569	.01557	.01546	.01536	.01526	.01516	.01507	.01499	.01490
1	.00459	.00448	.00437	.00426	.00417	.00407	.00399	.00390	.00382	.00375
2	.00424	.00412	.00400	.00389	.00379	.00369	.00360	.00352	.00343	.00335
3	.00414	.00401	.00389	.00377	.00366	.00356	.00346	.00337	.00328	.00320
4	.00418	.00404	.00391	.00379	.00368	.00357	.00347	.00337	.00327	.00319
5	.00433	.00418	.00405	.00391	.00379	.00368	.00357	.00346	.00336	.00327
6	.00454	.00439	.00424	.00410	.00397	.00384	.00372	.00361	.00351	.00341
7	.00482	.00465	.00449	.00434	.00420	.00407	.00394	.00382	.00371	.00360
8	.00516	.00498	.00481	.00465	.00450	.00436	.00422	.00410	.00397	.00386
9	.00560	.00541	.00523	.00505	.00489	.00474	.00459	.00446	.00433	.00420
10	.00613	.00592	.00573	.00555	.00537	.00521	.00505	.00491	.00477	.00463
11	.00677	.00655	.00635	.00615	.00597	.00580	.00563	.00547	.00532	.00518
12	.00751	.00728	.00706	.00685	.00666	.00647	.00629	.00613	.00597	.00581
13	.00829	.00805	.00782	.00760	.00739	.00719	.00701	.00683	.00666	.00650
14	.00905	.00879	.00854	.00831	.00809	.00789	.00769	.00750	.00732	.00715
15	.00974	.00947	.00921	.00897	.00874	.00852	.00831	.00811	.00793	.00775
16	.01037	.01009	.00982	.00956	.00932	.00909	.00887	.00866	.00846	.00827
17	.01093	.01063	.01034	.01007	.00982	.00958	.00935	.00913	.00892	.00873
18	.01143	.01112	.01082	.01053	.01027	.01001	.00977	.00954	.00933	.00912
19	.01192	.01159	.01127	.01097	.01069	.01043	.01017	.00993	.00970	.00949
20	.01239	.01204	.01170	.01139	.01109	.01081	.01055	.01029	.01005	.00983
21	.01283	.01246	.01211	.01178	.01147	.01117	.01089	.01063	.01037	.01013
22	.01328	.01288	.01251	.01216	.01183	.01152	.01122	.01094	.01067	.01042

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Adjusted payout rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
23	.01372	.01331	.01292	.01254	.01219	.01186	.01155	.01125	.01097	.01070
24	.01422	.01378	.01336	.01297	.01260	.01225	.01191	.01160	.01130	.01101
25	.01479	.01432	.01388	.01346	.01306	.01269	.01233	.01200	.01168	.01138
26	.01545	.01495	.01448	.01404	.01362	.01322	.01284	.01248	.01214	.01182
27	.01623	.01570	.01520	.01472	.01427	.01385	.01344	.01306	.01270	.01235
28	.01712	.01655	.01601	.01551	.01503	.01457	.01414	.01373	.01334	.01298
29	.01813	.01752	.01695	.01641	.01589	.01541	.01494	.01451	.01409	.01370
30	.01927	.01862	.01801	.01743	.01688	.01635	.01586	.01539	.01495	.01452
31	.02056	.01987	.01922	.01859	.01801	.01745	.01692	.01642	.01594	.01548
32	.02201	.02127	.02057	.01990	.01927	.01868	.01811	.01757	.01706	.01657
33	.02363	.02284	.02209	.02138	.02071	.02007	.01946	.01888	.01833	.01781
34	.02543	.02458	.02378	.02302	.02230	.02162	.02096	.02034	.01975	.01919
35	.02741	.02651	.02565	.02484	.02407	.02333	.02264	.02197	.02134	.02073
36	.02956	.02859	.02768	.02681	.02599	.02520	.02446	.02374	.02307	.02242
37	.03189	.03087	.02990	.02897	.02809	.02725	.02645	.02569	.02496	.02427
38	.03443	.03334	.03230	.03131	.03037	.02948	.02862	.02781	.02703	.02628
39	.03718	.03602	.03491	.03386	.03285	.03190	.03099	.03011	.02928	.02849
40	.04015	.03891	.03774	.03662	.03555	.03453	.03355	.03262	.03173	.03088
41	.04335	.04204	.04079	.03959	.03846	.03737	.03633	.03534	.03439	.03348
42	.04677	.04538	.04405	.04278	.04157	.04042	.03931	.03825	.03724	.03627
43	.05042	.04894	.04754	.04619	.04491	.04368	.04250	.04138	.04030	.03926
44	.05432	.05276	.05127	.04984	.04848	.04718	.04593	.04473	.04358	.04248
45	.05849	.05684	.05526	.05375	.05231	.05092	.04960	.04832	.04710	.04593
46	.06292	.06118	.05952	.05792	.05639	.05492	.05352	.05217	.05087	.04963
47	.06765	.06581	.06405	.06237	.06075	.05920	.05771	.05628	.05491	.05359
48	.07265	.07071	.06886	.06708	.06537	.06373	.06216	.06064	.05919	.05779
49	.07791	.07587	.07392	.07204	.07024	.06851	.06685	.06525	.06371	.06223
50	.08343	.08129	.07923	.07726	.07536	.07354	.07178	.07009	.06847	.06690
51	.08924	.08699	.08483	.08276	.08076	.07884	.07699	.07520	.07349	.07183
52	.09539	.09303	.09076	.08858	.08648	.08446	.08251	.08064	.07883	.07708
53	.10189	.09942	.09704	.09475	.09255	.09043	.08838	.08640	.08450	.08266
54	.10872	.10614	.10365	.10126	.09894	.09672	.09456	.09249	.09049	.08855
55	.11592	.11322	.11062	.10811	.10569	.10335	.10110	.09892	.09682	.09478
56	.12350	.12068	.11796	.11534	.11281	.11036	.10800	.10571	.10350	.10137
57	.13148	.12855	.12572	.12298	.12033	.11777	.11530	.11291	.11060	.10836
58	.13990	.13685	.13389	.13104	.12828	.12561	.12303	.12053	.11811	.11576
59	.14875	.14557	.14250	.13953	.13665	.13387	.13118	.12856	.12604	.12359
60	.15799	.15469	.15150	.14841	.14542	.14253	.13972	.13700	.13436	.13180
61	.16761	.16419	.16088	.15768	.15457	.15156	.14864	.14580	.14305	.14039
62	.17758	.17404	.17062	.16729	.16407	.16094	.15791	.15496	.15210	.14932
63	.18791	.18425	.18071	.17726	.17392	.17068	.16753	.16447	.16150	.15861
64	.19862	.19484	.19118	.18762	.18417	.18081	.17754	.17437	.17129	.16829
65	.20979	.20590	.20212	.19845	.19487	.19140	.18802	.18474	.18154	.17843
66	.22149	.21748	.21359	.20980	.20612	.20253	.19904	.19564	.19233	.18911
67	.23374	.22962	.22562	.22172	.21792	.21423	.21062	.20712	.20370	.20037
68	.24656	.24234	.23822	.23422	.23031	.22651	.22280	.21919	.21566	.21222
69	.25988	.25556	.25134	.24724	.24323	.23932	.23551	.23179	.22816	.22461
70	.27367	.26925	.26493	.26073	.25662	.25261	.24870	.24488	.24115	.23750
71	.28784	.28333	.27892	.27462	.27042	.26631	.26230	.25839	.25456	.25082
72	.30241	.29781	.29332	.28893	.28464	.28044	.27634	.27233	.26841	.26457
73	.31740	.31272	.30815	.30368	.29930	.29502	.29084	.28674	.28273	.27880
74	.33291	.32817	.32352	.31897	.31452	.31016	.30589	.30171	.29762	.29361
75	.34903	.34422	.33951	.33490	.33038	.32595	.32161	.31735	.31318	.30909
76	.36581	.36095	.35619	.35152	.34694	.34245	.33805	.33373	.32949	.32533
77	.38324	.37835	.37354	.36883	.36420	.35966	.35520	.35083	.34654	.34232
78	.40126	.39634	.39150	.38676	.38210	.37752	.37302	.36861	.36427	.36001
79	.41970	.41476	.40992	.40515	.40047	.39587	.39135	.38690	.38253	.37823
80	.43842	.43348	.42864	.42387	.41918	.41456	.41002	.40556	.40117	.39685
81	.45719	.45228	.44744	.44267	.43799	.43337	.42883	.42436	.41996	.41562
82	.47590	.47101	.46619	.46145	.45677	.45217	.44764	.44317	.43877	.43443
83	.49443	.48957	.48478	.48007	.47542	.47084	.46632	.46187	.45748	.45315
84	.51279	.50798	.50324	.49856	.49394	.48939	.48490	.48048	.47611	.47180
85	.53106	.52630	.52161	.51698	.51241	.50790	.50345	.49906	.49473	.49045
86	.54902	.54434	.53971	.53514	.53062	.52616	.52176	.51741	.51312	.50888
87	.56640	.56178	.55722	.55271	.54826	.54386	.53951	.53521	.53097	.52677
88	.58326	.57872	.57423	.56979	.56541	.56107	.55678	.55254	.54834	.54420
89	.59994	.59548	.59107	.58671	.58240	.57813	.57391	.56973	.56560	.56152
90	.61662	.61226	.60794	.60367	.59944	.59526	.59112	.58702	.58296	.57894
91	.63305	.62879	.62457	.62040	.61627	.61217	.60812	.60411	.60013	.59619

TABLE U(1).—BASED ON LIFE TABLE 80CNSMT UNITRUST SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Adjusted payout rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
92	.64876	.64461	.64050	.63643	.63239	.62839	.62443	.62051	.61662	.61277
93	.66355	.65950	.65550	.65153	.64759	.64369	.63983	.63600	.63220	.62843
94	.67722	.67328	.66938	.66551	.66167	.65786	.65409	.65035	.64664	.64296
95	.68967	.68583	.68203	.67825	.67451	.67079	.66711	.66345	.65983	.65623
96	.70076	.69701	.69330	.68961	.68595	.68231	.67871	.67513	.67158	.66806
97	.71089	.70722	.70359	.69998	.69640	.69284	.68931	.68581	.68234	.67888
98	.72001	.71642	.71286	.70933	.70582	.70233	.69887	.69544	.69203	.68864
99	.72844	.72492	.72143	.71796	.71452	.71110	.70770	.70433	.70098	.69765
100	.73623	.73278	.72935	.72594	.72256	.71920	.71586	.71254	.70924	.70597
101	.74361	.74021	.73684	.73349	.73016	.72685	.72356	.72029	.71704	.71382
102	.75128	.74794	.74463	.74133	.73806	.73480	.73157	.72835	.72515	.72198
103	.75938	.75610	.75284	.74961	.74639	.74319	.74000	.73684	.73369	.73056
104	.76835	.76514	.76194	.75877	.75561	.75246	.74934	.74623	.74313	.74005
105	.77956	.77643	.77332	.77023	.76714	.76408	.76102	.75798	.75496	.75195
106	.79632	.79334	.79038	.78743	.78449	.78157	.77865	.77575	.77285	.76997
107	.82154	.81884	.81615	.81346	.81079	.80811	.80545	.80279	.80014	.79750
108	.86487	.86274	.86061	.85848	.85635	.85423	.85210	.84998	.84787	.84575
109	.93900	.93800	.93700	.93600	.93500	.93400	.93300	.93200	.93100	.93000

(f) *Effective date.* This section is effective as of May 1, 1989.

Par. 14. Section 1.664–4A is further amended as follows:

1. The fifth sentence of newly designated paragraph (d)(4) is revised.

2. Newly designated paragraph (d)(5) is amended by:

a. Revising the first and fifth sentences.

b. Removing the reference "(b)(4)" in both places it appears and adding "(b)(5)" in each place.

3. The heading for newly designated paragraph (d)(6) is revised.

4. The headings for Table D, Table E, and Table F(1) in newly designated paragraph (d)(6) are revised.

5. The revisions read as follows:

§ 1.664–4A Valuation of charitable remainder interests for which the valuation date is before May 1, 1989.

* * * * *

(d) * * *

(4) *Period is a term of years.* * * * If the adjusted payout rate is greater than 14 percent, see § 1.664–4(b).

* * * * *

(5) *Period is the life of one individual.* If the period described in paragraph (a)(5) of § 1.664–3 is the life of one individual, the factor that is used in determining the present value of the remainder interest is the factor under the appropriate adjusted payout rate in column (2) of Table E in paragraph (d)(6) of this section opposite the number in column (1) that corresponds to the age of the individual whose life measures the period. * * * If the adjusted payout rate is greater than 14 percent, see § 1.664–4(b). * * *

(6) *Actuarial tables for transfers for which the valuation date is after November 30, 1983, and before May 1, 1989.*

* * * * *

Table D

Table D—Term Certain—Table Showing the Present Worth of a Remainder Interest Postponed for a Term of Years in a Charitable Remainder Unitrust Having the Adjusted Payout Rate Shown—Applicable for Transfers After November 30, 1983, and Before May 1, 1989

* * * * *

Table E

Table E—Single Life, Unisex—Table Showing the Present Worth of the Remainder Interest in Property Transferred to a Unitrust Having the Adjusted Payout Rate Shown—Applicable for Transfers After November 30, 1983, and Before May 1, 1989

* * * * *

Table F(1)

Table F(1)—10 Percent—Table Showing Factors for Computations of the Adjusted Payout Rate for Certain Valuations and Payout Sequences—Applicable for Transfers After November 30, 1983, and Before May 1, 1989

* * * * *

Par. 14a. An undesignated center heading is added immediately before § 1.665(a)–0A to read as follows:

Treatment of Excess Distributions of Trusts Applicable to Taxable Years Beginning on or After January 1, 1969

Par. 14b. The undesignated center heading immediately preceding § 1.665(a)–0 is revised to read as follows:

Treatment of Excess Distributions of Trusts Applicable to Taxable Years Beginning Before January 1, 1969

Par. 15. Section 1.1011–2, paragraph (c), *Example (8)(b)* is amended by adding the following three sentences at the end of the paragraph.

§ 1.1011–2 Bargain sale to charitable organization.

* * * * *

(c) * * *

Example (8).

* * * * *

(b) * * * See Rev. Rul. 84–162, 1984–2 C.B. 200, for transfers for which the valuation date falls after November 23, 1984. (See § 601.601(d)(2)(ii)(*b*) of this chapter). For the applicable valuation tables in connection therewith, see § 20.2031–7(d)(6) of this chapter. See, however, § 1.7520–3(b) (relating to exceptions to the use of standard actuarial factors in certain circumstances).

* * * * *

Par. 16. Immediately following § 1.7519–3T, an undesignated center heading and §§ 1.7520–1 through 1.7520–4 are added to read as follows:

General Actuarial Valuations

§ 1.7520–1 Valuation of annuities, unitrust interests, interests for life or terms of years, and remainder or reversionary interests.

(a) *General actuarial valuations.* (1) Except as otherwise provided in this section and in § 1.7520–3 (relating to exceptions to the use of prescribed tables under certain circumstances), in the case of certain transactions after April 30, 1989, subject to income tax, the fair market value of annuities, interests for life or for a term of years (including unitrust interests), remainders, and reversions is their present value determined under this section. See § 20.2031–7(d) (and, for certain prior periods, § 20.2031–7A) of this chapter, Estate Tax Regulations, for the computation of the value of annuities, unitrust interests, life estates, terms for years, remainders, and reversions, other than interests described in paragraphs (a)(2) and (a)(3) of this section.

(2) For a transfer to a pooled income fund after April 30, 1989, see § 1.642(c)–6(e) (or, for certain prior periods, § 1.642(c)–6A) with respect to the valuation of the remainder interest.

(3) For a transfer to a charitable remainder annuity trust after April 30, 1989, see § 1.664–2 with respect to the valuation of the remainder interest. See § 1.664–4 (or, for certain prior periods, § 1.664–4A) with respect to the valuation of the remainder interest in property transferred to a charitable remainder unitrust.

(b) *Components of valuation*—(1) *Interest rate component*—(i) *Section 7520 Interest rate.* The section 7520 interest rate is the rate of return, rounded to the nearest two-tenths of one percent, that is equal to 120 percent of the applicable Federal mid-term rate, compounded annually, for purposes of section 1274(d)(1), for the month in which the valuation date falls. In rounding the rate to the nearest two-tenths of a percent, any rate that is midway between one two-tenths of a percent and another is rounded up to the higher of those two rates. For example, if 120 percent of the applicable Federal mid-term rate is 10.30, the section 7520 interest rate component is 10.4. The section 7520 interest rate is published monthly by the Internal Revenue Service in the Internal Revenue Bulletin (see § 601.601(d)(2)(ii)(*b*) of this chapter).

(ii) *Valuation date.* Except as provided in § 1.7520–2, the valuation date is the date on which the transaction takes place.

(2) *Mortality component.* The mortality component reflects the mortality data most recently available from the United States census. As new mortality data becomes available after each decennial census, the mortality component described in this section will be revised periodically and the revised mortality component tables will be published in the regulations at that time. For transactions with valuation dates after April 30, 1989, the mortality component table (Table 80CNSMT) is contained in § 20.2031–7(d) of this chapter (Estate Tax Regulations). See § 20.2031–7A for mortality component tables applicable to transactions for which the valuation date falls before May 1, 1989.

(c) *Tables.* The present value on the valuation date of an annuity, life estate, term of years, remainder, or reversion is computed by using the section 7520 interest rate component that is described in paragraph (b)(1) of this section and the mortality component that is described in paragraph (b)(2) of this section. Actuarial factors for determining these present values are included in tables in these regulations and in publications by the Internal Revenue Service. If a special factor is required in order to value an interest, the Internal Revenue Service will furnish the factor upon a request for a ruling. The request for a ruling must be accompanied by a recitation of the facts, including the date of birth for each measuring life and copies of relevant instruments. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see Rev. Proc. 94–1, 1994–1 I.R.B. 10, and subsequent updates, and §§ 601.201 and 601.601(d)(2)(ii)(*b*) of this chapter) and include payment of the required user fee.

(1) *Regulation sections containing tables with interest rates between 4.2 and 14 percent.* Section 1.642(c)–6(e)(4) contains Table S used for determining the present value of a single life remainder interest in a pooled income fund as defined in § 1.642(c)–5. Section 1.664–4(e)(6) contains Table D (actuarial factors used in determining the present value of a remainder interest postponed for a term of years), Table U(1) (actuarial factors for one life), and Table F (payout factors) used in determining the present value of a remainder interest in a charitable remainder unitrust as defined in § 1.664–3. Section 20.2031–7(d)(6) of this chapter (Estate Tax Regulations) contains Table S (actuarial factors for one life), Table B (actuarial factors used in determining the present value of an interest for a term of years), Table K (annuity end-of-interval adjustment factors), Table J (term certain annuity beginning-of-interval adjustment factors), and Table 80CNSMT (mortality components) used in determining the present value of annuities, life estates, remainders, and reversions. The regulations will be revised periodically to include new mortality component tables and new tables of factors.

(2) *Internal Revenue Service publications containing tables with interest rates between 2.2 and 26 percent.* The following documents (with the exception of Publication 1459) have been published for sale by the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402:

(i) Internal Revenue Service Publication 1457, "Actuarial Values, Alpha Volume," (8/89). This publication includes tables of valuation factors, as well as examples that show how to compute other valuation factors, for determining the present value of annuities, life estates, terms of years, remainders, and reversions, measured by one or two lives. These factors may also be used in the valuation of interests in a charitable remainder annuity trust as defined in § 1.664–2 of this chapter and a pooled income fund as defined in § 1.642(c)–5 of this chapter.

(ii) Internal Revenue Service Publication 1458, "Actuarial Values, Beta Volume," (8/89). This publication includes term certain tables and tables of one and two life valuation factors for determining the present value of remainder interests in a charitable remainder unitrust as defined in § 1.664–3 of this chapter.

(iii) Internal Revenue Service Publication 1459, "Actuarial Values, Gamma Volume," (8–89) is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:T:R (IRS Publication 1459), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. This publication includes tables for computing depreciation adjustment factors. See § 1.170A–12 of this chapter.

(d) *Effective date.* This section is effective as of May 1, 1989.

§ 1.7520–2 Valuation of charitable interests.

(a) *In general*—(1) *Valuation.* Except as otherwise provided in this section and in § 1.7520–3 (relating to exceptions to the use of prescribed tables under certain circumstances), the fair market value of annuities, interests for life or for a term of years, remainders, and reversions for which an income tax charitable deduction is allowable is the

present value of such interests determined under § 1.7520–1.

(2) *Prior-month election rule.* If any part of the property interest transferred qualifies for an income tax charitable deduction under section 170(c), the taxpayer may elect (under paragraph (b) of this section) to compute the present value of the interest transferred by use of the section 7520 interest rate for the month during which the interest is transferred or the section 7520 interest rate component for either of the 2 months preceding the month during which the interest is transferred. Paragraph (b) of this section explains how a prior-month election is made. The interest rate for the month so elected is the applicable section 7520 interest rate. If the actuarial factor for either or both of the 2 months preceding the month during which the interest is transferred is based on a mortality experience that is different from the mortality experience at the date of the transfer and if the taxpayer elects to use the section 7520 rate for a prior month with the different mortality experience, the taxpayer must use the actuarial factor derived from the mortality experience in effect during the month of the section 7520 rate elected. All actuarial computations relating to the transfer must be made by applying the interest rate component and the mortality component of the month elected by the taxpayer.

(3) *Transfers of more than one interest in the same property.* If a taxpayer transfers more than one interest in the same property at the same time, for purposes of valuing the transferred interests, the taxpayer must use the same interest rate and mortality component for each interest in the property transferred. If more than one interest in the same property is transferred in two or more separate transfers at different times, the value of each interest is determined by the use of the interest rate component and mortality component in effect during the month of the transfer of that interest or, if applicable under paragraph (a)(2) of this section, either of the two months preceding the month of the transfer.

(4) *Information required with tax return.* The following information must be attached to the income tax return (or to the amended return) if the taxpayer claims a charitable deduction for the present value of a temporary or remainder interest in property—

(i) A complete description of the interest that is transferred, including a copy of the instrument of transfer;

(ii) The valuation date of the transfer;

(iii) The names and identification numbers of the beneficiaries of the transferred interest;

(iv) The names and birthdates of any measuring lives, a description of any relevant terminal illness condition of any measuring life, and (if applicable) an explanation of how any terminal illness condition was taken into account in valuing the interest; and

(v) A computation of the deduction showing the applicable section 7520 interest rate that is used to value the transferred interest.

(5) *Place for filing returns.* See section 6091 of the Internal Revenue Code and the regulations thereunder for the place for filing the return or other document required by this section.

(b) *Election of interest rate component*—(1) *Time for making election.* A taxpayer makes a prior-month election under paragraph (a)(2) of this section by attaching the information described in paragraph (b)(2) of this section to the taxpayer's income tax return or to an amended return for that year that is filed within 24 months after the later of the date the original return for the year was filed or the due date for filing the return.

(2) *Manner of making election.* A statement that the prior-month election under section 7520(a) of the Internal Revenue Code is being made and that identifies the elected month must be attached to the income tax return (or to the amended return).

(3) *Revocability.* The prior-month election may be revoked by filing an amended return within 24 months after the later of the date the original return of tax for the year was filed or the due date for filing the return. The revocation must be filed in the place referred to in paragraph (a)(5) of this section.

(c) *Effective dates.* Paragraph (a) of this section is effective as of May 1, 1989. Paragraph (b) of this section is effective for elections made after June 10, 1994.

§ 1.7520–3 Limitation on the application of section 7520.

(a) *Internal Revenue Code sections to which section 7520 does not apply.* Section 7520 of the Internal Revenue Code does not apply for purposes of—

(1) Part I, subchapter D of subtitle A (section 401 et. seq.), relating to the income tax treatment of certain qualified plans. (However, section 7520 does apply to the estate and gift tax treatment of certain qualified plans and for purposes of determining excess accumulations under section 4980A);

(2) Sections 72 and 101(b), relating to the income taxation of life insurance, endowment, and annuity contracts, unless otherwise provided for in the regulations under sections 72, 101, and 1011 (see, particularly, §§ 1.101–2(e)(1)(iii)(*b*)(*2*), and 1.1011–2(c), *Example 8*);

(3) Sections 83 and 451, unless otherwise provided for in the regulations under those sections;

(4) Section 457, relating to the valuation of deferred compensation, unless otherwise provided for in the regulations under section 457;

(5) Sections 3121(v) and 3306(r), relating to the valuation of deferred amounts, unless otherwise provided for in the regulations under those sections;

(6) Section 6058, relating to valuation statements evidencing compliance with qualified plan requirements, unless otherwise provided for in the regulations under section 6058;

(7) Section 7872, relating to income and gift taxation of interest-free loans and loans with below-market interest rates, unless otherwise provided for in the regulations under section 7872; or

(8) Section 2702(a)(2)(A), relating to the value of a nonqualified retained interest upon a transfer of an interest in trust to or for the benefit of a member of the transferor's family; and

(9) Any other sections of the Internal Revenue Code to the extent provided by the Internal Revenue Service in revenue rulings or revenue procedures. (See §§ 601.201 and 601.601 of this chapter).

(b) *Other limitations on the application of section 7520.* [Reserved]

(c) *Effective date.* Section 1.7520–3(a) is effective as of May 1, 1989.

§ 1.7520–4 Transitional rules.

(a) *Reliance.* If the valuation date is after April 30, 1989, and before June 10, 1994, a taxpayer can rely on Notice 89–24, 1989–1 C.B. 660, or Notice 89–60, 1989–1 C.B. 700 (See § 601.601(d)(2)(ii)(*b*) of this chapter), in valuing the transferred interest.

(b) *Effective date.* This section is effective as of May 1, 1989.

PART 20—ESTATE TAX; ESTATES OF DECEDENTS DYING AFTER AUGUST 16, 1954

Par. 17. The authority citation for part 20 is revised to read as follows:

Authority: 26 U.S.C. 7805.

Section 20.2031–7 also issued under 26 U.S.C. 7520(c)(2).
Section 20.2031–7A also issued under 26 U.S.C. 7520(c)(2).
Section 20.7520–1 also issued under 26 U.S.C. 7520(c)(2).
Section 20.7520–2 also issued under 26 U.S.C. 7520(c)(2).
Section 20.7520–3 also issued under 26 U.S.C. 7520(c)(2).
Section 20.7520–4 also issued under 26 U.S.C. 7520(c)(2).

Par. 18. Section § 20.2013–4 is amended by:

1. Revising the second sentence of the introductory text of paragraph (a).

2. Revising the fourth sentence in *Example (2)* of paragraph (a).

3. The revisions read as follows:

§ 20.2013–4 Valuation of property transferred.

(a) * * * If the decedent received a life estate or a remainder or other limited interest in property that was included in a transferor decedent's gross estate, the value of the interest is determined as of the date of the transferor's death on the basis of recognized valuation principles (see §§ 20.2031–7 (or, for certain prior periods, § 20.2031–7A) and 20.7520–1 through 20.7520–4). * * *

* * * * *

Example (2). * * * The part of that value attributable to the life estate is $44,688 and the part of that value attributable to the remainder is $55,312 (see § 20.2031–7A(b)).

* * * * *

Par. 19. Section 20.2031–0 is added to read as follows:

§ 20.2031–0 Table of contents.

This section lists the section headings and undesignated center headings that appear in the regulations under section 2031.

§ 2031–1 Definition of gross estate; valuation of property.
§ 20.2031–2 Valuation of stocks and bonds.
§ 20.2031–3 Valuation of interests in businesses.
§ 20.2031–4 Valuation of notes.
§ 20.2031–5 Valuation of cash on hand or on deposit.
§ 20.2031–6 Valuation of household and personal effects.
§ 20.2031–7 Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is after April 30, 1989.
§ 20.2031–8 Valuation of certain life insurance and annuity contracts; valuation of shares in an open-end investment company.
§ 20.2031–9 Valuation of other property.

Actuarial Tables Applicable Before May 1, 1989

§ 20.2031–7A Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is before May 1, 1989.

Par. 20. Immediately following § 20.2046–1 an undesignated center heading and § 20.2031–7A are added to read as follows:

Actuarial Tables Applicable Before May 1, 1989

§ 20.2031–7A Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is before May 1, 1989.

(a) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is before January 1, 1952.* Except as otherwise provided in § 20.2031–7(b), if the valuation date of the decedent's gross estate is before January 1, 1952, the present value of annuities, life estates, terms for years, remainders, and reversions is their present value determined under this section. If the valuation of the interest involved is dependent upon the continuation or termination of one or more lives or upon a term certain concurrent with one or more lives, the factor for the present value is computed on the basis of interest at the rate of 4 percent a year, compounded annually, and life contingencies as to each life involved from values that are based on the Actuaries' or Combined Experience Table of Mortality, as extended. This table and related factors are described in former § 81.10 (as contained in the 26 CFR Part 81 edition revised as of April 1, 1958). The present value of an interest measured by a term of years is computed on the basis of interest at the rate of 4 percent a year.

(b) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is after December 31, 1951, and before January 1, 1971.* Except as otherwise provided in § 20.2031–7(b), if the valuation date for the decedent's gross estate is after December 31, 1951, and before January 1, 1971, the present value of annuities, life estates, terms of years, remainders, and reversions is their present value determined under this section. If the valuation of the interest involved is dependent upon the continuation or termination of one or more lives, or upon a term certain concurrent with one or more lives, the factor for the present value is computed on the basis of interest at the rate of 3½ percent a year, compounded annually, and life contingencies as to each life involved are taken from U.S. Life Table 38. This table and related factors are set forth in former § 20.2031–7 (as contained in the 26 CFR Part 20 edition revised as of April 1, 1984). Special factors involving one and two lives may be found in or computed with the use of tables contained in the publication entitled "Actuarial Values for Estate and Gift Tax," Internal Revenue Service Publication Number 11 (Rev. 5–59). This publication is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:T:R (IRS Publication 11), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. The present value of an interest measured by a term of years is computed on the basis of interest at the rate of 3½ percent a year.

(c) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is after December 31, 1970, and before December 1, 1983.* Except as otherwise provided in § 20.2031–7(b), if the valuation date of the decedent's gross estate is after December 31, 1970, and before December 1, 1983, the present value of annuities, life estates, terms of years, remainders, and reversions is their present value determined under this section. If the valuation of the interest involved is dependent upon the continuation of or termination of one or more lives or upon a term certain concurrent with one or more lives, the factor for the present value is computed on the basis of interest at the rate of 6 percent a year, compounded annually, and life contingencies are determined as to each male and female life involved, from values that are set forth in Table LN. Table LN contains values that are taken from the life table for total males and the life table for total females appearing as Tables 2 and 3, respectively, in United States Life Tables: 1959– 1960, published by the Department of Health and Human Services, Public Health Service. Table LN and related factors are set forth in former § 20.2031–10 (as contained in the 26 CFR part 20 edition revised as of April 1, 1994). Special factors involving one and two lives may be found in or computed with the use of tables contained in Internal Revenue Service Publication 723, "Actuarial Values I: Valuation of Last Survivor Charitable Remainders," (12–70), and Internal Revenue Service Publication 723A, "Actuarial Values II: Factors at 6 Percent Involving One and Two Lives," (12–70). These publications are no longer available for purchase from the Superintendent of Documents. However, a copy of each may be obtained from: CC:DOM:CORP:T:R (IRS

Publication 723/723A), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044.

Par. 21. Section 20.2031–7 is redesignated as § 20.2031–7A, paragraph (d) and amended as follows:

1. The following redesignation table indicates the old CFR unit numbers for § 20.2031–7 and the corresponding new CFR unit numbers for § 20.2031–7A(d):

Old CFR unit No. in § 20.2031–7	Corresponding new No. in § 20.2031–7A
§ 20.2031–7 heading .	Paragraph (d) heading.
(a)	(d)(1).
(a)(1)	(d)(1)(i).
(a)(2)	(d)(1)(ii).
(a)(3)	(d)(1)(iii).
(b)	(d)(2).
(b)(1)	(d)(2)(i).
(b)(2)	(d)(2)(ii).
(b)(3)	(d)(2)(iii).
(b)(3)(i)	(d)(2)(iii)(A).
(b)(3)(ii)	(d)(2)(iii)(B).
(c) through (f)	(d)(3) through (d)(6).

2. The paragraph heading for paragraph (d) is revised.

3. Paragraphs (d)(1)(i) and (iii) are revised.

4. Paragraph (d)(5), third and fourth sentences are revised and a new sentence is added after the fourth sentence.

5. Paragraph (d)(6), the headings for Tables A, B, and LN are revised.

6. The added and revised provisions read as follows:

§ 20.2031–7A Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is before May 1, 1989.

* * * * *

(d) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is after November 30, 1983, and before May 1, 1989*—(1) *In general.* (i) Except as otherwise provided in § 20.2031–7(b), if the decedent died after November 30, 1983, and the valuation date for the gross estate is before May 1, 1989, the fair market value of annuities, life estates, terms of years, remainders, and reversions is their present value determined under this section. If the decedent died after November 30, 1983, and before August 9, 1984, or, in cases where the valuation date of the decedent's gross estate is before May 1, 1989, if, on December 1, 1983, the decedent was mentally incompetent so that the disposition of the decedent's property could not be changed, and the decedent died on or after December 1, 1983, without having regained competency to dispose of the decedent's property, or if the decedent died within 90 days of the date on which the decedent first regained competency, the fair market value of annuities, life estates, terms for years, remainders, and reversions included in the gross estate of such decedent is their present value determined under either this section or § 20.2031–7A(c), at the option of the taxpayer. The value of annuities issued by companies regularly engaged in their sale, and of insurance policies on the lives of persons other than the decedent, is determined under § 20.2031–8. The fair market value of a remainder interest in a charitable remainder unitrust, as defined in § 1.664–3 of this chapter, is its present value determined under § 1.664–4 of this chapter. The fair market value of a life interest or term for years in a charitable remainder unitrust is the fair market value of the property as of the date of valuation less the fair market value of the remainder interest on such date determined under § 1.664–4 of this chapter. The fair market value of the interests in a pooled income fund, as defined in § 1.642(c)–5 of this chapter, is their value determined under § 1.642(c)–6 of this chapter.

* * * * *

(iii) In all examples set forth in this section, the decedent is assumed to have died on or after August 9, 1984, with the valuation date of the decedent's gross estate before May 1, 1989, and to have been competent to change the disposition of the property on December 1, 1983.

* * * * *

(5) *Actuarial computations by the Internal Revenue Service.* * * * Table LN contains values of *lx* taken from the life table for the total population appearing as Table 1 of United States Life Tables: 1969–71, published by the Department of Health and Human Services, Public Health Service. Many special factors involving one and two lives may be found in or computed with the use of the tables contained in Internal Revenue Service Publication 723E, "Actuarial Values II: Factors at 10 Percent Involving One and Two Lives," (12–83). This publication is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:T:R (IRS Publication 723E), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044.

(6) * * *

Table A

Table A—Single Life, Unisex, 10 Percent—Table Showing the Present Worth of An Annuity, of a Life Estate, and a Remainder Interest—Applicable for Transfers After November 30, 1983, and Before May 1, 1989

* * * * *

Table B

Table B—Term Certain, Unisex, 10 Percent—Table Showing the Present Worth of an Annuity for a Term Certain, of an Income Interest for a Term Certain, and of a Remainder Interest Postponed for a Term Certain—Applicable for Transfers After November 30, 1983, and before May 1, 1989

* * * * *

Table LN

Table LN—Applicable for Transfers After November 30, 1983, and Before May 1, 1989

* * * * *

Par. 22. New § 20.2031–7 is added to read as follows:

§ 20.2031–7 Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is after April 30, 1989.

(a) *In general.* Except as otherwise provided in paragraph (b) of this section and § 20.7520–3(b) (pertaining to certain limitations on the use of prescribed tables), the fair market value of annuities, life estates, terms of years, remainders, and reversionary interests for estates of decedents is the present value of such interests, determined under paragraph (d) of this section. The regulations in this and in related sections provide tables with standard actuarial factors and examples that illustrate how to use the tables to compute the present value of ordinary annuity, life, and remainder interests in property. These sections also refer to standard and special actuarial factors that may be necessary to compute the present value of similar interests in more unusual fact situations.

(b) *Commercial annuities and insurance contracts.* The value of annuities issued by companies regularly engaged in their sale, and of insurance policies on the lives of persons other than the decedent, is determined under § 20.2031–8. See § 20.2042–1 with respect to insurance policies on the decedent's life.

(c) *Actuarial valuations before May 1, 1989.* The present value of annuities, life estates, terms of years, remainders, and reversions for estates of decedents

for which the valuation date of the gross estate is before May 1, 1989, is determined under the following sections:

Valuation date		Applicable section
After	Before	
	01–01–52	20.2031–7A(a)
12–31–51	01–01–71	20.2031–7A(b)
12–31–70	12–01–83	20.2031–7A(c)
11–30–83	05–01–89	20.2031–7A(d)

(d) *Actuarial valuations after April 30, 1989*—(1) *In general.* Except as otherwise provided in paragraph (b) of this section and § 20.7520–3(b) (pertaining to certain limitations on the use of prescribed tables), if the valuation date for the gross estate of the decedent is after April 30, 1989, the fair market value of annuities, life estates, terms of years, remainders, and reversionary interests is their present value determined by use of standard or special section 7520 actuarial factors. These factors are derived by using the appropriate section 7520 interest rate and, if applicable, the mortality component for the valuation date of the interest that is being valued. See §§ 20.7520–1 through 20.7520–4.

(2) *Specific Interests*—(i) *Charitable Remainder Trusts.* The fair market value of a remainder interest in a pooled income fund, as defined in § 1.642(c)–5 of this chapter, is its value determined under § 1.642(c)–6(e) of this chapter. The fair market value of a remainder interest in a charitable remainder annuity trust, as defined in § 1.664–2(a) of this chapter, is its present value determined under § 1.664–2(c) of this chapter. The fair market value of a remainder interest in a charitable remainder unitrust, as defined in § 1.664–3 of this chapter, is its present value determined under § 1.664–4(e) of this chapter. The fair market value of a life interest or term of years in a charitable remainder unitrust is the fair market value of the property as of the date of valuation less the fair market value of the remainder interest on that date determined under § 1.664–4(e) of this chapter.

(ii) *Ordinary remainder and reversionary interests.* If the interest to be valued is to take effect after a definite number of years or after the death of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate remainder interest actuarial factor (that corresponds to the applicable section 7520 interest rate and remainder interest period) in Table B (for a term certain) or Table S (for one measuring life), as the case may be. Tables B and S are included in paragraph (d)(6) of this section and in Internal Revenue Service Publication 1457. For information about obtaining actuarial factors for other types of remainder interests, see paragraph (d)(4) of this section.

(iii) *Ordinary term-of-years and life interests.* If the interest to be valued is the right of a person to receive the income of certain property, or to use certain nonincome-producing property, for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate term-of-years or life interest actuarial factor (that corresponds to the applicable section 7520 interest rate and term-of-years or life interest period). Internal Revenue Service Publication 1457 includes actuarial factors for an interest for a term of years in Table B and for the life of one individual in Table S. However, term-of-years and life interest actuarial factors are not included in Table B or Table S in § 20.2031–7(d)(6) of this chapter. If Internal Revenue Service Publication 1457 (or any other reliable source of term-of-years and life interest actuarial factors) is not conveniently available, an actuarial factor for the interest may be derived mathematically. This actuarial factor may be derived by subtracting the correlative remainder factor (that corresponds to the applicable section 7520 interest rate and the term of years or the life) in Table B (for a term of years) or in Table S (for the life of one individual) in § 20.2031–7(d)(6), as the case may be, from 1.000000. For information about obtaining actuarial factors for other types of term-of-years and life interests, see paragraph (d)(4) of this section.

(iv) *Annuities.* (A) If the interest to be valued is the right of a person to receive an annuity that is payable at the end of each year for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the aggregate amount payable annually by the appropriate annuity actuarial factor (that corresponds to the applicable section 7520 interest rate and annuity period). Internal Revenue Publication 1457 includes actuarial factors in Table B (for an annuity payable for a term of years) and in Table S (for an annuity payable for the life of one individual). However, annuity actuarial factors are not included in Table B or Table S in paragraph (d)(6) of this section. If Internal Revenue Service Publication 1457 (or any other reliable source of annuity actuarial factors) is not conveniently available, a required annuity factor for a term of years or for one life may be mathematically derived. This annuity factor may be derived by subtracting the applicable remainder factor (that corresponds to the applicable section 7520 interest rate and annuity period) in Table B (in the case of a term-of-years annuity) or in Table S (in the case of a one-life annuity) in paragraph (d)(6) of this section, as the case may be, from 1.000000 and then dividing the result by the applicable section 7520 interest rate expressed as a decimal number.

(B) If the annuity is payable at the end of semiannual, quarterly, monthly, or weekly periods, the product obtained by multiplying the annuity factor by the aggregate amount payable annually is then multiplied by the applicable adjustment factor set forth in Table K for payments made at the end of the specified periods. The provisions of this paragraph (d)(2)(iv)(B) are illustrated by the following example:

Example. At the time of the decedent's death in January 1990, the annuitant, age 72, is entitled to receive an annuity of $15,000 a year for life payable in equal monthly installments at the end of each period. The section 7520 rate for January 1990 is 9.6 percent. Under Table S, the remainder factor at 9.6 percent for an individual aged 72 is .40138. By converting the remainder factor to an annuity factor, as described above, the annuity factor at 9.6 percent for an individual aged 72 is 6.2356 (1.00000 minus .40138, divided by .096). Under Table K, the adjustment factor under the column for payments made at the end of each monthly

period at the rate of 9.6 percent is 1.0433. The aggregate annual amount, $15,000, is multiplied by the factor 6.2356 and the product multiplied by 1.0433. The present value of the annuity at the date of the decedent's death is, therefore, $97,584.02 ($15,000×6.2356×1.0433).

(C) If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for a term of years, the value of the annuity is computed by multiplying the aggregate amount payable annually by the annuity factor described in paragraph (d)(2)(iv)(A) of this section; and the product so obtained is then multiplied by the adjustment factor in Table J at the appropriate interest rate component for payments made at the beginning of specified periods. If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for one or more lives, the value of the annuity is the sum of the first payment plus the present value of a similar annuity, the first payment of which is not to be made until the end of the payment period, determined as provided in this paragraph (d)(2)(iv).

(v) *Annuity and unitrust interests for a term of years or until the prior death of an individual.* See § 25.2512–5(d)(2)(v) of this chapter for examples explaining how to compute the present value of an annuity or unitrust interest that is payable until the earlier of the lapse of a specific number of years or the death of an individual.

(3) *Transitional rule.* (i) If the valuation date is after April 30, 1989, and before June 10, 1994, a taxpayer can rely on Notice 89–24, 1989–1 C.B. 660, or Notice 89–60, 1989–1 C.B. 700 (See § 601.601(d)(2)(ii)(*b*) of this chapter).

(ii) If a decedent dies after April 30, 1989, and if on May 1, 1989, the decedent was mentally incompetent so that the disposition of the decedent's property could not be changed, and the decedent dies without having regained competency to dispose of the decedent's property or dies within 90 days of the date on which the decedent first regains competency, the fair market value of annuities, life estates, terms for years, remainders, and reversions included in the gross estate of the decedent is their present value determined either under this section or under the corresponding section applicable at the time the decedent became mentally incompetent, at the option of the decedent's executor. For example, see § 20.2031–7A(d).

(4) *Publications and actuarial computations by the Internal Revenue Service.* Many standard actuarial factors not included in paragraph (d)(6) of this section are included in Internal Revenue Service Publication 1457, "Actuarial Values, Alpha Volume," (8–89). Publication 1457 also includes examples that illustrate how to compute many special factors for more unusual situations. A copy of this publication may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402. If a special factor is required in the case of an actual decedent, the Service may furnish the factor to the executor upon a request for a ruling. The request for a ruling must be accompanied by a recitation of the facts including a statement of the date of birth for each measuring life, the date of the decedent's death, any other applicable dates, and a copy of the will, trust, or other relevant documents. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see §§ 601.201 and 601.601(d)(2)(ii)(*b*) of this chapter) and include payment of the required user fee.

(5) *Examples.* The provisions of this section are illustrated by the following examples:

Example 1. Remainder payable at an individual's death. The decedent, or the decedent's estate, was entitled to receive certain property worth $50,000 upon the death of the decedent's elder sister, to whom the income was bequeathed for life. The decedent died in February 1990. At the time of the decedent's death, the elder sister was 47 years 5 months old. In February 1990, the section 7520 rate was 9.8 percent. Under Table S in paragraph (d)(6) of this section, the remainder factor at 9.8 percent for determining the present value of the remainder interest due at the death of a person aged 47, the number of years nearest the elder sister's actual age at the decedent's death, is .11352. The present value of the remainder interest at the date of the decedent's death is, therefore, $5,676.00 ($50,000×.11352).

Example 2. Income payable for an individual's life. A's parent bequeathed an income interest in property to A for life, with the remainder interest passing to B at A's death. At the time of the parent's death in October 1989, the value of the property was $50,000 and A was 30 years 10 months old. The section 7520 rate in October 1989 was 10.2 percent. Under Table S in paragraph (d)(6) of this section, the remainder factor at 10.2 percent for determining the present value of the remainder interest due at the death of a person aged 31, the number of years closest to A's age at the decedent's death, is .03753. Converting this remainder factor to an income factor, as described in paragraph (d)(2)(iii) of this section, the factor for determining the present value of an income interest for the life of a person aged 31 is .96247. The present value of A's interest at the time of the parent's death is, therefore, $48,123.50 ($50,000×.96247).

Example 3. Annuity payable for an individual's life. A purchased an annuity for the benefit of both A and B. Under the terms of the annuity contract, at A's death, a survivor annuity of $10,000 a year payable in equal semiannual installments made at the end of each interval is payable to B for life. A died in September 1989. For September 1989, the section 7520 rate was 9.6 percent. At A's death, B was 45 years 7 months old. Under Table S in paragraph (d)(6) of this section, the factor at 9.6 percent for determining the present value of the remainder interest at the death of a person age 46 (the number of years nearest B's actual age) is .11013. By converting the factor to an annuity factor, as described in paragraph (d)(2)(iv) of this section, the factor for the present value of an annuity payable until the death of a person age 46 is 9.2695 (1.00000 minus .11013, divided by .096). The adjustment factor from Table K in paragraph (d)(6) of this section at an interest rate of 9.6 percent for semiannual annuity payments made at the end of the period is 1.0235. The present value of the annuity at the date of A's death is, therefore, $94,873.33 ($10,000×9.2695×1.0235).

Example 4. Annuity payable for a term of years. The decedent, or the decedent's estate, was entitled to receive an annuity of $10,000 a year payable in equal quarterly installments at the end of each quarter throughout a term certain. The decedent died in February 1990. For February 1990, the section 7520 rate was 9.8 percent. A quarterly payment had just been made prior to the decedent's death and payments were to continue for 5 more years. Under Table B in paragraph (d)(6) of this section for the interest rate of 9.8 percent, the factor for the present value of a remainder interest due after a term of 5 years is .626597 Converting the factor to an annuity factor, as described in paragraph (d)(2)(iv) of this section, the factor for the present value of an annuity for a term of 5 years is 3.8102. The adjustment factor from Table K in paragraph (d)(6) of this section at an interest rate of 9.8 percent for quarterly annuity payments made at the end of the period is 1.0360. The present value of the annuity is, therefore, $39,473.67 ($10,000×3.8102×1.0360).

(6) *Actuarial Tables.* Except as provided in § 20.7520–3(b) (pertaining to certain limitations on the use of prescribed tables), the following tables must be used in the application of the provisions of this section when the section 7520 interest rate component is between 4.2 and 14 percent.

TABLE B.—TERM CERTAIN REMAINDER FACTORS APPLICABLE AFTER APRIL 30, 1989

Years	Interest rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
1	.959693	.957854	.956023	.954198	.952381	.950570	.948767	.946970	.945180	.943396
2	.921010	.917485	.913980	.910495	.907029	.903584	.900158	.896752	.893364	.889996
3	.883887	.878817	.873786	.868793	.863838	.858920	.854040	.849197	.844390	.839619
4	.848260	.841779	.835359	.829001	.822702	.816464	.810285	.804163	.798100	.792094
5	.814069	.806302	.798623	.791031	.783526	.776106	.768771	.761518	.754348	.747258
6	.781257	.772320	.763501	.754801	.746215	.737744	.729384	.721135	.712994	.704961
7	.749766	.739770	.729925	.720230	.710681	.701277	.692015	.682893	.673908	.665057
8	.719545	.708592	.697825	.687242	.676839	.666613	.656561	.646679	.636964	.627412
9	.690543	.678728	.667137	.655765	.644609	.633663	.622923	.612385	.602045	.591898
10	.662709	.650122	.637798	.625730	.613913	.602341	.591009	.579910	.569041	.558395
11	.635997	.622722	.609750	.597071	.584679	.572568	.560729	.549157	.537846	.526788
12	.610362	.596477	.582935	.569724	.556837	.544266	.532001	.520035	.508361	.496969
13	.585760	.571339	.557299	.543630	.530321	.517363	.504745	.492458	.480492	.468839
14	.562150	.547259	.532790	.518731	.505068	.491790	.478885	.466343	.454151	.442301
15	.539491	.524195	.509360	.494972	.481017	.467481	.454350	.441612	.429255	.417265
16	.517746	.502102	.486960	.472302	.458112	.444374	.431072	.418194	.405723	.393646
17	.496877	.480941	.465545	.450670	.436297	.422408	.408987	.396017	.383481	.371364
18	.476849	.460671	.445071	.430028	.415521	.401529	.388033	.375016	.362458	.350344
19	.457629	.441256	.425498	.410332	.395734	.381681	.368153	.355129	.342588	.330513
20	.439183	.422659	.406786	.391538	.376889	.362815	.349291	.336296	.323807	.311805
21	.421481	.404846	.388897	.373605	.358942	.344881	.331396	.318462	.306056	.294155
22	.404492	.387783	.371794	.356494	.341850	.327834	.314417	.301574	.289278	.277505
23	.388188	.371440	.355444	.340166	.325571	.311629	.298309	.285581	.273420	.261797
24	.372542	.355785	.339813	.324586	.310068	.296225	.283025	.270437	.258431	.246979
25	.357526	.340791	.324869	.309719	.295303	.281583	.268525	.256096	.244263	.232999
26	.343115	.326428	.310582	.295533	.281241	.267664	.254768	.242515	.230873	.219810
27	.329285	.312670	.296923	.281998	.267848	.254434	.241715	.229654	.218216	.207368
28	.316012	.299493	.283866	.269082	.255094	.241857	.229331	.217475	.206253	195630
29	.303275	.286870	.271382	.256757	.242946	.229902	.217582	.205943	.194947	.184557
30	.291051	.274780	.259447	.244997	.231377	.218538	.206434	.195021	.184260	.174110
31	.279319	.263199	.248038	.233776	.220359	.207736	.195858	.184679	.174158	164255
32	.268061	.252106	.237130	.223069	.209866	.197468	.185823	.174886	.164611	.154957
33	.257256	.241481	.226702	.212852	.199873	.187707	.176303	.165612	.155587	.146186
34	.246887	.231304	.216732	.203103	.190355	.178429	.167270	.156829	.147058	.137912
35	.236935	.221556	.207201	.193801	.181290	.169609	.158701	.148512	.138996	130105
36	.227385	.212218	.198089	.184924	.172657	.161225	.150570	.140637	.131376	.122741
37	.218220	.203274	.189377	.176454	.164436	.153256	.142856	.133179	.124174	.115793
38	.209424	.194707	.181049	.168373	.156605	.145681	.135537	.126116	.117367	.109239
39	.200983	.186501	.173087	.160661	.149148	.138480	.128593	.119428	.110933	.103056
40	.192882	.178641	.165475	.153302	.142046	.131635	.122004	.113095	.104851	.097222
41	.185107	.171112	.158198	.146281	.135282	.125128	.115754	.107098	.099103	.091719
42	.177646	.163900	.151241	.139581	.128840	.118943	.109823	.101418	.093670	.086527
43	.170486	.156992	.144590	.133188	.122704	.113064	.104197	.096040	.088535	.081630
44	.163614	.150376	.138231	.127088	.116861	.107475	.098858	.090947	.083682	.077009
45	.157019	.144038	.132152	.121267	.111297	.102163	.093793	.086124	.079094	.072650
46	.150690	.137968	.126340	.115713	.105997	.097113	.088988	.081557	.074758	.068538
47	.144616	.132153	.120784	.110413	.100949	.092312	.084429	.077232	.070660	.064658
48	.138787	.126583	.115473	.105356	.096142	.087749	.080103	.073136	.066786	.060998
49	.133193	.121248	.110395	.100530	.091564	.083412	.075999	.069258	.063125	.057546
50	.127824	.116138	.105540	.095926	.087204	.079289	.072106	.065585	.059665	.054288
51	.122672	.111243	.100898	.091532	.083051	.075370	.068411	.062107	.056394	.051215
52	.117728	.106555	.096461	.087340	.079096	.071644	.064907	.058813	.053302	.048316
53	.112982	.102064	.092219	.083340	.075330	.068103	.061581	.055695	.050380	.045582
54	.108428	.097763	.088164	.079523	.071743	.064737	.058426	.052741	.047618	.043001
55	.104058	.093642	.084286	.075880	.068326	.061537	.055433	.049944	.045008	.040567
56	.099864	.089696	.080580	.072405	.065073	.058495	.052593	.047296	.042541	.038271
57	.095839	.085916	.077036	.069089	.061974	.055604	.049898	.044787	.040208	.036105
58	.091976	.082295	.073648	.065924	.059023	.052855	.047342	.042412	.038004	.034061
59	.088268	.078826	.070409	.062905	.056212	.050243	.044916	.040163	.035921	.032133
60	.084710	.075504	.067313	.060024	.053536	.047759	.042615	.038033	.033952	.030314

TABLE B.—TERM CERTAIN REMAINDER FACTORS APPLICABLE AFTER APRIL 30, 1989

Years	Interest rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
1	.941620	.939850	.938086	.936330	.934579	.932836	.931099	.929368	.927644	.925926
2	.886647	.883317	.880006	.876713	.873439	.870183	.866945	.863725	.860523	.857339
3	.834885	.830185	.825521	.820892	.816298	.811738	.807211	.802718	.798259	.793832

TABLE B.—TERM CERTAIN REMAINDER FACTORS APPLICABLE AFTER APRIL 30, 1989—Continued

Years	Interest rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
4	.786144	.780249	.774410	.768626	.762895	.757218	.751593	.746021	.740500	.735030
5	.740248	.733317	.726464	.719687	.712986	.706360	.699808	.693328	.686920	.680583
6	.697032	.689208	.681486	.673864	.666342	.658918	.651590	.644357	.637217	.630170
7	.656339	.647752	.639292	.630959	.622750	.614662	.606694	.598845	.591111	.583490
8	.618022	.608789	.599711	.590786	.582009	.573379	.564892	.556547	.548340	.540269
9	.581942	.572170	.562581	.553170	.543934	.534868	.525971	.517237	.508664	.500249
10	.547968	.537754	.527750	.517950	.508349	.498944	.489731	.480704	.471859	.463193
11	.515977	.505408	.495075	.484972	.475093	.465433	.455987	.446750	.437717	.428883
12	.485854	.475007	.464423	.454093	.444012	.434173	.424569	.415196	.406046	.397114
13	.457490	.446436	.435669	.425181	.414964	.405012	.395316	.385870	.376666	.367698
14	.430781	.419582	.408695	.398109	.387817	.377810	.368078	.358615	.349412	.340461
15	.405632	.394344	.383391	.372762	.362446	.352434	.342717	.333285	.324130	.315242
16	.381961	.370624	.359654	.349028	.338735	.328763	.319103	.309745	.300677	.291890
17	.359653	.348331	.337386	.326805	.316574	.306682	.297117	.287867	.278921	.270269
18	.338656	.327379	.316498	.305997	.295864	.286084	.276645	.267534	.258739	.250249
19	.318885	.307687	.296902	.286514	.276508	.266870	.257584	.248638	.240018	.231712
20	.300268	.289179	.278520	.268272	.258419	.248946	.239836	.231076	.222651	.214548
21	.282739	.271785	.261276	.251191	.241513	.232225	.223311	.214755	.206541	.198656
22	.266232	.255437	.245099	.235197	.225713	.216628	.207925	.199586	.191596	.183941
23	.250689	.240073	.229924	.220222	.210947	.202078	.193598	.185489	.177733	.170315
24	.236054	.225632	.215689	.206201	.197147	.188506	.180259	.172387	.164873	.157699
25	.222273	.212060	.202334	.193072	.184249	.175845	.167839	.160211	.152943	.146018
26	.209297	.199305	.189807	.180779	.172195	.164035	.156275	.148895	.141877	.135202
27	.197078	.187317	.178056	.169269	.160930	.153017	.145507	.138379	.131611	.125187
28	.185572	.176049	.167031	.158491	.150402	.142740	.135482	.128605	.122088	.115914
29	.174739	.165460	.156690	.148400	.140563	.133153	.126147	.119521	.113255	.107328
30	.164537	.155507	.146989	.138951	.131367	.124210	.117455	.111079	.105060	.099377
31	.154932	.146154	.137888	.130104	.122773	.115868	.109362	.103233	.097458	.092016
32	.145887	.137362	.129351	.121820	.114741	.108085	.101827	.095942	.090406	.085200
33	.137370	.129100	.121342	.114064	.107235	.100826	.094811	.089165	.083865	.078889
34	.129350	.121335	.113830	.106802	.100219	.094054	.088278	.082867	.077797	.073045
35	.121798	.114036	.106782	.100001	.093663	.087737	.082196	.077014	.072168	.067635
36	.114688	.107177	.100171	.093634	.087535	.081844	.076532	.071574	.066946	.062625
37	.107992	.100730	.093969	.087673	.081809	.076347	.071259	.066519	.062102	.057986
38	.101688	.094671	.088151	.082090	.076457	.071219	.066349	.061821	.057609	.053690
39	.095751	.088977	.082693	.076864	.071455	.066436	.061778	.057454	.053440	.049713
40	.090161	.083625	.077573	.071970	.066780	.061974	.057521	.053396	.049573	.046031
41	.084897	.078595	.072770	.067387	.062412	.057811	.053558	.049625	.045987	.042621
42	.079941	.073867	.068265	.063097	.058329	.053929	.049868	.046120	.042659	.039464
43	.075274	.069424	.064038	.059079	.054513	.050307	.046432	.042862	.039572	.036541
44	.070880	.065248	.060074	.055318	.050946	.046928	.043233	.039835	.036709	.033834
45	.066742	.061323	.056354	.051796	.047613	.043776	.040254	.037021	.034053	.031328
46	.062845	.057635	.052865	.048498	.044499	.040836	.037480	.034406	.031589	.029007
47	.059176	.054168	.049592	.045410	.041587	.038093	.034898	.031976	.029303	.026859
48	.055722	.050910	.046522	.042519	.038867	.035535	.032493	.029717	.027183	.024869
49	.052469	.047848	.043641	.039812	.036324	.033148	.030255	.027618	.025216	.023027
50	.049405	.044970	.040939	.037277	.033948	.030922	.028170	.025668	.023392	.021321
51	.046521	.042265	.038405	.034903	.031727	.028845	.026229	.023855	.021699	.019742
52	.043805	.039722	.036027	.032681	.029651	.026907	.024422	.022170	.020129	.018280
53	.041248	.037333	.033796	.030600	.027711	.025100	.022739	.020604	.018673	.016925
54	.038840	.035087	.031704	.028652	.025899	.023414	.021172	.019149	.017322	.015672
55	.036572	.032977	.029741	.026828	.024204	.021842	.019714	.017796	.016068	.014511
56	.034437	.030993	.027900	.025119	.022621	.020375	.018355	.016539	.014906	.013436
57	.032427	.029129	.026172	.023520	.021141	.019006	.017091	.015371	.013827	.012441
58	.030534	.027377	.024552	.022023	.019758	.017730	.015913	.014285	.012827	.011519
59	.028751	.025730	.023032	.020620	.018465	.016539	.014817	.013276	.011899	.010666
60	.027073	.024183	.021606	.019307	.017257	.015428	.013796	.012339	.011038	.009876

TABLE B.—TERM CERTAIN REMAINDER FACTORS

[Applicable after April 30, 1989]

Years	Interest rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
1	.924214	.922509	.920810	.919118	.917431	.915751	.914077	.912409	.910747	.909091
2	.854172	.851023	.847892	.844777	.841680	.838600	.835536	.832490	.829460	.826446
3	.789438	.785077	.780747	.776450	.772183	.767948	.763744	.759571	.755428	.751315
4	.729610	.724241	.718920	.713649	.708425	.703250	.698121	.693039	.688003	.683013

TABLE B.—TERM CERTAIN REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Years	Interest rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
5	.674316	.668119	.661989	.655927	.649931	.644001	.638136	.632335	.626597	.620921
6	.623213	.616346	.609566	.602874	.596267	.589745	.583305	.576948	.570671	.564474
7	.575982	.568585	.561295	.554112	.547034	.540059	.533186	.526412	.519737	.513158
8	.532331	.524524	.516846	.509294	.501866	.494560	.487373	.480303	.473349	.466507
9	.491988	.483879	.475917	.468101	.460428	.452894	.445496	.438233	.431101	.424098
10	.454703	.446383	.438230	.430240	.422411	.414738	.407218	.399848	.392624	.385543
11	.420243	.411792	.403526	.395441	.387533	.379797	.372228	.364824	.357581	.350494
12	.388394	.379882	.371571	.363457	.355535	.347799	.340245	.332869	.325666	.318631
13	.358960	.350445	.342147	.334060	.326179	.318497	.311010	.303713	.296599	.289664
14	.331756	.323288	.315052	.307040	.299246	.291664	.284287	.277110	.270127	.263331
15	.306613	.298236	.290103	.282206	.274538	.267092	.259860	.252838	.246017	.239392
16	.283376	.275126	.267130	.259381	.251870	.244589	.237532	.230691	.224059	.217629
17	.261901	.253806	.245976	.238401	.231073	.223983	.217123	.210485	.204061	.197845
18	.242052	.234139	.226497	.219119	.211994	.205113	.198467	.192048	.185848	.179859
19	.223708	.215995	.208561	.201396	.194490	.187832	.181414	.175226	.169260	.163508
20	.206754	.199257	.192045	.185107	.178431	.172007	.165826	.159878	.154153	.148644
21	.191085	.183817	.176837	.170135	.163698	.157516	.151578	.145874	.140395	.135131
22	.176604	.169573	.162834	.156374	.150182	.144245	.138554	.133097	.127864	.122846
23	.163220	.156432	.149939	.143726	.137781	.132093	.126649	.121439	.116452	.111678
24	.150850	.144310	.138065	.132101	.126405	.120964	.115767	.110802	.106058	.101526
25	.139418	.133128	.127132	.121416	.115968	.110773	.105820	.101097	.096592	.092296
26	.128852	.122811	.117064	.111596	.106393	.101441	.096727	.092241	.087971	.083905
27	.119087	.113295	.107794	.102570	.097608	.092894	.088416	.084162	.080119	.076278
28	.110062	.104515	.099258	.094274	.089548	.085068	.080819	.076790	.072968	.069343
29	.101721	.096416	.091398	.086649	.082155	.077901	.073875	.070064	.066456	.063039
30	.094012	.088945	.084160	.079640	.075371	.071338	.067527	.063927	.060524	.057309
31	.086887	.082053	.077495	.073199	.069148	.065328	.061725	.058327	.055122	.052099
32	.080302	.075694	.071358	.067278	.063438	.059824	.056422	.053218	.050202	.047362
33	.074216	.069829	.065708	.061837	.058200	.054784	.051574	.048557	.045722	.043057
34	.068592	.064418	.060504	.056835	.053395	.050168	.047142	.044304	.041641	.039143
35	.063394	.059426	.055713	.052238	.048986	.045942	.043092	.040423	.037924	.035584
36	.058589	.054821	.051301	.048013	.044941	.042071	.039389	.036882	.034539	.032349
37	.054149	.050573	.047239	.044130	.041231	.038527	.036005	.033652	.031457	.029408
38	.050045	.046654	.043498	.040560	.037826	.035281	.032911	.030704	.028649	.026735
39	.046253	.043039	.040053	.037280	.034703	.032309	.030083	.028015	.026092	.024304
40	.042747	.039703	.036881	.034264	.031838	.029587	.027498	.025561	.023763	.022095
41	.039508	.036627	.033961	.031493	.029209	.027094	.025136	.023322	.021642	.020086
42	.036514	.033789	.031271	.028946	.026797	.024811	.022976	.021279	.019711	.018260
43	.033746	.031170	.028795	.026605	.024584	.022721	.021002	.019415	.017951	.016600
44	.031189	.028755	.026515	.024453	.022555	.020807	.019197	.017715	.016349	.015091
45	.028825	.026527	.024415	.022475	.020692	.019054	.017548	.016163	.014890	.013719
46	.026641	.024471	.022482	.020657	.018984	.017449	.016040	.014747	.013561	.012472
47	.024622	.022575	.020701	.018986	.017416	.015978	.014662	.013456	.012351	.011338
48	.022756	.020825	.019062	.017451	.015978	.014632	.013402	.012277	.011248	.010307
49	.021031	.019212	.017552	.016039	.014659	.013400	.012250	.011202	.010244	.009370
50	.019437	.017723	.016163	.014742	.013449	.012271	.011198	.010221	.009330	.008519
51	.017964	.016350	.014883	.013550	.012338	.011237	.010236	.009325	.008497	.007744
52	.016603	.015083	.013704	.012454	.011319	.010290	.009356	.008508	.007739	.007040
53	.015345	.013914	.012619	.011446	.010385	.009423	.008552	.007763	.007048	.006400
54	.014182	.012836	.011620	.010521	.009527	.008629	.007817	.007083	.006419	.005818
55	.013107	.011841	.010699	.009670	.008741	.007902	.007146	.006463	.005846	.005289
56	.012114	.010923	.009852	.008888	.008019	.007237	.006532	.005897	.005324	.004809
57	.011196	.010077	.009072	.008169	.007357	.006627	.005971	.005380	.004849	.004371
58	.010347	.009296	.008354	.007508	.006749	.006069	.005458	.004909	.004416	.003974
59	.009563	.008576	.007692	.006901	.006192	.005557	.004989	.004479	.004022	.003613
60	.008838	.007911	.007083	.006343	.005681	.005089	.004560	.004087	.003663	.003284

TABLE B.—TERM CERTAIN REMAINDER FACTORS APPLICABLE AFTER APRIL 30, 1989

Years	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
1	.907441	.905797	.904159	.902527	.900901	.899281	.897666	.896057	.894454	.892857
2	.823449	.820468	.817504	.814555	.811622	.808706	.805804	.802919	.800049	.797194
3	.747232	.743178	.739153	.735158	.731191	.727253	.723343	.719461	.715607	.711780
4	.678069	.673168	.668312	.663500	.658731	.654005	.649321	.644679	.640078	.635518
5	.615307	.609754	.604261	.598827	.593451	.588134	.582873	.577669	.572520	.567427

TABLE B.—TERM CERTAIN REMAINDER FACTORS APPLICABLE AFTER APRIL 30, 1989—Continued

Years	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
6	.558355	.552313	.546348	.540457	.534641	.528897	.523225	.517625	.512093	.506631
7	.506674	.500284	.493985	.487777	.481658	.475627	.469682	.463821	.458044	.452349
8	.459777	.453156	.446641	.440232	.433926	.427722	.421617	.415610	.409700	.403883
9	.417221	.410467	.403835	.397322	.390925	.384642	.378472	.372411	.366458	.360610
10	.378603	.371800	.365131	.358593	.352184	.345901	.339741	.333701	.327780	.321973
11	.343560	.336775	.330137	.323640	.317283	.311062	.304974	.299016	.293184	.287476
12	.311760	.305050	.298496	.292094	.285841	.279732	.273765	.267935	.262240	.256675
13	.282904	.276313	.269888	.263623	.257514	.251558	.245749	.240085	.234561	.229174
14	.256719	.250284	.244022	.237927	.231995	.226221	.220601	.215130	.209804	.204620
15	.232957	.226706	.220634	.214735	.209004	.203436	.198026	.192769	.187661	.182696
16	.211395	.205350	.199489	.193804	.188292	.182946	.177761	.172732	.167854	.163122
17	.191828	.186005	.180369	.174914	.169633	.164520	.159570	.154778	.150138	.145644
18	.174073	.168483	.163083	.157864	.152822	.147950	.143241	.138690	.134291	.130040
19	.157961	.152612	.147453	.142477	.137678	.133048	.128582	.124274	.120117	.116107
20	.143340	.138235	.133321	.128589	.124034	.119648	.115424	.111357	.107439	.103667
21	.130073	.125213	.120543	.116055	.111742	.107597	.103612	.099782	.096100	.092560
22	.118033	.113418	.108990	.104743	.100669	.096760	.093009	.089410	.085957	.082643
23	.107108	.102733	.098544	.094533	.090693	.087014	.083491	.080117	.076884	.073788
24	.097195	.093056	.089100	.085319	.081705	.078250	.074947	.071789	.068770	.065882
25	.088198	.084289	.080560	.077003	.073608	.070369	.067278	.064327	.061511	.058823
26	.080035	.076349	.072839	.069497	.066314	.063281	.060393	.057641	.055019	.052521
27	.072627	.069157	.065858	.062723	.059742	.056908	.054213	.051650	.049212	.046894
28	.065905	.062642	.059547	.056609	.053822	.051176	.048665	.046281	.044018	.041869
29	.059804	.056741	.053840	.051091	.048488	.046022	.043685	.041470	.039372	.037383
30	.054269	.051396	.048680	.046111	.043683	.041386	.039214	.037160	.035216	.033378
31	.049246	.046554	.044014	.041617	.039354	.037218	.035201	.033297	.031500	.029802
32	.044688	.042169	.039796	.037560	.035454	.033469	.031599	.029836	.028175	.026609
33	.040552	.038196	.035982	.033899	.031940	.030098	.028365	.026735	.025201	.023758
34	.036798	.034598	.032533	.030595	.028775	.027067	.025463	.023956	.022541	.021212
35	.033392	.031339	.029415	.027613	.025924	.024341	.022857	.021466	.020162	.018940
36	.030301	.028387	.026596	.024921	.023355	.021889	.020518	.019235	.018034	.016910
37	.027497	.025712	.024047	.022492	.021040	.019684	.018418	.017236	.016131	.015098
38	.024952	.023290	.021742	.020300	.018955	.017702	.016533	.015444	.014428	.013481
39	.022642	.021096	.019658	.018321	.017077	.015919	.014841	.013839	.012905	.012036
40	.020546	.019109	.017774	.016535	.015384	.014316	.013323	.012400	.011543	.010747
41	.018645	.017309	.016071	.014923	.013860	.012874	.011959	.011111	.010325	.009595
42	.016919	.015678	.014531	.013469	.012486	.011577	.010735	.009956	.009235	.008567
43	.015353	.014201	.013138	.012156	.011249	.010411	.009637	.008922	.008260	.007649
44	.013932	.012864	.011879	.010971	.010134	.009362	.008651	.007994	.007389	.006830
45	.012642	.011652	.010740	.009902	.009130	.008419	.007765	.007163	.006609	.006098
46	.011472	.010554	.009711	.008937	.008225	.007571	.006971	.006419	.005911	.005445
47	.010410	.009560	.008780	.008065	.007410	.006809	.006257	.005752	.005287	.004861
48	.009447	.008659	.007939	.007279	.006676	.006123	.005617	.005154	.004729	.004340
49	.008572	.007844	.007178	.006570	.006014	.005506	.005042	.004618	.004230	.003875
50	.007779	.007105	.006490	.005929	.005418	.004952	.004526	.004138	.003784	.003460
51	.007059	.006435	.005868	.005351	.004881	.004453	.004063	.003708	.003384	.003089
52	.006406	.005829	.005306	.004830	.004397	.004005	.003647	.003322	.003027	.002758
53	.005813	.005280	.004797	.004359	.003962	.003601	.003274	.002977	.002708	.002463
54	.005275	.004783	.004337	.003934	.003569	.003238	.002939	.002668	.002422	.002199
55	.004786	.004332	.003922	.003551	.003215	.002912	.002638	.002390	.002166	.001963
56	.004343	.003924	.003546	.003205	.002897	.002619	.002368	.002142	.001938	.001753
57	.003941	.003554	.003206	.002892	.002610	.002355	.002126	.001919	.001733	.001565
58	.003577	.003220	.002899	.002610	.002351	.002118	.001908	.001720	.001550	.001398
59	.003246	.002916	.002621	.002356	.002118	.001905	.001713	.001541	.001387	.001248
60	.002945	.002642	.002370	.002126	.001908	.001713	.001538	.001381	.001240	.001114

TABLE B.—TERM CERTAIN REMAINDER FACTORS APPLICABLE AFTER APRIL 30, 1989

Years	Interest rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
1	.891266	.889680	.888099	.886525	.884956	.883392	.881834	.880282	.878735	.877193
2	.794354	.791530	.788721	.785926	.783147	.780382	.777632	.774896	.772175	.769468
3	.707981	.704208	.700462	.696743	.693050	.689383	.685742	.682127	.678536	.674972
4	.630999	.626520	.622080	.617680	.613319	.608996	.604711	.600464	.596254	.592080
5	.562388	.557402	.552469	.547589	.542760	.537982	.533255	.528577	.523949	.519369
6	.501237	.495909	.490648	.485451	.480319	.475249	.470242	.465297	.460412	.455587
7	.446735	.441200	.435744	.430364	.425061	.419831	.414676	.409592	.404580	.399637
8	.398160	.392527	.386984	.381529	.376160	.370876	.365675	.360557	.355518	.350559

TABLE B.—TERM CERTAIN REMAINDER FACTORS APPLICABLE AFTER APRIL 30, 1989—Continued

Years	Interest rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
9	.354866	.349223	.343680	.338235	.332885	.327629	.322465	.317391	.312406	.307508
10	.316280	.310697	.305222	.299853	.294588	.289425	.284361	.279394	.274522	.269744
11	.281889	.276421	.271068	.265827	.260698	.255676	.250759	.245945	.241232	.236617
12	.251238	.245926	.240735	.235663	.230706	.225862	.221128	.216501	.211979	.207559
13	.223920	.218795	.213797	.208921	.204165	.199525	.194998	.190582	.186273	.182069
14	.199572	.194658	.189873	.185213	.180677	.176258	.171956	.167766	.163685	.159710
15	.177872	.173183	.168626	.164196	.159891	.155705	.151637	.147681	.143835	.140096
16	.158531	.154077	.149757	.145564	.141496	.137549	.133718	.130001	.126393	.122892
17	.141293	.137080	.132999	.129046	.125218	.121510	.117917	.114438	.111066	.107800
18	.125930	.121957	.118116	.114403	.110812	.107341	.103984	.100737	.097598	.094561
19	.112237	.108503	.104899	.101421	.098064	.094824	.091696	.088677	.085762	.082948
20	.100033	.096533	.093161	.089912	.086782	.083767	.080861	.078061	.075362	.072762
21	.089156	.085883	.082736	.079709	.076798	.073999	.071306	.068716	.066224	.063826
22	.079462	.076408	.073478	.070664	.067963	.065370	.062880	.060489	.058193	.055988
23	.070821	.067979	.065255	.062646	.060144	.057747	.055450	.053247	.051136	.049112
24	.063121	.060480	.057953	.055537	.053225	.051014	.048898	.046873	.044935	.043081
25	.056257	.053807	.051468	.049235	.047102	.045065	.043119	.041261	.039486	.037790
26	.050140	.047871	.045709	.043648	.041683	.039810	.038024	.036321	.034698	.033149
27	.044688	.042590	.040594	.038695	.036888	.035168	.033531	.031973	.030490	.029078
28	.039829	.037892	.036052	.034304	.032644	.031067	.029569	.028145	.026793	.025507
29	.035498	.033711	.032017	.030411	.028889	.027444	.026075	.024776	.023544	.022375
30	.031638	.029992	.028435	.026960	.025565	.024244	.022994	.021810	.020689	.019627
31	.028198	.026684	.025253	.023901	.022624	.021417	.020277	.019199	.018180	.017217
32	.025132	.023740	.022427	.021189	.020021	.018920	.017881	.016900	.015975	.015102
33	.022399	.021121	.019917	.018785	.017718	.016714	.015768	.014877	.014038	.013248
34	.019964	.018791	.017689	.016653	.015680	.014765	.013905	.013096	.012336	.011621
35	.017793	.016718	.015709	.014763	.013876	.013043	.012261	.011528	.010840	.010194
36	.015858	.014873	.013951	.013088	.012279	.011522	.010813	.010148	.009525	.008942
37	.014134	.013233	.012390	.011603	.010867	.010178	.009535	.008933	.008370	.007844
38	.012597	.011773	.011004	.010286	.009617	.008992	.008408	.007864	.007355	.006880
39	.011227	.010474	.009772	.009119	.008510	.007943	.007415	.006922	.006463	.006035
40	.010007	.009319	.008679	.008084	.007531	.007017	.006538	.006093	.005679	.005294
41	.008919	.008291	.007708	.007167	.006665	.006199	.005766	.005364	.004991	.004644
42	.007949	.007376	.006845	.006354	.005898	.005476	.005085	.004722	.004386	.004074
43	.007084	.006562	.006079	.005633	.005219	.004837	.004484	.004157	.003854	.003573
44	.006314	.005838	.005399	.004993	.004619	.004273	.003954	.003659	.003386	.003135
45	.005628	.005194	.004795	.004427	.004088	.003775	.003487	.003221	.002976	.002750
46	.005016	.004621	.004258	.003924	.003617	.003335	.003075	.002835	.002615	.002412
47	.004470	.004111	.003782	.003479	.003201	.002946	.002711	.002496	.002298	.002116
48	.003984	.003658	.003359	.003084	.002833	.002602	.002391	.002197	.002019	.001856
49	.003551	.003254	.002983	.002734	.002507	.002299	.002108	.001934	.001774	.001628
50	.003165	.002895	.002649	.002424	.002219	.002031	.001859	.001702	.001559	.001428
51	.002821	.002576	.002353	.002149	.001963	.001794	.001640	.001499	.001370	.001253
52	.002514	.002292	.002089	.001905	.001737	.001585	.001446	.001319	.001204	.001099
53	.002241	.002039	.001856	.001689	.001538	.001400	.001275	.001161	.001058	.000964
54	.001997	.001814	.001648	.001497	.001361	.001237	.001124	.001022	.000930	.000846
55	.001780	.001614	.001463	.001327	.001204	.001093	.000991	.000900	.000817	.000742
56	.001586	.001436	.001300	.001177	.001066	.000965	.000874	.000792	.000718	.000651
57	.001414	.001277	.001154	.001043	.000943	.000853	.000771	.000697	.000631	.000571
58	.001260	.001136	.001025	.000925	.000835	.000753	.000680	.000614	.000554	.000501
59	.001123	.001011	.000910	.000820	.000739	.000665	.000600	.000540	.000487	.000439
60	.001001	.000900	.000809	.000727	.000654	.000588	.000529	.000476	.000428	.000385

TABLE J.—ADJUSTMENT FACTORS FOR TERM CERTAIN ANNUITIES PAYABLE AT THE BEGINNING OF EACH INTERVAL APPLICABLE AFTER APRIL 30, 1989

[Frequency of payments]

Interest rate	Annually	Semi annually	Quarterly	Monthly	Weekly
4.2	1.0420	1.0314	1.0261	1.0226	1.0213
4.4	1.0440	1.0329	1.0274	1.0237	1.0223
4.6	1.0460	1.0344	1.0286	1.0247	1.0233
4.8	1.0480	1.0359	1.0298	1.0258	1.0243
5.0	1.0500	1.0373	1.0311	1.0269	1.0253
5.2	1.0520	1.0388	1.0323	1.0279	1.0263
5.4	1.0540	1.0403	1.0335	1.0290	1.0273
5.6	1.0560	1.0418	1.0348	1.0301	1.0283
5.8	1.0580	1.0433	1.0360	1.0311	1.0293

TABLE J.—ADJUSTMENT FACTORS FOR TERM CERTAIN ANNUITIES PAYABLE AT THE BEGINNING OF EACH INTERVAL APPLICABLE AFTER APRIL 30, 1989—Continued

[Frequency of payments]

Interest rate	Annually	Semi annually	Quarterly	Monthly	Weekly
6.0	1.0600	1.0448	1.0372	1.0322	1.0303
6.2	1.0620	1.0463	1.0385	1.0333	1.0313
6.4	1.0640	1.0478	1.0397	1.0343	1.0323
6.6	1.0660	1.0492	1.0409	1.0354	1.0333
6.8	1.0680	1.0507	1.0422	1.0365	1.0343
7.0	1.0700	1.0522	1.0434	1.0375	1.0353
7.2	1.0720	1.0537	1.0446	1.0386	1.0363
7.4	1.0740	1.0552	1.0458	1.0396	1.0373
7.6	1.0760	1.0567	1.0471	1.0407	1.0383
7.8	1.0780	1.0581	1.0483	1.0418	1.0393
8.0	1.0800	1.0596	1.0495	1.0428	1.0403
8.2	1.0820	1.0611	1.0507	1.0439	1.0413
8.4	1.0840	1.0626	1.0520	1.0449	1.0422
8.6	1.0860	1.0641	1.0532	1.0460	1.0432
8.8	1.0880	1.0655	1.0544	1.0471	1.0442
9.0	1.0900	1.0670	1.0556	1.0481	1.0452
9.2	1.0920	1.0685	1.0569	1.0492	1.0462
9.4	1.0940	1.0700	1.0581	1.0502	1.0472
9.6	1.0960	1.0715	1.0593	1.0513	1.0482
9.8	1.0980	1.0729	1.0605	1.0523	1.0492
10.0	1.1000	1.0744	1.0618	1.0534	1.0502
10.2	1.1020	1.0759	1.0630	1.0544	1.0512
10.4	1.1040	1.0774	1.0642	1.0555	1.0521
10.6	1.1060	1.0788	1.0654	1.0565	1.0531
10.8	1.1080	1.0803	1.0666	1.0576	1.0541
11.0	1.1100	1.0818	1.0679	1.0586	1.0551
11.2	1.1120	1.0833	1.0691	1.0597	1.0561
11.4	1.1140	1.0847	1.0703	1.0607	1.0571
11.6	1.1160	1.0862	1.0715	1.0618	1.0581
11.8	1.1180	1.0877	1.0727	1.0628	1.0590
12.0	1.1200	1.0892	1.0739	1.0639	1.0600
12.2	1.1220	1.0906	1.0752	1.0649	1.0610
12.4	1.1240	1.0921	1.0764	1.0660	1.0620
12.6	1.1260	1.0936	1.0776	1.0670	1.0630
12.8	1.1280	1.0950	1.0788	1.0681	1.0639
13.0	1.1300	1.0965	1.0800	1.0691	1.0649
13.2	1.1320	1.0980	1.0812	1.0701	1.0659
13.4	1.1340	1.0994	1.0824	1.0712	1.0669
13.6	1.1360	1.1009	1.0836	1.0722	1.0679
13.8	1.1380	1.1024	1.0849	1.0733	1.0688
14.0	1.1400	1.1039	1.0861	1.0743	1.0698

TABLE K.—ADJUSTMENT FACTORS FOR ANNUITIES PAYABLE AT THE END OF EACH INTERVAL APPLICABLE AFTER APRIL 30, 1989

[Frequency of Payments]

Interest Rate	Annually	Semi annually	Quarterly	Monthly	Weekly
4.2	1.0000	1.0104	1.0156	1.0191	1.0205
4.4	1.0000	1.0109	1.0164	1.0200	1.0214
4.6	1.0000	1.0114	1.0171	1.0209	1.0224
4.8	1.0000	1.0119	1.0178	1.0218	1.0234
5.0	1.0000	1.0123	1.0186	1.0227	1.0243
5.2	1.0000	1.0128	1.0193	1.0236	1.0253
5.4	1.0000	1.0133	1.0200	1.0245	1.0262
5.6	1.0000	1.0138	1.0208	1.0254	1.0272
5.8	1.0000	1.0143	1.0215	1.0263	1.0282
6.0	1.0000	1.0148	1.0222	1.0272	1.0291
6.2	1.0000	1.0153	1.0230	1.0281	1.0301
6.4	1.0000	1.0158	1.0237	1.0290	1.0311
6.6	1.0000	1.0162	1.0244	1.0299	1.0320
6.8	1.0000	1.0167	1.0252	1.0308	1.0330
7.0	1.0000	1.0172	1.0259	1.0317	1.0339
7.2	1.0000	1.0177	1.0266	1.0326	1.0349
7.4	1.0000	1.0182	1.0273	1.0335	1.0358
7.6	1.0000	1.0187	1.0281	1.0344	1.0368

TABLE K.—ADJUSTMENT FACTORS FOR ANNUITIES PAYABLE AT THE END OF EACH INTERVAL APPLICABLE AFTER APRIL 30, 1989—Continued

[Frequency of Payments]

Interest Rate	Annually	Semi annually	Quarterly	Monthly	Weekly
7.8	1.0000	1.0191	1.0288	1.0353	1.0378
8.0	1.0000	1.0196	1.0295	1.0362	1.0387
8.2	1.0000	1.0201	1.0302	1.0370	1.0397
8.4	1.0000	1.0206	1.0310	1.0379	1.0406
8.6	1.0000	1.0211	1.0317	1.0388	1.0416
8.8	1.0000	1.0215	1.0324	1.0397	1.0425
9.0	1.0000	1.0220	1.0331	1.0406	1.0435
9.2	1.0000	1.0225	1.0339	1.0415	1.0444
9.4	1.0000	1.0230	1.0346	1.0424	1.0454
9.6	1.0000	1.0235	1.0353	1.0433	1.0463
9.8	1.0000	1.0239	1.0360	1.0442	1.0473
10.0	1.0000	1.0244	1.0368	1.0450	1.0482
10.2	1.0000	1.0249	1.0375	1.0459	1.0492
10.4	1.0000	1.0254	1.0382	1.0468	1.0501
10.6	1.0000	1.0258	1.0389	1.0477	1.0511
10.8	1.0000	1.0263	1.0396	1.0486	1.0520
11.0	1.0000	1.0268	1.0404	1.0495	1.0530
11.2	1.0000	1.0273	1.0411	1.0503	1.0539
11.4	1.0000	1.0277	1.0418	1.0512	1.0549
11.6	1.0000	1.0282	1.0425	1.0521	1.0558
11.8	1.0000	1.0287	1.0432	1.0530	1.0568
12.0	1.0000	1.0292	1.0439	1.0539	1.0577
12.2	1.0000	1.0296	1.0447	1.0548	1.0587
12.4	1.0000	1.0301	1.0454	1.0556	1.0596
12.6	1.0000	1.0306	1.0461	1.0565	1.0605
12.8	1.0000	1.0310	1.0468	1.0574	1.0615
13.0	1.0000	1.0315	1.0475	1.0583	1.0624
13.2	1.0000	1.0320	1.0482	1.0591	1.0634
13.4	1.0000	1.0324	1.0489	1.0600	1.0643
13.6	1.0000	1.0329	1.0496	1.0609	1.0652
13.8	1.0000	1.0334	1.0504	1.0618	1.0662
14.0	1.0000	1.0339	1.0511	1.0626	1.0671

TABLE S.—BASED ON LIFE TABLE 80CNSMT Single Life Remainder Factors

[Applicable after April 30, 1989]

Age	Interest rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
0	.07389	.06749	.06188	.05695	.05261	.04879	.04541	.04243	.03978	.03744
1	.06494	.05832	.05250	.04738	.04287	.03889	.03537	.03226	.02950	.02705
2	.06678	.05999	.05401	.04874	.04410	.03999	.03636	.03314	.03028	.02773
3	.06897	.06200	.05587	.05045	.04567	.04143	.03768	.03435	.03139	.02875
4	.07139	.06425	.05796	.05239	.04746	.04310	.03922	.03578	.03271	.02998
5	.07401	.06669	.06023	.05451	.04944	.04494	.04094	.03738	.03421	.03137
6	.07677	.06928	.06265	.05677	.05156	.04692	.04279	.03911	.03583	.03289
7	.07968	.07201	.06521	.05918	.05381	.04903	.04477	.04097	.03757	.03453
8	.08274	.07489	.06792	.06172	.05621	.05129	.04689	.04297	.03945	.03630
9	.08597	.07794	.07079	.06443	.05876	.05370	.04917	.04511	.04148	.03821
10	.08936	.08115	.07383	.06730	.06147	.05626	.05159	.04741	.04365	.04027
11	.09293	.08453	.07704	.07035	.06436	.05900	.05419	.04988	.04599	.04250
12	.09666	.08807	.08040	.07354	.06739	.06188	.05693	.05248	.04847	.04486
13	.10049	.09172	.08387	.07684	.07053	.06487	.05977	.05518	.05104	.04731
14	.10437	.09541	.08738	.08017	.07370	.06788	.06263	.05791	.05364	.04978
15	.10827	.09912	.09090	.08352	.07688	.07090	.06551	.06064	.05623	.05225
16	.11220	.10285	.09445	.08689	.08008	.07394	.06839	.06337	.05883	.05472
17	.11615	.10661	.09802	.09028	.08330	.07699	.07129	.06612	.06144	.05719
18	.12017	.11043	.10165	.09373	.08656	.08009	.07422	.06890	.06408	.05969
19	.12428	.11434	.10537	.09726	.08992	.08327	.07724	.07177	.06679	.06226
20	.12850	.11836	.10919	.10089	.09337	.08654	.08035	.07471	.06959	.06492
21	.13282	.12248	.11311	.10462	.09692	.08991	.08355	.07775	.07247	.06765
22	.13728	.12673	.11717	.10848	.10059	.09341	.08686	.08090	.07546	.07049
23	.14188	.13113	.12136	.11248	.10440	.09703	.09032	.08418	.07858	.07345
24	.14667	.13572	.12575	.11667	.10839	.10084	.09395	.08764	.08187	.07659
25	.15167	.14051	.13034	.12106	.11259	.10486	.09778	.09130	.08536	.07991
26	.15690	.14554	.13517	.12569	.11703	.10910	.10184	.09518	.08907	.08346
27	.16237	.15081	.14024	.13056	.12171	.11359	.10614	.09930	.09302	08724

TABLE S.—BASED ON LIFE TABLE 80CNSMT Single Life Remainder Factors—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
28	.16808	.15632	.14555	.13567	.12662	.11831	.11068	.10366	.09720	.09125
29	.17404	.16208	.15110	.14104	.13179	.12329	.11547	.10827	.10163	.09551
30	.18025	.16808	.15692	.14665	.13721	.12852	.12051	.11313	.10631	.10002
31	.18672	.17436	.16300	.15255	.14291	.13403	.12584	.11827	.11127	.10480
32	.19344	.18090	.16935	.15870	.14888	.13980	.13142	.12367	.11650	.10985
33	.20044	.18772	.17598	.16514	.15513	.14587	.13730	.12936	.12201	.11519
34	.20770	.19480	.18287	.17185	.16165	.15221	.14345	.13533	.12780	.12080
35	.21522	.20215	.19005	.17884	.16846	.15883	.14989	.14159	.13388	.12670
36	.22299	.20974	.19747	.18609	.17552	.16571	.15660	.14812	.14022	.13287
37	.23101	.21760	.20516	.19360	.18286	.17288	.16358	.15492	.14685	.13933
38	.23928	.22572	.21311	.20139	.19048	.18032	.17085	.16201	.15377	.14607
39	.24780	.23409	.22133	.20945	.19837	.18804	.17840	.16939	.16097	.15310
40	.25658	.24273	.22982	.21778	.20654	.19605	.18624	.17706	.16847	.16043
41	.26560	.25163	.23858	.22639	.21499	.20434	.19436	.18502	.17627	.16806
42	.27486	.26076	.24758	.23525	.22370	.21289	.20276	.19326	.18434	.17597
43	.28435	.27013	.25683	.24436	.23268	.22172	.21143	.20177	.19270	.18416
44	.29407	.27975	.26633	.25373	.24191	.23081	.22038	.21057	.20134	.19265
45	.30402	.28961	.27608	.26337	.25142	.24019	.22962	.21966	.21028	.20144
46	.31420	.29970	.28608	.27326	.26120	.24983	.23913	.22904	.21951	.21053
47	.32460	.31004	.29632	.28341	.27123	.25975	.24892	.23870	.22904	.21991
48	.33521	.32058	.30679	.29379	.28151	.26992	.25897	.24862	.23883	.22957
49	.34599	.33132	.31746	.30438	.29201	.28032	.26926	.25879	.24888	.23949
50	.35695	.34224	.32833	.31518	.30273	.29094	.27978	.26921	.25918	.24966
51	.36809	.35335	.33940	.32619	.31367	.30180	.29055	.27987	.26973	.26010
52	.37944	.36468	.35070	.33744	.32486	.31292	.30158	.29081	.28057	.27083
53	.39098	.37622	.36222	.34892	.33629	.32429	.31288	.30203	.29170	.28186
54	.40269	.38794	.37393	.36062	.34795	.33590	.32442	.31349	.30308	.29316
55	.41457	.39985	.38585	.37252	.35983	.34774	.33621	.32522	.31474	.30473
56	.42662	.41194	.39796	.38464	.37193	.35981	.34824	.33720	.32666	.31658
57	.43884	.42422	.41028	.39697	.38426	.37213	.36053	.34945	.33885	.32872
58	.45123	.43668	.42279	.40951	.39682	.38468	.37307	.36196	.35132	.34114
59	.46377	.44931	.43547	.42224	.40958	.39745	.38584	.37471	.36405	.35383
60	.47643	.46206	.44830	.43513	.42250	.41040	.39880	.38767	.37699	.36674
61	.48916	.47491	.46124	.44814	.43556	.42350	.41192	.40080	.39012	.37985
62	.50196	.48783	.47427	.46124	.44874	.43672	.42518	.41408	.40340	.39314
63	.51480	.50081	.48736	.47444	.46201	.45006	.43856	.42749	.41684	.40658
64	.52770	.51386	.50054	.48773	.47540	.46352	.45208	.44105	.43043	.42019
65	.54069	.52701	.51384	.50115	.48892	.47713	.46577	.45480	.44422	.43401
66	.55378	.54029	.52727	.51472	.50262	.49093	.47965	.46876	.45824	.44808
67	.56697	.55368	.54084	.52845	.51648	.50491	.49373	.48293	.47248	.46238
68	.58026	.56717	.55453	.54231	.53049	.51905	.50800	.49729	.48694	.47691
69	.59358	.58072	.56828	.55624	.54459	.53330	.52238	.51179	.50154	.49160
70	.60689	.59427	.58205	.57021	.55874	.54762	.53683	.52638	.51624	.50641
71	.62014	.60778	.59578	.58415	.57287	.56193	.55131	.54100	.53099	.52126
72	.63334	.62123	.60948	.59808	.58700	.57624	.56579	.55563	.54577	.53617
73	.64648	.63465	.62315	.61198	.60112	.59056	.58029	.57030	.56059	.55113
74	.65961	.64806	.63682	.62590	.61527	.60492	.59485	.58504	.57550	.56620
75	.67274	.66149	.65054	.63987	.62948	.61936	.60950	.59990	.59053	.58140
76	.68589	.67495	.66429	.65390	.64377	.63390	.62427	.61487	.60570	.59676
77	.69903	.68841	.67806	.66796	.65811	.64849	.63910	.62993	.62097	.61223
78	.71209	.70182	.69179	.68199	.67242	.66307	.65393	.64501	.63628	.62775
79	.72500	.71507	.70537	.69588	.68660	.67754	.66867	.65999	.65151	.64321
80	.73768	.72809	.71872	.70955	.70058	.69180	.68320	.67479	.66655	.65849
81	.75001	.74077	.73173	.72288	.71422	.70573	.69741	.68926	.68128	.67345
82	.76195	.75306	.74435	.73582	.72746	.71926	.71123	.70335	.69562	.68804
83	.77346	.76491	.75654	.74832	.74026	.73236	.72460	.71699	.70952	.70219
84	.78456	.77636	.76831	.76041	.75265	.74503	.73756	.73021	.72300	.71592
85	.79530	.78743	.77971	.77212	.76466	.75733	.75014	.74306	.73611	.72928
86	.80560	.79806	.79065	.78337	.77621	.76917	.76225	.75544	.74875	.74216
87	.81535	.80813	.80103	.79404	.78717	.78041	.77375	.76720	.76076	.75442
88	.82462	.81771	.81090	.80420	.79760	.79111	.78472	.77842	.77223	.76612
89	.83356	.82694	.82043	.81401	.80769	.80147	.79533	.78929	.78334	.77747
90	.84225	.83593	.82971	.82357	.81753	.81157	.80570	.79991	.79420	.78857
91	.85058	.84455	.83861	.83276	.82698	.82129	.81567	.81013	.80466	.79927
92	.85838	.85263	.84696	.84137	.83585	.83040	.82503	.81973	.81449	.80933
93	.86557	.86009	.85467	.84932	.84405	.83884	.83370	.82862	.82360	.81865
94	.87212	.86687	.86169	.65657	.85152	.84653	.84160	.83673	.83192	.82717
95	.87801	.87298	.86801	.86310	.85825	.85345	.84872	.84404	.83941	.83484
96	.88322	.87838	.87360	.86888	.86420	.85959	.85502	.85051	.84605	.84165

TABLE S.—BASED ON LIFE TABLE 80CNSMT Single Life Remainder Factors—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
97	.88795	.88328	.87867	.87411	.86961	.86515	.86074	.85639	.85208	.84782
98	.89220	.88769	.88323	.87883	.87447	.87016	.86589	.86167	.85750	.85337
99	.89612	.89176	.88745	.88318	.87895	.87478	.87064	.86656	.86251	.85850
100	.89977	.89555	.89136	.88722	.88313	.87908	.87506	.87109	.86716	.86327
101	.90326	.89917	.89511	.89110	.88712	.88318	.87929	.87543	.87161	.86783
102	.90690	.90294	.89901	.89513	.89128	.88746	.88369	.87995	.87624	.87257
103	.91076	.90694	.90315	.89940	.89569	.89200	.88835	.88474	.88116	.87760
104	.91504	.91138	.90775	.90415	.90058	.89704	.89354	.89006	.88661	.88319
105	.92027	.91681	.91337	.90996	.90658	.90322	.89989	.89659	.89331	.89006
106	.92763	.92445	.92130	.91816	.91506	.91197	.90890	.90586	.90284	.89983
107	.93799	.93523	.93249	.92977	.92707	.92438	.92170	.91905	.91641	.91378
108	.95429	.95223	.95018	.94814	.94611	.94409	.94208	.94008	.93809	.93611
109	.97985	.97893	.97801	.97710	.97619	.97529	.97438	.97348	.97259	.97170

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
0	.03535	.03349	.03183	.03035	.02902	.02783	.02676	.02579	.02492	.02413
1	.02486	.02292	.02119	.01963	.01824	.01699	.01587	.01486	.01395	.01312
2	.02547	.02345	.02164	.02002	.01857	.01727	.01609	.01504	.01408	.01321
3	.02640	.02429	.02241	.02073	.01921	.01785	.01662	.01552	.01451	.01361
4	.02753	.02535	.02339	.02163	.02005	.01863	.01735	.01619	.01514	.01418
5	.02883	.02656	.02453	.02269	.02105	.01956	.01822	.01700	.01590	.01490
6	.03026	.02790	.02578	.02387	.02215	.02060	.01919	.01792	.01677	.01572
7	.03180	.02935	.02714	.02515	.02336	.02174	.02027	.01894	.01773	.01664
8	.03347	.03092	.02863	.02656	.02469	.02300	.02146	.02007	.01881	.01766
9	.03528	.03263	.03025	.02810	.02615	.02438	.02278	.02133	.02000	.01880
10	.03723	.03449	.03201	.02977	.02774	.02590	.02423	.02271	.02133	.02006
11	.03935	.03650	.03393	.03160	.02949	.02757	.02583	.02424	.02279	.02147
12	.04160	.03865	.03598	.03356	.03136	.02936	.02755	.02589	.02438	.02299
13	.04394	.04088	.03811	.03560	.03331	.03123	.02934	.02761	.02603	.02458
14	.04629	.04312	.04025	.03764	.03527	.03311	.03113	.02933	.02768	.02617
15	.04864	.04536	.04238	.03968	.03721	.03496	.03290	.03103	.02930	.02773
16	.05099	.04759	.04451	.04170	.03913	.03679	.03466	.03270	.03090	.02926
17	.05333	.04982	.04662	.04370	.04104	.03861	.03638	.03434	.03247	.03075
18	.05570	.05207	.04875	.04573	.04296	.04044	.03812	.03599	.03404	.03225
19	.05814	.05438	.05095	.04781	.04494	.04231	.03990	.03769	.03565	.03378
20	.06065	.05677	.05321	.04996	.04698	.04424	.04173	.03943	.03731	.03535
21	.06325	.05922	.05554	.05217	.04907	.04623	.04362	.04122	.03901	.03697
22	.06594	.06178	.05797	.05447	.05126	.04831	.04559	.04309	.04078	.03865
23	.06876	.06446	.06051	.05688	.05355	.05048	.04766	.04505	.04265	.04042
24	.07174	.06729	.06321	.05945	.05599	.05281	.04987	.04715	.04465	.04233
25	.07491	.07031	.06609	.06219	.05861	.05530	.05224	.04941	.04680	.04438
26	.07830	.07355	.06918	.06515	.06142	.05799	.05481	.05187	.04915	.04662
27	.08192	.07702	.07250	.06832	.06446	.06090	.05759	.05454	.05170	.04906
28	.08577	.08071	.07603	.07171	.06772	.06402	.06059	.05740	.05445	.05170
29	.08986	.08464	.07981	.07534	.07120	.06736	.06380	.06049	.05742	.05456
30	.09420	.08882	.08383	.07921	.07492	.07095	.06725	.06381	.06061	.05763
31	.09881	.09327	.08812	.08335	.07891	.07479	.07095	.06738	.06405	.06095
32	.10369	.09797	.09267	.08774	.08315	.07888	.07491	.07120	.06774	.06451
33	.10885	.10297	.09750	.09241	.08767	.08325	.07913	.07529	.07170	.06834
34	.11430	.10824	.10261	.09736	.09246	.08790	.08363	.07964	.07592	.07243
35	.12002	.11380	.10800	.10259	.09754	.09282	.08841	.08428	.08041	.07679
36	.12602	.11963	.11366	.10809	.10288	.09800	.09344	.08917	.08516	.08140
37	.13230	.12574	.11961	.11387	.10850	.10347	.09876	.09433	.09018	.08628
38	.13887	.13214	.12584	.11994	.11441	.10922	.10436	.09978	.09549	.09145
39	.14573	.13883	.13237	.12630	.12061	.11527	.11025	.10553	.10109	.09690
40	.15290	.14583	.13920	.13297	.12712	.12162	.11644	.11157	.10698	.10266
41	.16036	.15312	.14633	.13994	.13393	.12827	.12294	.11792	.11318	.10871
42	.16810	.16071	.15375	.14720	.14103	.13522	.12973	.12456	.11967	.11505
43	.17614	.16858	.16146	.15475	.14842	.14245	.13682	.13149	.12645	.12169
44	.18447	.17675	.16948	.16261	.15613	.15000	.14421	.13873	.13355	.12864
45	.19310	.18524	.17780	.17078	.16414	.15787	.15192	.14630	.14096	.13591
46	.20204	.19402	.18644	.17926	.17247	.16604	.15995	.15418	.14870	.14350

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
47	.21128	.20311	.19538	.18806	.18112	.17454	.16830	.16238	.15676	.15141
48	.22080	.21249	.20462	.19716	.19007	.18335	.17696	.17090	.16513	.15964
49	.23059	.22214	.21413	.20653	.19930	.19244	.18591	.17970	.17379	.16816
50	.24063	.23206	.22391	.21617	.20881	.20180	.19514	.18879	.18274	.17697
51	.25095	.24225	.23398	.22610	.21861	.21147	.20468	.19818	.19199	.18609
52	.26157	.25275	.24436	.23636	.22874	.22147	.21453	.20791	.20159	.19556
53	.27249	.26357	.25505	.24694	.23919	.23180	.22474	.21799	.21154	.20537
54	.28369	.27466	.26604	.25782	.24995	.24244	.23526	.22839	.22181	.21552
55	.29518	.28605	.27734	.26900	.26103	.25341	.24611	.23912	.23243	.22601
56	.30695	.29774	.28893	.28050	.27242	.26469	.25728	.25019	.24338	.23685
57	.31902	.30973	.30084	.29232	.28415	.27632	.26881	.26161	.25469	.24805
58	.33138	.32203	.31306	.30446	.29621	.28829	.28069	.27339	.26637	.25962
59	.34402	.33461	.32558	.31691	.30859	.30059	.29290	.28550	.27839	.27155
60	.35690	.34745	.33836	.32963	.32124	.31317	.30540	.29792	.29073	.28379
61	.36999	.36050	.35137	.34259	.33414	.32601	.31817	.31062	.30334	.29633
62	.38325	.37374	.36458	.35576	.34726	.33907	.33117	.32356	.31621	.30912
63	.39669	.38717	.37799	.36913	.36060	.35236	.34441	.33674	.32933	.32217
64	.41031	.40078	.39159	.38272	.37415	.36588	.35789	.35016	.34270	.33548
65	.42416	.41464	.40545	.39656	.38798	.37968	.37166	.36390	.35639	.34912
66	.43825	.42876	.41958	.41070	.40211	.39380	.38576	.37797	.37043	.36312
67	.45260	.44315	.43399	.42513	.41655	.40824	.40019	.39238	.38482	.37749
68	.46720	.45779	.44868	.43985	.43129	.42299	.41494	.40713	.39956	.39221
69	.48197	.47263	.46357	.45478	.44625	.43798	.42995	.42215	.41458	.40722
70	.49686	.48760	.47861	.46988	.46140	.45316	.44516	.43738	.42983	.42248
71	.51182	.50265	.49374	.48508	.47666	.46847	.46051	.45276	.44523	.43790
72	.52685	.51778	.50896	.50038	.49203	.48390	.47599	.46829	.46079	.45349
73	.54194	.53298	.52426	.51578	.50751	.49946	.49161	.48397	.47652	.46926
74	.55714	.54832	.53972	.53134	.52317	.51520	.50744	.49986	.49247	.48527
75	.57250	.56382	.55536	.54710	.53904	.53118	.52351	.51601	.50870	.50156
76	.58803	.57951	.57120	.56308	.55515	.54740	.53984	.53245	.52522	.51817
77	.60369	.59535	.58720	.57923	.57144	.56383	.55639	.54912	.54200	.53504
78	.61942	.61126	.60329	.59549	.58787	.58040	.57310	.56596	.55896	.55212
79	.63508	.62713	.61935	.61174	.60428	.59698	.58983	.58283	.57597	.56925
80	.65059	.64285	.63527	.62785	.62058	.61345	.60646	.59961	.59290	.58632
81	.66579	.65827	.65090	.64368	.63659	.62965	.62283	.61615	.60959	.60316
82	.68061	.67332	.66616	.65914	.65226	.64550	.63886	.63235	.62595	.61968
83	.69499	.68793	.68099	.67418	.66749	.66092	.65447	.64813	.64191	.63579
84	.70896	.70213	.69541	.68881	.68233	.67595	.66969	.66353	.65748	.65153
85	.72256	.71596	.70947	.70308	.69681	.69063	.68456	.67859	.67271	.66693
86	.73569	.72931	.72305	.71688	.71081	.70484	.69896	.69318	.68748	.68188
87	.74818	.74204	.73599	.73003	.72417	.71839	.71271	.70711	.70159	.69616
88	.76011	.75419	.74836	.74261	.73695	.73137	.72588	.72046	.71512	.70986
89	.77169	.76599	.76037	.75484	.74938	.74400	.73870	.73347	.72831	.72323
90	.78302	.77755	.77215	.76683	.76158	.75640	.75129	.74625	.74128	.73638
91	.79395	.78870	.78352	.77842	.77337	.76840	.76349	.75864	.75385	.74913
92	.80423	.79920	.79423	.78933	.78449	.77971	.77499	.77033	.76572	.76118
93	.81377	.80894	.80417	.79946	.79481	.79022	.78568	.78120	.77677	.77239
94	.82247	.81784	.81325	.80873	.80425	.79983	.79547	.79115	.78688	.78266
95	.83033	.82586	.82145	.81709	.81278	.80852	.80431	.80014	.79602	.79195
96	.83729	.83298	.82872	.82451	.82034	.81622	.81215	.80812	.80414	.80019
97	.84361	.83944	.83532	.83124	.82721	.82322	.81927	.81537	.81151	.80769
98	.84929	.84525	.84126	.83730	.83339	.82952	.82569	.82190	.81815	.81443
99	.85454	.85062	.84674	.84290	.83910	.83534	.83161	.82792	.82427	.82066
100	.85942	.85561	.85184	.84810	.84440	.84074	.83711	.83352	.82997	.82644
101	.86408	.86037	.85670	.85306	.84946	.84589	.84236	.83886	.83539	.83196
102	.86894	.86534	.86177	.85823	.85473	.85126	.84782	.84442	.84104	.83770
103	.87408	.87060	.86714	.86371	.86032	.85695	.85362	.85031	.84703	.84378
104	.87980	.87644	.87311	.86980	.86653	.86328	.86005	.85686	.85369	.85054
105	.88684	.88363	.88046	.87731	.87418	.87108	.86800	.86494	.86191	.85890
106	.89685	.89389	.89095	.88804	.88514	.88226	.87940	.87656	.87374	.87094
107	.91117	.90858	.90600	.90344	.90089	.89836	.89584	.89334	.89085	.88838
108	.93414	.93217	.93022	.92828	.92634	.92442	.92250	.92060	.91870	.91681
109	.97081	.96992	.96904	.96816	.96729	.96642	.96555	.96468	.96382	.96296

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
0	.02341	.02276	.02217	.02163	.02114	.02069	.02027	.01989	.01954	.01922
1	.01237	.01170	.01108	.01052	.01000	.00953	.00910	.00871	.00834	.00801
2	.01243	.01172	.01107	.01048	.00994	.00944	.00899	.00857	.00819	.00784
3	.01278	.01203	.01135	.01073	.01016	.00964	.00916	.00872	.00832	.00795
4	.01332	.01253	.01182	.01116	.01056	.01001	.00951	.00904	.00862	.00822
5	.01400	.01317	.01241	.01172	.01109	.01051	.00998	.00949	.00904	.00862
6	.01477	.01390	.01310	.01238	.01171	.01110	.01054	.01002	.00954	.00910
7	.01563	.01472	.01389	.01312	.01242	.01178	.01118	.01064	.01013	.00966
8	.01660	.01564	.01477	.01396	.01322	.01254	.01192	.01134	.01081	.01031
9	.01770	.01669	.01577	.01492	.01414	.01342	.01276	.01216	.01159	.01107
10	.01891	.01785	.01688	.01599	.01517	.01442	.01372	.01308	.01249	.01194
11	.02026	.01915	.01814	.01720	.01634	.01555	.01481	.01414	.01351	.01293
12	.02173	.02056	.01950	.01852	.01761	.01678	.01601	.01529	.01463	.01402
13	.02326	.02204	.02092	.01989	.01895	.01807	.01726	.01651	.01582	.01517
14	.02478	.02351	.02234	.02126	.02027	.01935	.01850	.01771	.01698	.01630
15	.02628	.02495	.02372	.02259	.02155	.02058	.01969	.01886	.01810	.01738
16	.02774	.02635	.02507	.02388	.02279	.02178	.02084	.01997	.01917	.01842
17	.02917	.02772	.02637	.02513	.02399	.02293	.02194	.02103	.02018	.01940
18	.03059	.02907	.02767	.02637	.02517	.02406	.02302	.02207	.02118	.02035
19	.03205	.03046	.02899	.02763	.02637	.02521	.02412	.02312	.02218	.02131
20	.03355	.03188	.03035	.02892	.02760	.02638	.02524	.02419	.02320	.02229
21	.03509	.03334	.03173	.03024	.02886	.02758	.02638	.02527	.02424	.02328
22	.03669	.03487	.03318	.03162	.03017	.02882	.02757	.02640	.02532	.02430
23	.03837	.03646	.03470	.03306	.03154	.03013	.02881	.02759	.02644	.02538
24	.04018	.03819	.03634	.03463	.03303	.03155	.03016	.02888	.02767	.02655
25	.04214	.04006	.03812	.03633	.03465	.03309	.03164	.03029	.02902	.02784
26	.04428	.04210	.04008	.03820	.03644	.03481	.03328	.03186	.03052	.02928
27	.04662	.04434	.04223	.04025	.03841	.03670	.03509	.03360	.03219	.03088
28	.04915	.04677	.04456	.04249	.04056	.03876	.03708	.03550	.03403	.03264
29	.05189	.04941	.04709	.04493	.04291	.04102	.03925	.03760	.03604	.03458
30	.05485	.05226	.04984	.04757	.04546	.04348	.04162	.03988	.03825	.03671
31	.05805	.05535	.05282	.05045	.04824	.04616	.04421	.04238	.04067	.03905
32	.06149	.05867	.05603	.05356	.05124	.04906	.04702	.04510	.04329	.04160
33	.06520	.06226	.05950	.05692	.05449	.05221	.05007	.04806	.04616	.04438
34	.06916	.06609	.06322	.06052	.05799	.05560	.05336	.05125	.04926	.04738
35	.07339	.07020	.06720	.06439	.06174	.05925	.05690	.05469	.05260	.05063
36	.07787	.07455	.07143	.06850	.06573	.06313	.06068	.05836	.05617	.05411
37	.08262	.07917	.07593	.07287	.06999	.06727	.06470	.06228	.05999	.05783
38	.08765	.08407	.08069	.07751	.07451	.07167	.06899	.06646	.06407	.06180
39	.09296	.08925	.08574	.08243	.07931	.07635	.07356	.07092	.06841	.06604
40	.09858	.09472	.09109	.08765	.08440	.08132	.07841	.07565	.07303	.07055
41	.10449	.10050	.09673	.09316	.08978	.08658	.08355	.08067	.07794	.07535
42	.11069	.10656	.10265	.09895	.09544	.09212	.08896	.08596	.08312	.08041
43	.11718	.11291	.10887	.10503	.10140	.09794	.09466	.09154	.08858	.08576
44	.12399	.11958	.11540	.11143	.10766	.10407	.10067	.09743	.09434	.09141
45	.13111	.12656	.12224	.11814	.11423	.11052	.10699	.10362	.10042	.09736
46	.13856	.13387	.12941	.12516	.12113	.11728	.11362	.11013	.10680	.10363
47	.14633	.14150	.13690	.13252	.12835	.12438	.12059	.11697	.11352	.11022
48	.15442	.14945	.14471	.14020	.13589	.13179	.12787	.12412	.12055	.11713
49	.16280	.15769	.15281	.14816	.14373	.13949	.13544	.13157	.12787	.12433
50	.17147	.16622	.16121	.15643	.15186	.14749	.14331	.13931	.13548	.13182
51	.18045	.17507	.16993	.16501	.16030	.15580	.15150	.14737	.14342	.13963
52	.18979	.18427	.17899	.17394	.16911	.16448	.16004	.15579	.15172	.14780
53	.19947	.19383	.18842	.18324	.17828	.17352	.16896	.16458	.16038	.15635
54	.20950	.20372	.19819	.19288	.18779	.18291	.17822	.17372	.16940	.16524
55	.21986	.21397	.20831	.20288	.19767	.19266	.18785	.18322	.17878	.17450
56	.23058	.22457	.21879	.21324	.20791	.20278	.19785	.19310	.18854	.18414
57	.24167	.23554	.22965	.22399	.21854	.21329	.20824	.20338	.19870	.19419
58	.25314	.24690	.24090	.23512	.22956	.22420	.21904	.21407	.20927	.20464
59	.26497	.25863	.25252	.24664	.24097	.23550	.23023	.22515	.22024	.21551
60	.27712	.27068	.26448	.25849	.25272	.24716	.24178	.23659	.23158	.22674
61	.28956	.28304	.27674	.27067	.26480	.25913	.25366	.24837	.24325	.23831
62	.30228	.29567	.28929	.28312	.27717	.27141	.26584	.26045	.25524	.25020
63	.31525	.30857	.30211	.29586	.28982	.28397	.27832	.27284	.26754	.26240
64	.32851	.32176	.31522	.30890	.30278	.29685	.29111	.28555	.28016	.27493
65	.34209	.33528	.32868	.32229	.31610	.31010	.30429	.29865	.29317	.28787
66	.35604	.34918	.34253	.33609	.32983	.32377	.31788	.31217	.30663	.30124
67	.37037	.36347	.35678	.35028	.34398	.33786	.33191	.32614	.32053	.31508
68	.38508	.37815	.37142	.36489	.35854	.35237	.34638	.34055	.33488	.32937

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
69	.40008	.39313	.38638	.37982	.37344	.36724	.36120	.35533	.34961	.34405
70	.41533	.40838	.40162	.39504	.38864	.38241	.37634	.37043	.36468	.35907
71	.43076	.42382	.41705	.41047	.40405	.39780	.39171	.38578	.38000	.37436
72	.44638	.43945	.43269	.42611	.41969	.41344	.40733	.40138	.39558	.38991
73	.46218	.45527	.44854	.44197	.43556	.42931	.42321	.41725	.41143	.40575
74	.47823	.47137	.46466	.45812	.45173	.44549	.43940	.43345	.42763	.42195
75	.49459	.48777	.48112	.47462	.46826	.46205	.45598	.45004	.44424	.43856
76	.51127	.50452	.49793	.49148	.48517	.47900	.47297	.46706	.46129	.45563
77	.52823	.52157	.51505	.50867	.50243	.49632	.49033	.48447	.47873	.47311
78	.54541	.53885	.53242	.52613	.51996	.51392	.50800	.50220	.49652	.49094
79	.56267	.55621	.54989	.54369	.53762	.53166	.52582	.52009	.51448	.50897
80	.57987	.57354	.56733	.56125	.55527	.54941	.54366	.53802	.53248	.52705
81	.59685	.59065	.58457	.57860	.57274	.56699	.56134	.55579	.55035	.54499
82	.61351	.60746	.60151	.59567	.58993	.58429	.57875	.57331	.56796	.56270
83	.62978	.62387	.61806	.61236	.60675	.60123	.59581	.59047	.58523	.58007
84	.64567	.63992	.63426	.62869	.62321	.61783	.61253	.60731	.60218	.59713
85	.66125	.65565	.65014	.64472	.63938	.63413	.62896	.62387	.61886	.61392
86	.67636	.67092	.66557	.66030	.65511	.65000	.64496	.64000	.63511	.63030
87	.69081	.68554	.68034	.67522	.67018	.66520	.66031	.65548	.65071	.64602
88	.70468	.69957	.69453	.68956	.68466	.67983	.67507	.67037	.66574	.66117
89	.71821	.71326	.70838	.70357	.69882	.69414	.68952	.68495	.68045	.67601
90	.73153	.72676	.72204	.71739	.71280	.70827	.70379	.69938	.69502	.69071
91	.74447	.73986	.73532	.73083	.72640	.72202	.71770	.71343	.70921	.70504
92	.75669	.75225	.74787	.74354	.73927	.73504	.73087	.72674	.72267	.71864
93	.76807	.76379	.75957	.75540	.75127	.74719	.74317	.73918	.73524	.73135
94	.77849	.77437	.77030	.76627	.76229	.75835	.75446	.75061	.74680	.74303
95	.78792	.78394	.78001	.77611	.77226	.76845	.76468	.76096	.75727	.75362
96	.79630	.79244	.78863	.78485	.78112	.77742	.77377	.77015	.76657	.76303
97	.80391	.80016	.79646	.79280	.78917	.78559	.78203	.77852	.77504	.77160
98	.81076	.80712	.80352	.79996	.79643	.79294	.78948	.78606	.78267	.77931
99	.81709	.81354	.81004	.80657	.80313	.79972	.79635	.79302	.78971	.78644
100	.82296	.81950	.81609	.81270	.80934	.80602	.80273	.79947	.79624	.79304
101	.82855	.82518	.82185	.81854	.81526	.81201	.80880	.80561	.80245	.79932
102	.83438	.83110	.82785	.82462	.82142	.81826	.81512	.81200	.80892	.80586
103	.84056	.83737	.83420	.83106	.82795	.82487	.82181	.81878	.81577	.81279
104	.84743	.84433	.84127	.83822	.83521	.83221	.82924	.82630	.82338	.82048
105	.85591	.85295	.85001	.84709	.84419	.84132	.83846	.83563	.83282	.83003
106	.86816	.86540	.86266	.85993	.85723	.85454	.85187	.84922	.84659	.84397
107	.88592	.88348	.88105	.87863	.87623	.87384	.87147	.86911	.86676	.86443
108	.91493	.91306	.91119	.90934	.90749	.90566	.90383	.90201	.90020	.89840
109	.96211	.96125	.96041	.95956	.95872	.95788	.95704	.95620	.95537	.95455

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
0	.01891	.01864	.01838	.01814	.01791	.01770	.01750	.01732	.01715	.01698
1	.00770	.00741	.00715	.00690	.00667	.00646	.00626	.00608	.00590	.00574
2	.00751	.00721	.00693	.00667	.00643	.00620	.00600	.00580	.00562	.00544
3	.00760	.00728	.00699	.00671	.00646	.00622	.00600	.00579	.00560	.00541
4	.00786	.00752	.00721	.00692	.00665	.00639	.00616	.00594	.00573	.00554
5	.00824	.00788	.00755	.00724	.00695	.00668	.00643	.00620	.00598	.00578
6	.00869	.00832	.00796	.00764	.00733	.00705	.00678	.00654	.00630	.00608
7	.00923	.00883	.00846	.00811	.00779	.00749	.00720	.00694	.00669	.00645
8	.00986	.00943	.00904	.00867	.00833	.00801	.00771	.00743	.00716	.00692
9	.01059	.01014	.00972	.00933	.00897	.00863	.00831	.00801	.00773	.00747
10	.01142	.01095	.01051	.01009	.00971	.00935	.00901	.00869	.00840	.00812
11	.01239	.01189	.01142	.01098	.01057	.01019	.00983	.00950	.00918	.00889
12	.01345	.01292	.01243	.01197	.01154	.01113	.01075	.01040	.01007	.00975
13	.01457	.01401	.01349	.01300	.01255	.01212	.01172	.01135	.01100	.01067
14	.01567	.01508	.01453	.01402	.01354	.01309	.01267	.01227	.01190	.01155
15	.01672	.01610	.01552	.01498	.01448	.01400	.01356	.01314	.01275	.01238
16	.01772	.01707	.01646	.01589	.01536	.01486	.01439	.01396	.01354	.01315
17	.01866	.01798	.01734	.01674	.01618	.01566	.01516	.01470	.01427	.01386
18	.01958	.01886	.01818	.01755	.01697	.01641	.01590	.01541	.01495	.01452

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
19	.02050	.01974	.01903	.01837	.01775	.01717	.01662	.01611	.01563	.01517
20	.02143	.02064	.01989	.01919	.01854	.01793	.01735	.01681	.01630	.01582
21	.02238	.02154	.02075	.02002	.01933	.01868	.01807	.01750	.01696	.01646
22	.02336	.02247	.02164	.02087	.02014	.01946	.01882	.01821	.01764	.01711
23	.02438	.02345	.02257	.02176	.02099	.02027	.01959	.01895	.01835	.01778
24	.02550	.02451	.02359	.02273	.02192	.02115	.02044	.01976	.01913	.01853
25	.02673	.02569	.02472	.02381	.02295	.02214	.02138	.02067	.01999	.01936
26	.02811	.02701	.02598	.02502	.02411	.02326	.02246	.02170	.02098	.02031
27	.02965	.02849	.02741	.02639	.02543	.02452	.02367	.02287	.02211	.02140
28	.03134	.03013	.02898	.02790	.02689	.02593	.02503	.02418	.02338	.02262
29	.03322	.03193	.03072	.02958	.02851	.02750	.02654	.02564	.02479	.02398
30	.03527	.03391	.03264	.03143	.03030	.02923	.02821	.02726	.02635	.02550
31	.03753	.03610	.03475	.03348	.03228	.03115	.03008	.02907	.02811	.02720
32	.04000	.03849	.03707	.03573	.03446	.03326	.03213	.03105	.03004	.02907
33	.04269	.04111	.03961	.03819	.03685	.03558	.03438	.03325	.03217	.03115
34	.04561	.04394	.04236	.04087	.03946	.03812	.03685	.03565	.03451	.03342
35	.04877	.04702	.04535	.04378	.04229	.04087	.03953	.03826	.03706	.03591
36	.05215	.05031	.04856	.04690	.04533	.04384	.04242	.04108	.03980	.03859
37	.05578	.05384	.05200	.05025	.04860	.04703	.04553	.04411	.04276	.04148
38	.05965	.05761	.05568	.05385	.05211	.05045	.04888	.04738	.04595	.04460
39	.06379	.06165	.05962	.05770	.05587	.05412	.05247	.05089	.04939	.04795
40	.06820	.06596	.06383	.06181	.05989	.05806	.05631	.05465	.05307	.05155
41	.07288	.07054	.06832	.06620	.06418	.06226	.06042	.05868	.05701	.05541
42	.07784	.07539	.07306	.07085	.06873	.06671	.06479	.06295	.06119	.05952
43	.08308	.08052	.07808	.07576	.07355	.07143	.06941	.06748	.06564	.06387
44	.08861	.08594	.08340	.08097	.07865	.07644	.07432	.07230	.07036	.06851
45	.09445	.09167	.08901	.08648	.08406	.08174	.07953	.07741	.07538	.07343
46	.10060	.09770	.09494	.09230	.08977	.08735	.08503	.08281	.08068	.07865
47	.10707	.10406	.10119	.09843	.09579	.09327	.09085	.08853	.08630	.08417
48	.11386	.11073	.10774	.10487	.10213	.09949	.09697	.09455	.09222	.08999
49	.12094	.11769	.11458	.11160	.10874	.10600	.10337	.10084	.09842	.09609
50	.12831	.12494	.12172	.11862	.11565	.11280	.11006	.10743	.10490	.10247
51	.13600	.13251	.12917	.12596	.12288	.11991	.11706	.11432	.11169	.10915
52	.14405	.14044	.13698	.13366	.13046	.12738	.12442	.12157	.11883	.11619
53	.15247	.14875	.14517	.14172	.13841	.13522	.13215	.12919	.12635	.12360
54	.16124	.15740	.15370	.15014	.14671	.14341	.14023	.13717	.13421	.13136
55	.17039	.16642	.16261	.15893	.15539	.15198	.14868	.14551	.14244	.13948
56	.17991	.17583	.17190	.16811	.16445	.16092	.15752	.15423	.15106	.14799
57	.18984	.18564	.18160	.17769	.17392	.17029	.16677	.16338	.16010	.15692
58	.20018	.19587	.19172	.18770	.18382	.18007	.17645	.17295	.16956	.16628
59	.21093	.20652	.20225	.19812	.19414	.19028	.18655	.18294	.17945	.17606
60	.22206	.21753	.21316	.20893	.20483	.20087	.19703	.19332	.18972	.18624
61	.23353	.22890	.22442	.22009	.21589	.21182	.20788	.20407	.20037	.19678
62	.24532	.24059	.23601	.23158	.22728	.22311	.21907	.21515	.21135	.20767
63	.25742	.25260	.24793	.24339	.23900	.23473	.23060	.22658	.22268	.21890
64	.26987	.26495	.26019	.25556	.25107	.24671	.24248	.23837	.23438	.23050
65	.28271	.27771	.27286	.26815	.26357	.25912	.25480	.25059	.24651	.24254
66	.29601	.29093	.28600	.28120	.27654	.27200	.26760	.26331	.25913	.25507
67	.30978	.30462	.29961	.29474	.29000	.28539	.28090	.27653	.27227	.26813
68	.32401	.31879	.31371	.30877	.30396	.29927	.29471	.29027	.28593	.28171
69	.33863	.33336	.32822	.32322	.31835	.31359	.30896	.30445	.30005	.29576
70	.35361	.34829	.34310	.33804	.33311	.32830	.32361	.31903	.31457	.31021
71	.36886	.36349	.35826	.35316	.34818	.34332	.33858	.33394	.32942	.32500
72	.38439	.37899	.37373	.36858	.36356	.35866	.35387	.34919	.34461	.34015
73	.40021	.39479	.38950	.38432	.37927	.37433	.36950	.36478	.36016	.35565
74	.41639	.41096	.40565	.40046	.39538	.39042	.38556	.38081	.37616	.37161
75	.43301	.42758	.42226	.41706	.41198	.40699	.40212	.39734	.39267	.38809
76	.45009	.44467	.43937	.43417	.42908	.42410	.41921	.41443	.40974	.40514
77	.46761	.46221	.45693	.45175	.44667	.44170	.43682	.43203	.42734	.42274
78	.48548	.48013	.47488	.46973	.46468	.45972	.45486	.45009	.44541	.44082
79	.50356	.49826	.49306	.48795	.48294	.47802	.47319	.46845	.46379	.45922
80	.52171	.51647	.51133	.50628	.50132	.49644	.49166	.48695	.48233	.47779
81	.53974	.53457	.52950	.52451	.51961	.51479	.51006	.50541	.50083	.49633
82	.55753	.55245	.54745	.54254	.53771	.53296	.52828	.52369	.51917	.51472
83	.57500	.57001	.56510	.56026	.55551	.55083	.54623	.54170	.53724	.53285
84	.59216	.58726	.58245	.57770	.57304	.56844	.56391	.55945	.55506	.55074
85	.60906	.60428	.59956	.59492	.59034	.58583	.58139	.57702	.57270	.56845
86	.62555	.62088	.61627	.61173	.60725	.60284	.59849	.59420	.58997	.58580
87	.64139	.63683	.63233	.62790	.62352	.61921	.61495	.61076	.60661	.60253

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
88	.65666	.65221	.64783	.64350	.63923	.63502	.63086	.62675	.62270	.61871
89	.67163	.66730	.66304	.65882	.65466	.65055	.64650	.64249	.63854	.63463
90	.68646	.68226	.67812	.67402	.66998	.66599	.66204	.65814	.65430	.65049
91	.70093	.69686	.69285	.68888	.68496	.68108	.67725	.67347	.66973	.66604
92	.71466	.71073	.70684	.70300	.69920	.69545	.69173	.68806	.68444	.68085
93	.72750	.72370	.71994	.71622	.71254	.70890	.70530	.70174	.69822	.69474
94	.73931	.73562	.73198	.72838	.72481	.72129	.71780	.71434	.71093	.70755
95	.75001	.74644	.74291	.73941	.73595	.73253	.72914	.72579	.72247	.71919
96	.75953	.75606	.75262	.74923	.74586	.74253	.73924	.73598	.73275	.72955
97	.76819	.76481	.76147	.75816	.75489	.75165	.74844	.74526	.74211	.73899
98	.77599	.77270	.76944	.76621	.76302	.75986	.75672	.75362	.75054	.74750
99	.78319	.77998	.77680	.77365	.77053	.76744	.76437	.76134	.75833	.75535
100	.78987	.78673	.78362	.78054	.77748	.77446	.77146	.76849	.76555	.76263
101	.79622	.79315	.79010	.78708	.78409	.78113	.77819	.77528	.77239	.76953
102	.80283	.79983	.79685	.79390	.79097	.78807	.78519	.78234	.77951	.77671
103	.80983	.80690	.80399	.80111	.79825	.79541	.79260	.78981	.78705	.78430
104	.81760	.81475	.81192	.80912	.80633	.80357	.80083	.79810	.79541	.79273
105	.82726	.82451	.82178	.81907	.81638	.81371	.81106	.80843	.80582	.80322
106	.84137	.83879	.83623	.83368	.83115	.82863	.82614	.82366	.82119	.81874
107	.86211	.85981	.85751	.85523	.85297	.85071	.84847	.84624	.84403	.84182
108	.89660	.89481	.89304	.89127	.88950	.88775	.88601	.88427	.88254	.88081
109	.95372	.95290	.95208	.95126	.95045	.94964	.94883	.94803	.94723	.94643

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS

[Applicable after April 30, 1989]

Age	Interest rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
0	.01683	.01669	.01655	.01642	.01630	.01618	.01607	.01596	.01586	.01576
1	.00559	.00544	.00531	.00518	.00506	.00494	.00484	.00473	.00464	.00454
2	.00528	.00513	.00499	.00485	.00473	.00461	.00449	.00439	.00428	.00419
3	.00524	.00508	.00493	.00479	.00465	.00453	.00441	.00429	.00419	.00408
4	.00536	.00519	.00503	.00488	.00473	.00460	.00447	.00435	.00423	.00412
5	.00558	.00540	.00523	.00507	.00492	.00477	.00464	.00451	.00439	.00427
6	.00588	.00569	.00550	.00533	.00517	.00502	.00487	.00473	.00460	.00448
7	.00624	.00604	.00584	.00566	.00549	.00532	.00517	.00502	.00488	.00475
8	.00668	.00646	.00626	.00606	.00588	.00570	.00554	.00538	.00523	.00509
9	.00722	.00699	.00677	.00656	.00636	.00617	.00600	.00583	.00567	.00552
10	.00785	.00761	.00737	.00715	.00694	.00674	.00655	.00637	.00620	.00604
11	.00861	.00835	.00810	.00786	.00764	.00743	.00723	.00704	.00686	.00668
12	.00946	.00918	.00891	.00866	.00843	.00820	.00799	.00779	.00760	.00741
13	.01035	.01006	.00978	.00951	.00927	.00903	.00880	.00859	.00839	.00819
14	.01122	.01091	.01061	.01034	.01007	.00982	.00958	.00936	.00914	.00894
15	.01203	.01171	.01140	.01110	.01082	.01056	.01031	.01007	.00985	.00963
16	.01279	.01244	.01211	.01181	.01151	.01123	.01097	.01072	.01048	.01025
17	.01347	.01311	.01276	.01244	.01213	.01184	.01156	.01130	.01104	.01081
18	.01411	.01373	.01336	.01302	.01270	.01239	.01210	.01182	.01155	.01130
19	.01474	.01434	.01396	.01359	.01325	.01293	.01262	.01233	.01205	.01178
20	.01537	.01494	.01454	.01415	.01379	.01345	.01313	.01282	.01252	.01224
21	.01598	.01553	.01510	.01470	.01432	.01396	.01361	.01329	.01298	.01268
22	.01660	.01613	.01568	.01525	.01485	.01446	.01410	.01375	.01343	.01312
23	.01725	.01674	.01627	.01581	.01539	.01498	.01460	.01423	.01388	.01355
24	.01796	.01742	.01692	.01644	.01599	.01556	.01515	.01476	.01439	.01404
25	.01876	.01819	.01765	.01714	.01666	.01621	.01577	.01536	.01497	.01460
26	.01967	.01907	.01850	.01796	.01745	.01696	.01650	.01606	.01565	.01525
27	.02072	.02008	.01948	.01890	.01836	.01784	.01735	.01688	.01644	.01601
28	.02190	.02122	.02057	.01996	.01938	.01883	.01831	.01781	.01734	.01689
29	.02322	.02249	.02181	.02116	.02054	.01996	.01940	.01887	.01836	.01788
30	.02469	.02392	.02319	.02250	.02184	.02122	.02062	.02006	.01952	.01900
31	.02634	.02552	.02475	.02401	.02331	.02264	.02201	.02140	.02083	.02028
32	.02816	.02729	.02647	.02568	.02494	.02423	.02355	.02291	.02229	.02170
33	.03018	.02926	.02838	.02755	.02675	.02600	.02528	.02459	.02393	.02331
34	.03239	.03142	.03048	.02960	.02875	.02795	.02718	.02645	.02575	.02508
35	.03482	.03378	.03279	.03185	.03095	.03009	.02928	.02850	.02775	.02704
36	.03743	.03633	.03528	.03428	.03333	.03242	.03155	.03072	.02992	.02916
37	.04026	.03909	.03798	.03692	.03591	.03494	.03401	.03313	.03228	.03147

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
38	.04330	.04207	.04089	.03977	.03869	.03767	.03668	.03574	.03484	.03398
39	.04658	.04528	.04403	.04284	.04170	.04061	.03957	.03857	.03762	.03670
40	.05011	.04873	.04741	.04615	.04495	.04379	.04269	.04163	.04061	.03964
41	.05389	.05244	.05104	.04971	.04844	.04721	.04604	.04492	.04384	.04281
42	.05791	.05638	.05491	.05350	.05216	.05086	.04962	.04844	.04729	.04620
43	.06219	.06057	.05902	.05754	.05612	.05475	.05344	.05218	.05098	.04981
44	.06673	.06503	.06340	.06184	.06034	.05890	.05752	.05619	.05491	.05368
45	.07157	.06978	.06806	.06642	.06484	.06332	.06186	.06046	.05911	.05781
46	.07669	.07481	.07301	.07128	.06962	.06802	.06649	.06501	.06358	.06221
47	.08212	.08015	.07826	.07645	.07470	.07302	.07140	.06984	.06834	.06690
48	.08784	.08578	.08380	.08190	.08006	.07830	.07660	.07496	.07338	.07186
49	.09384	.09169	.08961	.08762	.08570	.08384	.08206	.08034	.07868	.07708
50	.10013	.09787	.09570	.09361	.09160	.08966	.08779	.08598	.08424	.08256
51	.10671	.10436	.10209	.09991	.09780	.09577	.09381	.09192	.09009	.08832
52	.11365	.11120	.10883	.10655	.10435	.10222	.10017	.09819	.09628	.09442
53	.12095	.11840	.11593	.11355	.11126	.10904	.10689	.10482	.10282	.10088
54	.12860	.12595	.12338	.12090	.11851	.11619	.11396	.11179	.10970	.10767
55	.13663	.13386	.13120	.12862	.12613	.12372	.12138	.11912	.11694	.11482
56	.14503	.14217	.13940	.13672	.13413	.13162	.12919	.12683	.12456	.12235
57	.15385	.15089	.14801	.14523	.14254	.13994	.13741	.13496	.13259	.13029
58	.16311	.16004	.15706	.15418	.15139	.14868	.14606	.14352	.14105	.13866
59	.17279	.16961	.16654	.16355	.16066	.15786	.15514	.15250	.14994	.14745
60	.18286	.17958	.17640	.17332	.17033	.16743	.16462	.16188	.15922	.15664
61	.19330	.18992	.18665	.18347	.18038	.17738	.17447	.17164	.16889	.16622
62	.20409	.20061	.19724	.19396	.19078	.18768	.18467	.18175	.17891	.17614
63	.21522	.21165	.20818	.20480	.20152	.19833	.19523	.19221	.18928	.18642
64	.22672	.22306	.21949	.21602	.21265	.20937	.20617	.20306	.20003	.19708
65	.23867	.23491	.23125	.22769	.22423	.22085	.21757	.21437	.21125	.20821
66	.25112	.24727	.24353	.23988	.23632	.23286	.22948	.22619	.22299	.21986
67	.26409	.26016	.25633	.25260	.24896	.24541	.24195	.23857	.23528	.23206
68	.27760	.27359	.26968	.26586	.26214	.25851	.25497	.25151	.24814	.24484
69	.29157	.28748	.28350	.27961	.27581	.27211	.26849	.26495	.26150	.25812
70	.30596	.30181	.29775	.29379	.28992	.28614	.28245	.27884	.27532	.27187
71	.32069	.31648	.31236	.30833	.30440	.30055	.29679	.29312	.28952	.28600
72	.33578	.33151	.32733	.32325	.31925	.31535	.31152	.30778	.30412	.30054
73	.35123	.34691	.34269	.33855	.33450	.33054	.32666	.32286	.31914	.31550
74	.36715	.36279	.35852	.35434	.35024	.34623	.34230	.33845	.33468	.33098
75	.38360	.37921	.37491	.37069	.36656	.36250	.35853	.35464	.35082	.34708
76	.40064	.39623	.39190	.38765	.38349	.37941	.37540	.37148	.36762	.36384
77	.41823	.41381	.40947	.40521	.40103	.39692	.39290	.38895	.38507	.38126
78	.43632	.43189	.42755	.42329	.41910	.41499	.41095	.40698	.40309	.39926
79	.45473	.45032	.44599	.44173	.43755	.43344	.42940	.42543	.42153	.41770
80	.47333	.46894	.46463	.46040	.45623	.45213	.44811	.44414	.44025	.43642
81	.49191	.48755	.48328	.47907	.47493	.47085	.46684	.46290	.45902	.45520
82	.51034	.50603	.50179	.49762	.49351	.48947	.48549	.48157	.47772	.47392
83	.52852	.52427	.52008	.51595	.51189	.50788	.50394	.50006	.49623	.49246
84	.54648	.54228	.53815	.53407	.53006	.52610	.52221	.51836	.51458	.51084
85	.56426	.56013	.55606	.55205	.54810	.54420	.54035	.53656	.53282	.52913
86	.58169	.57764	.57364	.56970	.56581	.56197	.55818	.55445	.55076	.54713
87	.59850	.59452	.59060	.58673	.58291	.57913	.57541	.57174	.56811	.56453
88	.61476	.61086	.60702	.60322	.59947	.59577	.59212	.58851	.58494	.58142
89	.63078	.62697	.62321	.61950	.61583	.61220	.60862	.60508	.60159	.59813
90	.64674	.64302	.63935	.63573	.63215	.62861	.62511	.62165	.61823	.61485
91	.66238	.65877	.65520	.65167	.64819	.64474	.64133	.63795	.63462	.63132
92	.67730	.67379	.67032	.66689	.66350	.66014	.65682	.65354	.65029	.64708
93	.69130	.68789	.68452	.68119	.67789	.67463	.67140	.66820	.66504	.66191
94	.70421	.70090	.69762	.69438	.69118	.68800	.68486	.68175	.67867	.67563
95	.71594	.71272	.70954	.70639	.70326	.70017	.69712	.69409	.69109	.68812
96	.72638	.72325	.72014	.71707	.71403	.71101	.70803	.70507	.70215	.69925
97	.73590	.73285	.72982	.72682	.72385	.72090	.71799	.71510	.71224	.70941
98	.74448	.74149	.73853	.73560	.73269	.72981	.72696	.72414	.72134	.71856
99	.75240	.74948	.74658	.74371	.74086	.73805	.73525	.73248	.72974	.72702
100	.75974	.75687	.75403	.75121	.74842	.74566	.74292	.74020	.73751	.73484
101	.76669	.76388	.76109	.75833	.75559	.75287	.75018	.74751	.74486	.74223
102	.77393	.77117	.76844	.76573	.76304	.76037	.75773	.75511	.75251	.74993
103	.78158	.77888	.77620	.77355	.77091	.76830	.76571	.76313	.76058	.75805
104	.79007	.78743	.78482	.78222	.77964	.77709	.77455	.77203	.76953	.76705
105	.80065	.79809	.79556	.79304	.79054	.78805	.78559	.78314	.78071	.77829
106	.81631	.81389	.81149	.80911	.80674	.80438	.80204	.79972	.79741	.79511

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued

[Applicable after April 30, 1989]

Age	Interest rate									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
107	.83963	.83745	.83529	.83313	.83099	.82886	.82674	.82463	.82254	.82045
108	.87910	.87739	.87569	.87400	.87232	.87064	.86897	.86731	.86566	.86401
109	.94563	.94484	.94405	.94326	.94248	.94170	.94092	.94014	.93937	.93860

TABLE 80CNSMT.— APPLICABLE AFTER APRIL 30, 1989

Age x (1)	1(x) (2)	Age x (1)	1(x) (2)	Age x (1)	1(x) (2)
0	100000	37	95492	74	59279
1	98740	38	95317	75	56799
2	98648	39	95129	76	54239
3	98584	40	94926	77	51599
4	98535	41	94706	78	48878
5	98495	42	94465	79	46071
6	98459	43	94201	80	43180
7	98426	44	93913	81	40208
8	98396	45	93599	82	37172
9	98370	46	93256	83	34095
10	98347	47	92882	84	31012
11	98328	48	92472	85	27960
12	98309	49	92021	86	24961
13	98285	50	91526	87	22038
14	98248	51	90986	88	19235
15	98196	52	90402	89	16598
16	98129	53	89771	90	14154
17	98047	54	89087	91	11908
18	97953	55	88348	92	9863
19	97851	56	87551	93	8032
20	97741	57	86695	94	6424
21	97623	58	85776	95	5043
22	97499	59	84789	96	3884
23	97370	60	83726	97	2939
24	97240	61	82581	98	2185
25	97110	62	81348	99	1598
26	96982	63	80024	100	1150
27	96856	64	78609	101	815
28	96730	65	77107	102	570
29	96604	66	75520	103	393
30	96477	67	73846	104	267
31	96350	68	72082	105	179
32	96220	69	70218	106	119
33	96088	70	68248	107	78
34	95951	71	66165	108	51
35	95808	72	63972	109	33
36	95655	73	61673	110	0

(e) *Effective date.* This section is effective as of May 1, 1989.

§ 20.2031–10 [Removed]

Par. 23. Section 20.2031–10 is removed.

Par. 24. Section 20.2055–2 is amended by revising paragraph (f)(4) to read as follows:

§ 20.2055–2 Transfers not exclusively for charitable purposes.

* * * * *

(f) * * *

(4) *Other decedents.* The present value of an interest not described in paragraph (f)(2) of this section is to be determined under § 20.2031–7(d) in the case of decedents where the valuation date of the gross estate is after April 30, 1989, or under § 20.2031–7A in the case of decedents where the valuation date of the gross estate is before May 1, 1989.

* * * * *

Par. 25. Immediately following § 20.7101–1, an undesignated center heading and §§ 20.7520–1 through 20.7520–4 are added to read as follows:

General Actuarial Valuations

§ 20.7520–1 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests.

(a) *General actuarial valuations.* (1) Except as otherwise provided in this section and in § 20.7520–3 (relating to exceptions to the use of prescribed tables under certain circumstances), in the case of estates of decedents with valuation dates after April 30, 1989, the fair market value of annuities, interests for life or for a term of years (including unitrust interests), remainders, and reversions is their present value

determined under this section. See § 20.2031–7(d) (and, for certain prior periods, § 20.2031–7A) of this chapter for the computation of the value of annuities, unitrust interests, life estates, terms of years, remainders, and reversions, other than interests described in paragraphs (a)(2) and (a)(3) of this section.

(2) In the case of a transfer to a pooled income fund with a valuation date after April 30, 1989, see § 1.642(c)–6(e) (or, for certain prior periods, § 1.642(c)–6A) of this chapter (Income Tax Regulations) with respect to the valuation of the remainder interest.

(3) In the case of a transfer to a charitable remainder annuity trust with a valuation date after April 30, 1989, see § 1.664–2 of this chapter with respect to the valuation of the remainder interest. See § 1.664–4 (or, for certain prior periods, § 1.664–4A) of this chapter with respect to the valuation of the remainder interest in property transferred to a charitable remainder unitrust.

(b) *Components of valuation*—(1) *Interest rate component*—(i) *Section 7520 interest rate.* The section 7520 interest rate is the rate of return, rounded to the nearest two-tenths of one percent, that is equal to 120 percent of the applicable Federal mid-term rate, compounded annually, for purposes of section 1274(d)(1), for the month in which the valuation date falls. In rounding the rate to the nearest two-tenths of a percent, any rate that is midway between one two-tenths of a percent and another is rounded up to the higher of those two rates. For example, if 120 percent of the applicable Federal mid-term rate is 10.30, the section 7520 interest rate component is 10.4. The section 7520 interest rate is published monthly by the Internal Revenue Service in the Internal Revenue Bulletin (See § 601.601(d)(2)(ii)(*b*) of this chapter).

(ii) *Valuation date.* Generally, the valuation date is the date on which the transfer takes place. For estate tax purposes, the valuation date is the date of the decedent's death, unless the executor elects the alternate valuation date in accordance with section 2032, in which event, and under the limitations prescribed in section 2032 and the regulations thereunder, the valuation date is the alternate valuation date. For special rules in the case of charitable transfers, see § 20.7520–2.

(2) *Mortality component.* The mortality component reflects the mortality data most recently available from the United States census. As new mortality data becomes available after each decennial census, the mortality component described in this section will be revised periodically and the revised mortality component tables will be published in the regulations at that time. For decedents' estates with valuation dates after April 30, 1989, the mortality component table (Table 80CNSMT) is included in § 20.2031–7(d)(6). See § 20.2031–7A for mortality component tables applicable to decedent's estates with valuation dates before May 1, 1989.

(c) *Tables.* The present value on the valuation date of an annuity, life estate, term of years, remainder, or reversion is computed by using the section 7520 interest rate component that is described in paragraph (b)(1) of this section and the mortality component that is described in paragraph (b)(2) of this section. Actuarial factors for determining these present values are included in tables in these regulations and in publications by the Internal Revenue Service. If a special factor is required in order to value an interest, the Internal Revenue Service will furnish the factor upon a request for a ruling. The request for a ruling must be accompanied by a recitation of the facts, including the date of birth for each measuring life and copies of relevant instruments. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see Rev. Proc. 94–1, 1994–1 I.R.B. 10, and the first Rev. Proc. published each year, and §§ 601.201 and 601.601(d)(2)(ii)(*b*) of this chapter) and include payment of the required user fee.

(1) *Regulation sections containing tables with interest rates between 4.2 and 14 percent.* Section 1.642(c)–6(e)(4) of this chapter contains Table S used for determining the present value of a single life remainder interest in a pooled income fund as defined in § 1.642(c)–5 of this chapter (Income Tax Regulations). Section 1.664–4(e)(6) of this chapter contains Table D (actuarial factors used in determining the present value of a remainder interest postponed for a term of years), Table U(1) (actuarial factors for one life), and Table F (payout factors) used in determining the present value of a remainder interest in a charitable remainder unitrust as defined in § 1.664–3 of this chapter. Section 20.2031–7(d)(6) contains Table S (actuarial factors for one life), Table B (actuarial factors used in determining the present value of an interest for a term of years), Table K (annuity end-of-interval adjustment factors), Table J (term certain annuity beginning-of-interval adjustment factors), and Table 80CNSMT (mortality components) used in determining the present value of annuities, life estates, remainders, and reversions. The regulations will be revised periodically to include new mortality component tables and new tables of factors.

(2) *Internal Revenue Service publications containing tables with interest rates between 2.2 and 26 percent.* The following documents (except for Publication 1459) have been published for sale by the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402:

(i) Internal Revenue Service Publication 1457, "Actuarial Values, Alpha Volume," (8/89). This publication includes tables of valuation factors, as well as examples that show how to compute other valuation factors, for determining the present value of annuities, life estates, terms of years, remainders, and reversions, measured by one or two lives. These factors may also be used in the valuation of interests in a charitable remainder annuity trust as defined in § 1.664–2 of this chapter (Income Tax Regulations) and a pooled income fund as defined in § 1.642(c)–5 of this chapter.

(ii) Internal Revenue Service Publication 1458, "Actuarial Values, Beta Volume," (8/89). This publication includes term certain tables and tables of one and two life valuation factors for determining the present value of remainder interests in a charitable remainder unitrust as defined in § 1.664–3 of this chapter.

(iii) Internal Revenue Service Publication 1459, "Actuarial Values, Gamma Volume," (8–89) is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:T:R (IRS Publication 1459), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. This publication includes tables for computing depreciation adjustment factors. See § 1.170A–12 of this chapter (Income Tax Regulations).

(d) *Effective date.* This section is effective as of May 1, 1989.

§ 20.7520–2 Valuation of charitable interests.

(a) *In general*—(1) *Valuation.* Except as otherwise provided in this section and in § 20.7520–3 (relating to exceptions to the use of prescribed tables under certain circumstances), the fair market value of annuities, interests for life or for a term of years, remainders, and reversions for which an estate tax charitable deduction is

allowable is the present value of such interests determined under § 20.7520–1.

(2) *Prior-month election rule.* If any part of the property interest transferred qualifies for an estate tax charitable deduction under section 2055 or 2106, the executor may compute the present value of the transferred interest by use of the section 7520 interest rate for the month during which the interest is transferred or the section 7520 interest rate for either of the 2 months preceding the month during which the interest is transferred. Paragraph (b) of this section explains how a prior-month election is made. The interest rate for the month so elected is the applicable section 7520 interest rate. If the executor elects the alternate valuation date under section 2032 and also elects to use the section 7520 interest rate for either of the 2 months preceding the month in which the interest is transferred, the month so elected (either of the 2 months preceding the month in which the alternate valuation date falls) is the valuation date. If the actuarial factor for either or both of the 2 months preceding the month during which the interest is transferred is based on a mortality experience that is different from the mortality experience at the date of the transfer and if the executor elects to use the section 7520 rate for a prior month with the different mortality experience, the executor must use the actuarial factor derived from the mortality experience in effect during the month of the section 7520 rate elected. All actuarial computations relating to the transfer must be made by applying the interest rate component and the mortality component of the month elected by the executor.

(3) *Transfers of more than one interest in the same property.* If a decedent's estate includes the transfer of more than one interest in the same property, the executor must, for purposes of valuing the transferred interests, use the same interest rate and mortality components for each interest in the property transferred.

(4) *Information required with tax return.* The following information must be attached to the estate tax return (or be filed subsequently as supplemental information to the return) if the estate claims a charitable deduction for the present value of a temporary or remainder interest in property—

(i) A complete description of the interest that is transferred, including a copy of the instrument of transfer;

(ii) The valuation date of the transfer;

(iii) The names and identification numbers of the beneficiaries of the transferred interest;

(iv) The names and birthdates of any measuring lives, a description of any relevant terminal illness condition of any measuring life, and (if applicable) an explanation of how any terminal illness condition was taken into account in valuing the interest; and

(v) A computation of the deduction showing the applicable section 7520 interest rate that is used to value the transferred interest.

(5) *Place for filing returns.* See section 6091 of the Internal Revenue Code and the regulations thereunder for the place for filing the return or other document required by this section.

(b) *Election of interest rate component*—(1) *Time for making election.* An executor makes a prior-month election under paragraph (a)(2) of this section by attaching the information described in paragraph (b)(2) of this section to the decedent's estate tax return or by filing a supplemental statement of the election information within 24 months after the later of the date the original estate tax return was filed or the due date for filing the return.

(2) *Manner of making election.* A statement that the prior-month election under section 7520(a) of the Internal Revenue Code is being made and that identifies the elected month must be attached to the estate tax return (or by subsequently filing the statement as supplemental information to the return).

(3) *Revocability.* The prior-month election may be revoked by filing a statement of supplemental information within 24 months after the later of the date the original return of tax for the decedent's estate was filed or the due date for filing the return. The revocation must be filed in the place referred to in paragraph (a)(5) of this section.

(c) *Effective dates.* Paragraph (a) of this section is effective as of May 1, 1989. Paragraph (b) of this section is effective for elections made after June 10, 1994.

§ 20.7520–3 Limitation on the application of section 7520.

(a) *Internal Revenue Code sections to which section 7520 does not apply.* Section 7520 of the Internal Revenue Code does not apply for purposes of:

(1) Part I, subchapter D of subtitle A (section 401 et. seq.), relating to the income tax treatment of certain qualified plans. (However, section 7520 does apply to the estate and gift tax treatment of certain qualified plans and for purposes of determining excess accumulations under section 4980A);

(2) Sections 72 and 101(b), relating to the income taxation of life insurance, endowment, and annuity contracts, unless otherwise provided for in the regulations under sections 72, 101, and 1011 (see, particularly, §§ 1.101–2(e)(1)(iii)(*b*)(*2*), and 1.1011–2(c), *Example 8*);

(3) Sections 83 and 451, unless otherwise provided for in the regulations under those sections;

(4) Section 457, relating to the valuation of deferred compensation, unless otherwise provided for in the regulations under section 457;

(5) Sections 3121(v) and 3306(r), relating to the valuation of deferred amounts, unless otherwise provided for in the regulations under those sections;

(6) Section 6058, relating to valuation statements evidencing compliance with qualified plan requirements, unless otherwise provided for in the regulations under section 6058;

(7) Section 7872, relating to income and gift taxation of interest-free loans and loans with below-market interest rates, unless otherwise provided for in the regulations under section 7872; or

(8) Section 2702(a)(2)(A), relating to the value of a nonqualified retained interest upon a transfer of an interest in trust to or for the benefit of a member of the transferor's family; and

(9) Any other sections of the Internal Revenue Code to the extent provided by the Internal Revenue Service in revenue rulings or revenue procedures. (See §§ 601.201 and 601.601 of this chapter).

(b) *Other limitations on the application of section 7520.* [Reserved]

(c) *Effective date.* Section § 20.7520–3(a) is effective as of May 1, 1989.

§ 20.7520–4 Transitional rules.

(a) *Reliance.* If the valuation date is after April 30, 1989, and before June 10, 1994, an executor can rely on Notice 89–24, 1989–1 C.B. 660, or Notice 89–60, 1989–1 C.B. 700 (See § 601.601(d)(2)(ii)(*b*) of this chapter), in valuing the transferred interest.

(b) *Effective date.* This section is effective as of May 1, 1989.

PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

Par. 26. The authority citation for part 25 is revised to read as follows:

Authority: 26 U.S.C. 7805.

Section 25.2512–5 also issued under 26 U.S.C. 7520(c)(2).

Section 25.2512–5A also issued under 26 U.S.C. 7520(c)(2).

Section 25.7520–1 also issued under 26 U.S.C. 7520(c)(2).

Section 25.7520–2 also issued under 26 U.S.C. 7520(c)(2).

Section 25.7520–3 also issued under 26 U.S.C. 7520(c)(2).

Section 25.7520–4 also issued under 26 U.S.C. 7520(c)(2).

Par. 27. Section 25.2512–0 is added to read as follows:

§ 25.2512–0 Table of contents.

This section lists the section headings that appear in the regulations under section 2512.

§ 25.2512–1 Valuation of property; in general.
§ 25.2512–2 Stocks and bonds.
§ 25.2512–3 Valuation of interests in businesses.
§ 25.2512–4 Valuation of notes.
§ 25.2512–5 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests transferred after April 30, 1999.
§ 25.2512–6 Valuation of certain life insurance and annuity contracts; valuation of shares in an open-end investment company.
§ 25.2512–7 Effect of excise tax.
§ 25.2512–8 Transfers for insufficient consideration.

Actuarial Tables Applicable Before May 1, 1989

§ 25.2512–5A Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests transferred before May 1, 1989.

Par. 28. Immediately following § 25.2518–3 an undesignated center heading and § 25.2512–5A are added to read as follows:

Actuarial Tables Applicable Before May 1, 1989

§ 25.2512–5A Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests transferred before May 1, 1989.

(a) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests transferred before January 1, 1952.* Except as otherwise provided in § 25.2512–5(b), if the transfer was made before January 1, 1952, the present value of annuities, life estates, terms of years, remainders, and reversions is their present value determined under this section. If the valuation of the interest involved is dependent upon the continuation or termination of one or more lives or upon a term certain concurrent with one or more lives, the factor for the present value is computed on the basis of interest at the rate of 4 percent a year, compounded annually, and life contingencies for each life involved from values that are based upon the "Actuaries' or Combined Experience Table of Mortality, as extended." This table and many additional factors are described in former § 86.19 (as contained in the 26 CFR Part 81 edition revised as of April 1, 1958). The present value of an interest measured by a term of years is computed on the basis of interest at the rate of 4 percent a year.

(b) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests transferred after December 31, 1951, and before January 1, 1971.* Except as otherwise provided in § 25.2512–5(b), the present value of annuities, life estates, terms of years, remainders, and reversions transferred after December 31, 1951, and before January 1, 1971, is the present value of such interests determined under this section. If the value of the interest involved is dependent upon the continuation or termination of one or more lives, the factor for the present value is computed on the basis of interest at the rate of 3½ percent a year, compounded annually, and life contingencies for each life involved from U.S. Life Table 38. This table and many accompanying factors are set forth in former § 25.2512–5 (as contained in the 26 CFR Part 25 edition revised as of April 1, 1984). Special factors involving one and two lives may be found in or computed with the use of tables contained in Internal Revenue Service Publication Number 11, "Actuarial Values for Estate and Gift Tax," (Rev. 5–59). This publication is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:T:R (IRS Publication 11), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. The present value of an interest measured by a term of years is computed on the basis of interest at the rate of 3½ percent a year.

(c) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests transferred after December 31, 1970, and before December 1, 1983.* Except as otherwise provided in § 25.2512–5(b), the present value of annuities, life estates, terms of years, remainders, and reversions transferred after December 31, 1970, and before December 1, 1983, is the present value of such interests determined under this section. If the interest to be valued is dependent upon the continuation or termination of one or more lives or upon a term certain concurrent with one or more lives, the factor for the present value is computed on the basis of interest at the rate of 6 percent a year, compounded annually, and life contingencies determined for each male and female life involved, from the values that are set forth in Table LN. Table LN contains values that are taken from the life table for total males and the life table for total females appearing as Tables 2 and 3, respectively, in United States Life Tables: 1959–61, published by the Department of Health and Human Services, Public Health Service. Table LN and accompanying factors are set forth in former § 25.2512–9 (as contained in the 26 CFR Part 25 edition revised as of April 1, 1994). Special factors involving one and two lives may be found in or computed with the use of tables contained in Internal Revenue Service Publication 723, entitled "Actuarial Values I: Valuation of Last Survivor Charitable Remainders" (12–70), and Internal Revenue Service Publication 723A, entitled "Actuarial Values II: Factors at 6 Percent Involving One and Two Lives" (12–70). These publications are no longer available for purchase from the Superintendent of Documents. However, a copy of each may be obtained from: CC:DOM:CORP:T:R (IRS Publication 723/723A), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. The present value of an interest measured by a term of years is computed on the basis of interest at the rate of 6 percent a year.

Par. 29. Section 25.2512–5 is redesignated as paragraph (d) of § 25.2512–5A and amended as follows

1. The following redesignation table indicates the old CFR unit numbers for § 25.2512–5 and the corresponding new CFR unit numbers for § 25.2512–5A(d).

Old CFR unit No. in § 25.2512–5	Corresponding new No. in § 25.2512–5A(d)
§ 25.2512–5 heading	Paragraph (d) heading.
(a)	(d)(1).
(a)(1)	(d)(1)(i).
(a)(1)(i)	(d)(1)(i)(A).
(a)(1)(ii)	(d)(1)(i)(B).
(a)(1)(ii)(A)	(d)(1)(i)(B)(*1*).
(a)(1)(ii)(B)	(d)(1)(i)(B)(*2*).
(a)(1)(iii)	(d)(1)(i)(C).
(a)(1)(iii)(A)	(d)(1)(i)(C)(*1*).
(a)(1)(iii)(B)	(d)(1)(i)(C)(*2*).
(a)(2)	(d)(1)(ii).
(a)(3)	(d)(1)(iii).
(b)	(d)(2).
(b)(1)	(d)(2)(i).
(b)(2)	(d)(2)(ii).
(b)(3)	(d)(2)(iii).
(b)(3)(i)	(d)(2)(iii)(A).
(b)(3)(ii)	(d)(2)(iii)(B).
(c)	(d)(3).
(d)	(d)(4).
(e)	(d)(5).
(f)	(d)(6).

2. The paragraph heading for paragraph (d) is revised.

3. Newly designated paragraph (d)(1)(i)(A) is amended by revising the first sentence and removing the eighth and last sentences.

4. In newly designated paragraph (d)(1)(i)(B), the concluding text is

amended by revising the first full sentence.

5. In newly designated paragraph (d)(1)(i)(C), the concluding text is amended by revising the first and second full sentences.

6. Newly designated paragraph (d)(1)(iii) is revised.

7. Newly designated paragraph (d)(5) is amended by revising the second and third sentences.

8. Newly designated paragraph (d)(6) is revised.

9. The revisions read as follows:

§ 25.2512–5A Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests transferred before May 1, 1989.

* * * * *

(d) *Valuation of annuities, interests for life or term of years, and remainder or reversionary interests transferred after November 30, 1983, and before May 1, 1989*—(1) *In general.* (i)(A) Except as otherwise provided in § 25.2512–5(b) and in this paragraph (d)(1)(i)(A), the fair market value of annuities, life estates, terms of years, remainders, and reversions transferred after November 30, 1983, and before May 1, 1989, is the present value of such interests determined under this section. * * *

(B) * * *

* * * The donor may elect to value both interests transferred in 1983 under § 25.2512–5A(c) as if such section applied to all transfers made before January 1, 1984, or the donor may elect to have both interests transferred valued under this section. * * *

(C) * * *

* * * The donor may elect to value the interest transferred in 1984 under § 25.2512–5A(c) as if such section applied to all transfers made before January 1, 1985, or the donor may elect to have the transfer valued under this section. If the donor elects to value the interest transferred in 1984 under § 25.2512–5A(c), the donor shall indicate that the election is being made by attaching a statement to the donor's gift tax return for 1984. * * *

* * * * *

(iii) In all examples set forth in this section, the interest is assumed to have been transferred after November 30, 1983, and before May 1, 1989.

* * * * *

(5) * * * The factor is to be computed on the basis of interest at the rate of 10 percent a year, compounded annually, and life contingencies are determined for each person involved from the values of *lx* that are set forth in column 2 of Table LN in § 20.2031–7A(d)(6) of this chapter. Table LN contains values of *lx* taken from the life table for the total population appearing as Table 1 in United States Life Tables: 1969–71, published by the Department of Health and Human Services, Public Health Service.

* * * * *

(6) *Tables.* (i) For actuarial factors showing the present worth at 10 percent of a single life annuity, a life interest, and a remainder interest postponed for a single life, see § 20.2031–7A(d)(6) of this chapter, Table A, of the Estate Tax Regulations.

(ii) For actuarial factors showing the present worth at 10 percent of an annuity for a term certain, an income interest for a term certain, and a remainder interest postponed for a term certain, see § 20.2031–7A(d)(6) of this chapter, Table B, of the Estate Tax Regulations.

Par. 30. New § 25.2512–5 is added to read as follows:

§ 25.2512–5 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests transferred after April 30, 1989.

(a) *In general.* Except as otherwise provided in paragraph (b) of this section and § 25.7520–3(b), the fair market value of annuities, unitrust interests, life estates, terms of years, remainders, and reversions transferred by gift is the present value of the interests determined under paragraph (d) of this section. Section 20.2031–7 of this chapter (Estate Tax Regulations) and related sections provide tables with standard actuarial factors and examples that illustrate how to use the tables to compute the present value of ordinary annuity, life, and remainder interests in property. These sections also refer to standard and special actuarial factors that may be necessary to compute the present value of similar interests in more unusual fact situations. These factors and examples are also generally applicable for gift tax purposes in computing the values of taxable gifts.

(b) *Commercial annuities and insurance contracts.* The value of life insurance contracts and contracts for the payment of annuities issued by companies regularly engaged in their sale is determined under § 25.2512–6.

(c) *Actuarial valuations before May 1, 1989.* The present value of annuities, unitrust interests, life estates, terms of years, remainders, and reversions transferred by gift before May 1, 1989, is determined under the following sections:

After	Transfers		Applicable
	Before	Regulations	
	Jan. 1, 1952	25.2512–5A(a)	
Dec. 31, 1951	Jan. 1, 1971	25.2512–5A(b)	
Dec. 31, 1970	Dec. 1, 1983	25.2512–5A(c)	
Dec. 30, 1983	May 1, 1989	25.2512–5A(d)	

(d) *Actuarial valuations after April 30, 1989*—(1) *In general.* Except as otherwise provided in paragraph (b) of this section and § 25.7520–3(b) (relating to exceptions to the use of prescribed tables under certain circumstances), if the valuation date for the gift is after April 30, 1989, the fair market value of annuities, life estates, terms of years, remainders, and reversions transferred after April 30, 1989, is the present value of such interests determined by use of standard or special section 7520 actuarial factors. These factors are derived by using the appropriate section 7520 interest rate and, if applicable, the mortality component for the valuation date of the interest that is being valued. See §§ 25.7520–1 through 25.7520–4. The fair market value of a qualified annuity interest described in section 2702(b)(1) and a qualified unitrust interest described in section 2702(b)(2) is the present value of such interests determined under § 25.7520–1(c).

(2) *Specific interests.* When the donor transfers property in trust or otherwise and retains an interest therein, generally, the value of the gift is the value of the property transferred less the value of the donor's retained interest. However, if the donor transfers property after October 8, 1990, to or for the benefit of a member of the donor's family, the value of the gift is the value of the property transferred less the value of the donor's retained interest as determined under section 2702. If the

donor assigns or relinquishes an annuity, life estate, remainder, or reversion that the donor holds by virtue of a transfer previously made by the donor or another, the value of the gift is the value of the interest transferred. However, see section 2519 for a special rule in the case of the assignment of an income interest by a person who received the interest from a spouse.

(i) *Charitable remainder trusts.* The fair market value of a remainder interest in a pooled income fund, as defined in § 1.642(c)–5 of this chapter (Income Tax Regulations), is its value determined under § 1.642(c)–6(e) of this chapter The fair market value of a remainder interest in a charitable remainder annuity trust, as described in § 1.664–2(a) of this chapter, is its present value determined under § 1.664–2(c) of this chapter. The fair market value of a remainder interest in a charitable remainder unitrust, as defined in § 1.664–3 of this chapter, is its present value determined under § 1.664–4(e) of this chapter. The fair market value of a life interest or term for years in a charitable remainder unitrust is the fair market value of the property as of the date of transfer less the fair market value of the remainder interest, determined under § 1.664–4(e) of this chapter

(ii) *Ordinary remainder and reversionary interests.* If the interest to be valued is to take effect after a definite number of years or after the death of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate remainder interest actuarial factor (that corresponds to the applicable section 7520 interest rate and remainder interest period) in Table B (for a term certain) or Table S (for one measuring life), as the case may be. Tables B and S are included in § 20.2031–7(d)(6) of this chapter (Estate Tax Regulations) and in Internal Revenue Service Publication 1457. For information about obtaining actuarial factors for other types of remainder interests, see paragraph (d)(4) of this section.

(iii) *Ordinary term-of-years and life interests.* If the interest to be valued is the right of a person to receive the income of certain property, or to use certain nonincome-producing property, for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate term-of-years or life interest actuarial factor (that corresponds to the applicable section 7520 interest rate and term-of-years or life interest period). Internal Revenue Service Publication 1457 includes actuarial factors for an interest for a term of years in Table B and for the life of one individual in Table S. However, term-of-years and life interest actuarial factors are not included in Table B or Table S in § 20.2031–7(d)(6) of this chapter. If Internal Revenue Service Publication 1457 (or any other reliable source of term-of-years and life interest actuarial factors) is not conveniently available, an actuarial factor for the interest may be derived mathematically. This actuarial factor may be derived by subtracting the correlative remainder factor (that corresponds to the applicable section 7520 interest rate and the term of years or the life) in Table B (for a term of years) or in Table S (for the life of one individual) in § 20.2031–7(d)(6), as the case may be, from 1.000000. For information about obtaining actuarial factors for other types of term-of-years and life interests, see paragraph (d)(4) of this section.

(iv) *Annuities.* (A) If the interest to be valued is the right of a person to receive an annuity that is payable at the end of each year for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the aggregate amount payable annually by the appropriate annuity actuarial factor (that corresponds to the applicable section 7520 interest rate and annuity period). Internal Revenue Service Publication 1457 includes actuarial factors in Table B (for an annuity payable for a term of years) and in Table S (for an annuity payable for the life of one individual). However, annuity actuarial factors are not included in Table B or Table S in § 20.2031–7(d)(6) of this chapter. If Internal Revenue Service Publication 1457 (or any other reliable source of annuity actuarial factors) is not conveniently available, an annuity factor for a term of years or for one life may be derived mathematically. This annuity factor may be derived by subtracting the applicable remainder factor (that corresponds to the applicable section 7520 interest rate and annuity period) in Table B (in the case of a term-of-years annuity) or in Table S (in the case of a one-life annuity) in § 20.2031–7(d)(6), as the case may be, from 1.000000 and then dividing the result by the applicable section 7520 interest rate expressed as a decimal number. See § 20.2031–7(d)(2)(iv) of this chapter for an example that illustrates the computation of the present value of an annuity.

(B) If the annuity is payable at the end of semiannual, quarterly, monthly, or weekly periods, the product obtained by multiplying the annuity factor by the aggregate amount payable annually is then multiplied by the applicable adjustment factor set forth in Table K in § 20.2031–7(d)(6) of this chapter at the appropriate interest rate component for payments made at the end of the specified periods. The provisions of this paragraph (d)(2)(iv)(B) are illustrated by the following example:

Example. On July 1, 1989, the donor agrees to pay the annuitant the sum of $10,000 per year, payable in equal semiannual installments at the end of each period. The semiannual installments are to be made on each December 31st and June 30th. The annuity is payable until the annuitant's death. On July 1, 1989, the annuitant is 68 years and 5 months old. The donee annuitant's age is taken as 68 for purposes of computing the present value of the retained annuity. The section 7520 rate for July 1989 is 10.6 percent. Under Table S, the factor at 10.6 percent for determining the present value of a remainder interest payable at the death of an individual aged 68 is .31371 Converting the remainder factor to an annuity factor, as described above, the annuity factor for determining the present value of an annuity transferred to an individual age 68 is 6.4744 (1.00000 minus .31371 divided by 10.6). The adjustment factor from Table K in the column for payments made at the end of each semiannual period at the rate of 10.6 percent is 1.0258. The aggregate annual amount of the annuity, $10,000, is multiplied by the factor 6.4744 and the product multiplied by 1.0258. The present value of the annuity beneficiary's interest is, therefore, $66,414 ($10,000×6.4744×1.0258).

(C) If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for a term of years, the value of the annuity is computed by multiplying the aggregate amount payable annually by the annuity factor described in paragraph (d)(2)(iv)(A) of this section; and the product so obtained is then multiplied by the adjustment factor in Table J in § 20.2031–7(d)(6) of this chapter at the appropriate interest rate component for payments made at the beginning of specified periods. If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for one or more lives, the value of the annuity is the sum of the first payment plus the present value of a similar annuity, the first payment of which is not to be made until the end of the payment period, determined as provided in paragraph (d)(2)(iv)(B) of this section.

(v) *Annuity and unitrust interests for a term of years or until the prior death of an individual*—(A) *Annuity interests.* The present value of an annuity interest that is payable until the earlier to occur of the lapse of a specific number of years or the death of an individual may be computed with values from the tables

in 20.2031–7(d)(6) as described in the following example:

Example. On January 1, 1991, the donor transfers $100,000 into a trust and retains the right to receive an annuity from the trust in the amount of $6,000 per year, payable in equal semiannual installments at the end of each period. The semiannual installments are to be made on each June 30th and December 31st. The annuity is payable for 10 years or until the donor's prior death. On January 1, 1991, the donor is 59 years and 6 months old. The donor's age is taken as 60 for purposes of computing the present value of the retained annuity. The section 7520 rate for January 1991 is 9.8 percent. The present value of the annuity beneficiary's interst is $35,424.00, determined as follows:

Table S value at 9.8 percent, age 60	.23158
Table S value at 9.8 percent, age 70	.36468
Table 80CNSMT value at age 70	.68248
Table 80CNSMT value at age 60	.83726
Table B value at 9.8 percent, 10 years	.392624
Table K value at 9.8 percent,	1.0239

Factor for annuity beneficiary's interest at 9.8 percent:

$$\frac{(1.00000-.23158)-(.392624\times(68248/83726)\times(1.00000-.36468))=5.7662}{.098}$$

Present value of annuity beneficiary's interest: ($6,000×5.7662×1.0239)	$35,424.07

(B) *Unitrust interests.* The present value of a unitrust interest that is payable until the earlier to occur of the lapse of a specific number of years or the death of an individual may be computed with values from the tables in § 1.664–4(e)(6) as described in the following example:

Example. The donor who, as of the nearest birthday, is 60 years old transfers $100,000 to a unitrust on January 1, 1991. The trust instrument requires that each year the trust pay to the donor, in equal semiannual installments on June 30th and December 31st, 6 percent of the fair market value of the trust assets, valued as of January 1st each year, for 10 years or until the prior death of the donor. The section 7520 rate for January 1991 is 9.8 percent. Under Table F(9.8), the appropriate adjustment factor is .932539 for semiannual payments payable at the end of the semiannual period. The adjusted payout rate is 5.595 percent (6% × .932539). The present value of the unitrust beneficiary's interest is $40,495.00 determined as follows:

Table U(1) value at 5.6 percent, age 60	.37017
Table U(1) value at 5.6 percent, age 70	.50971
Table 80CNSMT value at age 70	.68248
Table 80CNSMT value at age 60	.83726
Table D value at 5.6 percent, 10 years	.561979

Factor for the unitrust beneficiary's interest at 5.6 percent:

(1.000000 − .37017) − (.561979×(68248/83726)×(1.000000 − .50971))=.40523

Table U(1) value at 5.4 percent, age 60	.38183
Table U(1) value at 5.4 percent, age 70	.52086
Table 80CNSMT value at age 70	.68248
Table 80CNSMT value at age 60	.83726
Table D value at 5.4 percent, 10 years	.573999

Factor for the unitrust beneficiary's interest at 5.4 percent:

$$(1.000000-.38183)-(.573999\times(68248/83726\times(1.000000-.52086))=.39399$$

Difference ... .01124

Interpolation adjustment:

$$\frac{5.595\%-5.4\%}{0.2\%}=\frac{x}{.01124}$$

$$x = .01096$$

Factor at 5.4 percent, age 60	.39399
Plus: Interpolation adjustment	.01096
Interpolated Factor	.40495
Present value of unitrust beneficiary's interest: ($100,000×.40495)	$40,495.00

(3) *Transitional rule.* (i) If the valuation date of a transfer of an interest in property by gift is after April 30, 1989, and before June 10, 1994, a donor can rely on Notice 89–24, 1989–1C.B. 660, or Notice 89–60, 1989–1 C.B. 700, in valuing the transferred interest. (See § 601.601(d)(2)(ii)(*b*) of this chapter.)

(ii) If a donor transferred an interest in property by gift after December 31, 1988, and before May 1, 1989, retaining an interest in the same property, and after April 30, 1989, and before January 1, 1990, transferred the retained interest in property, the donor may, at the option of the donor, value the transfer of the retained interest under this section or under § 25.2512–5A(d).

(4) *Publications and actuarial computations by the Internal Revenue Service.* Many standard actuarial factors not included in § 20.2031–7(d)(6) of this chapter are included in Internal Revenue Service Publication 1457, "Actuarial Values, Alpha Volume," (8–89). Internal Revenue Service Publication 1457 also includes examples that illustrate how to compute many special factors for more unusual situations. A copy of this publication may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402. If a special factor is required in the case of a completed gift, the Service may furnish the factor to the donor upon a request for a ruling. The request for a ruling must be accompanied by a recitation of the facts including a statement of the date of birth for each measuring life, the date of the gift, any other applicable dates, and a copy of the will, trust, or other relevant documents. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see §§ 601.201 and 601.601(d)(2)(ii)(*b*) of this chapter) and include payment of the required user fee.

(e) *Effective date.* This section is effective as of May 1, 1989.

§ 25.2512–9 [Removed]

Par. 31. Section 25.2512–9 is removed.

Par. 32. Section 25.2515–2, paragraph (c) is amended by revising the first and last sentences to read as follows:

§ 25.2515–2 Tenancies by the entirety; transfers treated as gifts; manner of election and valuation.

* * * * *

(c) Factors representing the respective interests of the spouses, under a tenancy by the entirety, at their attained ages at the time of the transaction may be readily computed based on the method described in § 25.2512–5. * * * See § 25.2512–5(d)(4) for the procedure for obtaining special factors from the Internal Revenue Service in appropriate cases.

* * * * *

Par. 33. Section 25.2522(a)–2(a) is amended by revising the fifth sentence to read as set forth below, and by removing the fourth sentence.

§ 25.2522(a)–2 Transfers not exclusively for charitable, etc., purposes in the case of gifts made before August 1, 1969.

(a) * * * If the interest involved is such that its value is to be determined by a special computation, see § 25.2512–5(d)(4). * * *

* * * * *

Par. 34. Section 25.2522(c)–3, paragraph (d)(3) is revised to read as follows:

§ 25.2522(c)–3 Transfers not exclusively for charitable, etc., purposes in the case of gifts made after July 31, 1969.

* * * * *

(d) * * *

(3) *Other transfers.* The present value of an interest not described in paragraph (d)(2) of this section is to be determined under § 25.2512–5.

* * * * *

Par. 35. Immediately following § 25.7101–1, an undesignated center heading and §§ 25.7520–1 through 25.7520–4 are added to read as follows:

General Actuarial Valuations

§ 25.7520–1 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests.

(a) *General actuarial valuations.* (1) Except as otherwise provided in this section and in § 25.7520–3(b) (relating to exceptions to the use of prescribed tables under certain circumstances), in the case of gifts made after April 30, 1989, the fair market value of annuities, interests for life or for a term of years (including unitrust interests), remainders, and reversions is their present value determined under this section. See § 20.2031–7(d) (and, for certain prior periods, § 20.2031–7A) of this chapter, Estate Tax Regulations, for the computation of the value of annuities, unitrust interests, life estates, terms of years, remainders, and reversions, other than interests described in paragraphs (a)(2) and (a)(3) of this section.

(2) In the case of a gift to a beneficiary of a pooled income fund after April 30, 1989, see § 1.642(c)–6(e) (or, for certain prior periods, § 1.642(c)–6A) of this chapter (Income Tax Regulations) with respect to the valuation of the remainder interest.

(3) In the case of a gift to a beneficiary of a charitable remainder annuity trust after April 30, 1989, see § 1.664–2 of this chapter with respect to the valuation of the remainder interest. See § 1.664–4 (or, for certain prior periods, § 1.664–4A) of this chapter (Income Tax Regulations) with respect to the valuation of the remainder interest in property transferred to a charitable remainder unitrust.

(b) *Components of valuation*—(1) *Interest rate component*— (i) *Section 7520 Interest rate.* The section 7520 interest rate is the rate of return, rounded to the nearest two-tenths of one percent, that is equal to 120 percent of the applicable Federal mid-term rate, compounded annually, for purposes of section 1274(d)(1), for the month in which the valuation date falls. In rounding the rate to the nearest two-tenths of a percent, any rate that is midway between one two-tenths of a percent and another is rounded up to the higher of those two rates. For example, if 120 percent of the applicable Federal mid-term rate is 10.30, the section 7520 interest rate component is 10.4. The section 7520 interest rate is published monthly by the Internal Revenue Service in the Internal Revenue Bulletin (See § 601.601(d)(2)(ii)(*b*) of this chapter).

(ii) *Valuation date.* Generally, the valuation date is the date on which the gift is made. For gift tax purposes, the valuation date is the date on which the gift is complete under § 25.2511–2. For special rules in the case of charitable transfers, see § 25.7520–2.

(2) *Mortality component.* The mortality component reflects the mortality data most recently available from the United States census. As new mortality data becomes available after each decennial census, the mortality component described in this section will be revised periodically and the revised mortality component tables will be published in the regulations at that time. For gifts with valuation dates after April 30, 1989, the mortality component table (Table 80CNSMT) is contained in § 20.2031–7(d) of this chapter (Estate Tax Regulations). See § 20.2031–7A of this chapter for mortality component tables applicable to gifts before May 1, 1989.

(c) *Tables.* The present value on the valuation date of an annuity, life estate, term of years, remainder, or reversion is computed by using the section 7520 interest rate component that is described in paragraph (b)(1) of this section and the mortality component that is described in paragraph (b)(2) of this section. Actuarial factors for determining these present values are included in tables in these regulations and in publications by the Internal Revenue Service. If a special factor is required in order to value an interest, the Internal Revenue Service will furnish the factor upon a request for a ruling. The request for a ruling must be accompanied by a recitation of the facts, including the date of birth for each measuring life and copies of relevant instruments. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see Rev. Proc. 94–1, 1994–1 I.R.B. 10, and subsequent updates, and §§ 601.201 and 601.601(d)(2)(ii)(*b*) of this chapter) and include payment of the required user fee.

(1) *Regulation sections containing tables with interest rates between 4.2 and 14 percent.* Section 1.642(c)–6(e)(4) of this chapter contains Table S used for determining the present value of a single life remainder interest in a pooled income fund as defined in § 1.642(c)–5 of this chapter (Income Tax Regulations). Section 1.664–4(e)(6) of this chapter contains Table D (actuarial factors used in determining the present value of a remainder interest postponed for a term of years), Table U(1) (actuarial factors for one life), and Table F (payout factors) used in determining the present value of a remainder interest in a charitable remainder unitrust as defined in § 1.664–3 of this chapter. Section 20.2031–7(d)(6) of this chapter (Estate Tax Regulations) contains Table S (actuarial factors for one life), Table B (actuarial factors used in determining the present value of an interest for a term of years), Table K (annuity end-of-interval adjustment factors), Table J (term certain annuity beginning-of-interval adjustment factors), and Table 80CNSMT (mortality components) used in determining the present value of annuities, life estates, remainders, and reversions. The regulations will be revised periodically to include new mortality component tables and new tables of factors.

(2) *Internal Revenue Service publications containing tables with*

interest rates between 2.2 and 26 percent. The following documents (except for Publication 1459) have been published for sale by the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402:

(i) Internal Revenue Service Publication 1457, "Actuarial Values, Alpha Volume," (8/89). This publication includes tables of valuation factors, as well as examples that show how to compute other valuation factors, for determining the present value of annuities, life estates, terms of years, remainders, and reversions, measured by one or two lives. These factors may also be used in the valuation of interests in a charitable remainder annuity trust as defined in § 1.664–2 of this chapter (Income Tax Regulations) and a pooled income fund as defined in § 1.642(c)–5.

(ii) Internal Revenue Service Publication 1458, "Actuarial Values, Beta Volume," (8/89). This publication includes term certain tables and tables of one and two life valuation factors for determining the present value of remainder interests in a charitable remainder unitrust as defined in § 1.664–3 of this chapter.

(iii) Internal Revenue Service Publication 1459, "Actuarial Values, Gamma Volume," (8–89) is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:T:R (IRS Publication 1459), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. This publication includes tables for computing depreciation adjustment factors. See § 1.170A–12 of this chapter (Income Tax Regulations).

(d) *Effective date.* This section is effective as of May 1, 1989.

§ 25.7520–2 Valuation of charitable interests.

(a) *In general*—(1) *Valuation.* Except as otherwise provided in this section and in § 25.7520–3 (relating to exceptions to the use of prescribed tables under certain circumstances), the fair market value of annuities, interests for life or for a term for years, remainders, and reversions for which a gift tax charitable deduction is allowable is the present value of such interests determined under § 25.7520–1.

(2) *Prior-month election rule.* If any part of the property interest transferred qualifies for a gift tax charitable deduction under section 2522, the donor may elect to compute the present value of the interest transferred by use of the section 7520 interest rate for the month during which the gift is made or the section 7520 interest rate for either of the 2 months preceding the month during which the gift is made. Paragraph (b) of this section explains how a prior-month election is made. The interest rate for the month so elected is the applicable section 7520 interest rate. If the actuarial factor for either or both of the 2 months preceding the month during which the gift is made is based on a mortality experience that is different from the mortality experience at the date of the gift and if the donor elects to use the section 7520 rate for a prior month with the different mortality experience, the donor must use the actuarial factor derived from the mortality experience in effect during the month of the section 7520 rate elected. All actuarial computations relating to the gift must be made by applying the interest rate component and the mortality component of the month elected by the donor.

(3) *Gifts of more than one interest in the same property.* If a donor makes a gift of more than one interest in the same property at the same time, the donor must, for purposes of valuing the gifts, use the same interest rate and mortality components for the gift of each interest in the property. If the donor has made gifts of more than one interest in the same property at different times, the donor must determine the value of the gift by the use of the interest rate component and mortality component in effect during the month of that gift or, if applicable under paragraph (a)(2) of this section, either of the two months preceding the month of the gift.

(4) *Information required with tax return.* The following information must be attached to the gift tax return (or to the amended return) if the donor claims a charitable deduction for the present value of a temporary or remainder interest in property—

(i) A complete description of the interest that is transferred, including a copy of the instrument of transfer;

(ii) The valuation date of the transfer;

(iii) The names and identification numbers of the beneficiaries of the transferred interest;

(iv) The names and birthdates of any measuring lives, a description of any relevant terminal illness condition of any measuring life, and (if applicable) an explanation of how any terminal illness condition was taken into account in valuing the interest; and

(v) A computation of the deduction showing the applicable section 7520 interest rate that is used to value the transferred interest.

(5) *Place for filing returns.* See section 6091 of the Internal Revenue Code and the regulations thereunder for the place for filing the return or other document required by this section.

(b) *Election of interest rate component*—(1) *Time for making election.* A taxpayer makes a prior-month election under paragraph (a)(2) of this section by attaching the information described in paragraph (b)(2) of this section to the donor's gift tax return or to an amended return for that year that is filed within 24 months after the later of the date the original return for the year was filed or the due date for filing the return.

(2) *Manner of making election.* A statement that the prior-month election under section 7520(a) of the Internal Revenue Code is being made and that identifies the elected month must be attached to the gift tax return (or to the amended return).

(3) *Revocability.* The prior-month election may be revoked by filing an amended return within 24 months after the later of the date the original return of tax for that year was filed or the due date for filing the return. The revocation must be filed in the place referred to in paragraph (a)(5) of this section.

(c) *Effective dates.* Paragraph (a) of this section is effective as of May 1, 1989. Paragraph (b) of this section is effective for elections made after June 10, 1994.

§ 25.7520–3 Limitation on the application of section 7520.

(a) *Internal Revenue Code sections to which section 7520 does not apply.* Section 7520 of the Internal Revenue Code does not apply for purposes of—

(1) Part I, subchapter D of subtitle A (section 401 et. seq.), relating to the income tax treatment of certain qualified plans. (However, section 7520 does apply to the estate and gift tax treatment of certain qualified plans and for purposes of determining excess accumulations under section 4980A);

(2) Sections 72 and 101(b), relating to the income taxation of life insurance, endowment, and annuity contracts, unless otherwise provided for in the regulations under sections 72, 101, and 1011 (see, particularly, §§ 1.101–2(e)(1)(iii)(*b*)(*2*), and 1.1011–2(c), *Example 8*);

(3) Sections 83 and 451, unless otherwise provided for in the regulations under those sections;

(4) Section 457, relating to the valuation of deferred compensation, unless otherwise provided for in the regulations under section 457;

(5) Sections 3121(v) and 3306(r), relating to the valuation of deferred

amounts, unless otherwise provided for in the regulations under those sections;

(6) Section 6058, relating to valuation statements evidencing compliance with qualified plan requirements, unless otherwise provided for in the regulations under section 6058;

(7) Section 7872, relating to income and gift taxation of interest-free loans and loans with below-market interest rates, unless otherwise provided for in the regulations under section 7872; or

(8) Section 2702(a)(2)(A), relating to the value of a nonqualified retained interest upon a transfer of an interest in trust to or for the benefit of a member of the transferor's family; and

(9) Any other section of the Internal Revenue Code to the extent provided by the Internal Revenue Service in revenue rulings or revenue procedures. (See §§ 601.201 and 601.601 of this chapter).

(b) *Other limitations on the application of section 7520.* [reserved]

(c) *Effective date.* Section 25.7520–3(a) is effective as of May 1, 1989.

§ 25.7520–4 Transitional rules.

(a) *Reliance.* If the valuation date is after April 30, 1989, and before June 10, 1994, a donor can rely on Notice 89–24, 1989–1 C.B. 660, or Notice 89–60, 1989–1 C.B 700 (See § 601.601(d)(2)(ii)(*b*) of this chapter), in valuing the transferred interest.

(b) *Transfers in 1989.* If a donor transferred an interest in property by gift after December 31, 1988, and before May 1, 1989, retaining an interest in the same property and, after April 30, 1989, and before January 1, 1990, transferred the retained interest in the property, the donor may, at the donor's option, value the transfer of the retained interest under either § 25.2512–5(d) or § 25.2512–5A(d).

(c) *Effective date.* This section is effective as of May 1, 1989.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 36. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

Par. 37. Section 602.101 (c) is amended by adding entries in numerical order to the table to read as follows:

§ 602.101 OMB Control numbers.

* * * * *

(c) * * *

CFR part or section where identified and described	Current OMB Control No.
. . . . .	.
1.7520–1	1545–1343
1.7520–2	1545–1343
1.7520–3	1545–1343
1.7520–4	1545–1343
. . . . .	.
20.7520–1	1545–1343
20.7520–2	1545–1343
20.7520–3	1545–1343
20.7520–4	1545–1343
. . . . .	.
25.7520–1	1545–1343
25.7520–2	1545–1343
25.7520–3	1545–1343
25.7520–4	1545–1343
. . . . .	.

Margaret Milner Richardson,

Commissioner of Internal Revenue.

Approved: March 28, 1994.

Leslie Samuels,

Assistant Secretary of the Treasury.

[FR Doc. 94–12294 Filed 6–9–94; 8:45 am]

BILLING CODE 4830–01–U

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1, 20, and 25

[PS–26–93]

RIN 1545–AR56

Actuarial Tables Exceptions

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed amendments to the income, estate, and gift tax regulations under the Internal Revenue Code relating to exceptions to the use of standard valuation tables for valuing annuities, interests for life or a term of years, and remainder or reversionary interests. These amendments are necessary in order to provide guidance consistent with court decisions that call for deviation from the use of standard valuation tables in valuing those interests. The proposed regulations would apply in valuing all interests that would, but for the exceptions, be valued under section 7520 of the Code.

DATES: Written comments and requests for a public hearing must be received by August 9, 1994.

ADDRESSES: Send submissions to: CC:DOM:CORP:T:R ([PS–26–93]), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered to: CC:DOM:CORP:T:R ([PS–26–93]), room 5228, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: William L. Blodgett, telephone (202) 622–3090 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed regulations (26 CFR 1.7520–3(b), 20.7520–3(b), and 25.7520–3(b)) for the valuation of certain partial interests in property under section 7520 of the Internal Revenue Code (Code), as added by section 5031 of the Technical and Miscellaneous Revenue Act of 1988, when the use of standard actuarial tables would produce unreasonable results.

The regulations are proposed to be effective for valuation dates occurring after the date the regulations are published as final regulations in the **Federal Register**.

Explanation of Provisions

Section 7520(a), which is effective after April 30, 1989, provides that the value of annuities, interests for life or a term of years, and remainder or reversionary interests is to be determined under tables published by the IRS based on an interest rate equal to 120 percent of the applicable Federal mid-term rate (rounded to the nearest two-tenths of one percent) in effect under section 1274(d)(1) for the month in which the valuation date falls. Section 7520(b) provides that section 7520 shall not apply for purposes of any provision specified in regulations. The Conference Report to the Technical and Miscellaneous Revenue Act of 1988, H.R. Conf. Rep. No. 1104, 100th Cong., 2d Sess. 113 (1988), 1988–3 C.B. 603, explains that section 7520 does not apply to "situations specified in Treasury regulations."

The IRS has never attempted to include in the regulations all of the different actuarial factors that could apply to the many different kinds of vested and contingent annuity, income, and remainder interests that can arise in tax administration. The actuarial tables that have been set forth in the regulations from time to time have listed only those factors that are most frequently needed by taxpayers. Generally, these actuarial tables have included the one-life annuity, income, and remainder factors for ages 0 through 109 and the term-certain annuity, income, and remainder factors for periods of 1 through 60 years. These one-life and term-certain factors are often referred to in this notice of proposed rulemaking as "standard actuarial factors" or "standard section 7520 actuarial factors."

Other standard actuarial factors that are less frequently needed by taxpayers are included in tables that have been separately published by the IRS from time to time and that may be purchased from the Government Printing Office. The tables in these books include two-life actuarial factors, as well as many one-life factors and term-certain factors not found in the regulations tables. These publications also include a number of examples that illustrate how to compute special section 7520 actuarial factors such as the annuity, income, or remainder factor for a period limited to the lesser of a term certain or a lifetime. Special actuarial factors have for many years been referred to as such in the regulations. See, for example, § 20.2055–2(f)(5).

Other special section 7520 actuarial factors that may apply to more unusual situations may be computed by the taxpayer or, upon request, by the Internal Revenue Service for the taxpayer, by using actuarial methods consistent with those used to compute the standard section 7520 actuarial factors that appear in the tables in the regulations and in the Service's publications. Examples of these more unusual situations include an annuity payable for more than two lives, a right to income for a term certain or until the prior death of the first to die of two individuals, and the right to receive a remainder after a term certain if an individual survives the term.

In calculating a standard section 7520 actuarial factor, certain assumptions are made. For all standard section 7520 actuarial factors in the single-life and term-certain tables in § 20.2031–7(d), the interest rate for enjoyment or the postponement of enjoyment is the applicable section 7520 rate. In the case of a life annuity, income, or remainder factor, the basis for mortality rates for measuring lives is the data in Table 80 CNSMT. However, in unusual situations, where special section 7520 actuarial factors must be computed, one or more alternative assumptions may be appropriate. For example, if the actual income is known to be below applicable standards, the section 7520 interest rate may not be used to project the trust income yield. Similarly, if a measuring life is classified as terminally ill, the standard mortality data from Table 80 CNSMT may not be used as the mortality basis. But, even though one or both of these exceptions is applicable in a case, the section 7520 interest rate will ordinarily be used to discount the value of the right to any postponed enjoyment.

In cases requiring the valuation of ordinary annuities, income interests, and remainder and reversionary interests, the courts have consistently recognized the need to use the standard actuarial factors prescribed by the regulations. See *Ithaca Trust* v. *United States*, 279 U.S. 151 (1929).

However, the courts have recognized that the use of the standard actuarial factors is inappropriate in certain cases. *Robinette* v. *Helvering*, 318 U.S. 184 (1943) (reversionary interest with several interdependent contingencies); *Stark* v. *United States*, 477 F.2d 131 (8th Cir. 1973), *cert. denied*, 414 U.S. 975 (1973) (closely held stock that was not publicly traded and paid no dividends); *O'Reilly* v. *Commissioner*, 973 F.2d 1403 (8th Cir. 1992), *rem'd*, T.C.M. 1994–61 (disparity between .2 percent yield and 10 percent tables produced unrealistic and unreasonable result); and *Commissioner* v. *Estate of Sternberger*, 348 U.S. 187 (1955) (charitable bequest that would occur

only if decedent's unmarried daughter died without issue surviving her and her mother). In addition, the courts have held that the standard actuarial factors cannot be used if the measuring life is terminally ill. *Estate of McLendon* v. *Commissioner*, T.C.M. 1993–459; *Estate of Jennings* v. *Commissioner*, 10 T.C. 323 (1948); and *Estate of Denbigh* v. *Commissioner*, 7 T.C. 387 (1946). See Rev. Rul. 80–80, 1980–1 C.B. 194, which provides that, in cases where the individual's death is imminent, the taxpayer may not use standard actuarial factors prescribed by the regulations. See also, *Carter* v. *United States*, 921 F.2d 63 (5th Cir. 1991), where the court refused to ascribe value to an income interest for purposes of the section 2013 credit where death of the measuring life was simultaneous with that of the decedent.

In *Shapiro* v. *Commissioner*, T.C. Memo 1993–483 (1993), the Tax Court allowed the taxpayer to improperly value an annuity with a standard one-life annuity actuarial factor from Table A in § 20.2031–7(f) in a situation in which the annuity could have exhausted the fund from which the annuity was to be paid before the death of the annuitant. The Internal Revenue Service believes that the annuity factor that should have been used in this case is a special annuity factor for the right to receive annual payments for 4 years or until the prior death of the annuitant. See Rev. Rul. 77–454, 1977–2 C.B. 351. See also *Moffett* v. *Commissioner*, 269 F.2d 738 (4th Cir. 1959), and *United States* v. *Dean*, 224 f.2d 26 (1st Cir. 1955). Therefore, the Service will not follow the result in *Shapiro*.

Sections 1.7520–3(a), 20.7520–3(a), and 25.7520–3(a) set forth specific Code sections that are exempt from the valuation rules of section 7520. The proposed regulations contained in this notice describe other areas in which the valuation methodology applicable to standard and special section 7520 actuarial factors is not to be used. Generally, if the interest in property that is to be valued is not an ordinary annuity, income interest, or remainder interest, the standard annuity, income, and remainder factors in the tables of factors set forth in the regulations and IRS publications cannot be used. In some cases in which the standard factors from the regulations and publications tables cannot be used, a special factor may be computed by the taxpayer or by the Service upon the request of the taxpayer. In other cases where standard or special factors may not be used, the property interest may be valued using other valuation techniques. Depending upon the facts and circumstances, a property interest that cannot be valued using the standard or special section 7520 factors may have no ascertainable value.

The proposed regulations establish two primary tests to determine whether the fair market value of the interest is computed by use of the standard section 7520 actuarial factors found in the regulations and IRS publications. The first test is whether the instrument of transfer provides the beneficiary with the degree of beneficial enjoyment that is consistent with the type of property interest that the standard valuation tables are designed to measure. In this regard, the rights of an annuity beneficiary must be adequately defined and, if the annuity is payable from a group of assets, the value of the assets must be sufficient to support all of the annuity payments. Similarly, the rights of an income beneficiary must be consistent with the rights of an outright owner of the property interest for the same period of time, and the rights of a remainder or reversionary beneficiary must be protected against invasion or erosion of the corpus.

The second test in the proposed regulations addresses the mortality component of the transferred interest. The Internal Revenue Service previously addressed this issue in Rev. Rul. 66–307, 1966–2 C.B. 429, and Rev. Rul 80–80. Rev. Rul. 66–307 set forth the rule that the value of a life or remainder interest would be determined by taking into account the health of the life tenant if it was known on the valuation date that the life tenant was afflicted with a fatal and incurable disease in its advanced stages and that the life tenant could not survive for more than a brief period of time. Rev. Rul. 80–80 clarified the "brief period" test in Rev. Rul. 66–307, and stated that the standard life actuarial factors are to be applied to value the interest unless death is clearly imminent. In the view of the Service, because the test for determining whether death is imminent set forth in Rev. Rul. 66–307 and Rev. Rul. 80–80 does not satisfactorily quantify the probability of death occurring within 1 year from the valuation date, this test may permit the use of standard actuarial factors in inappropriate situations. These regulations propose to explicitly quantify the applicable standard for purposes of applying this test.

Under the proposed regulations, if an individual who is a measuring life of the interest being transferred is known to be terminally ill, the mortality test of the proposed regulations is not satisfied and a special section 7502 actuarial factor, rather than a standard actuarial factor must be used in valuing the interest. Terminal illness is defined in the proposed regulations as an incurable illness or other deteriorating physical condition that would substantially reduce a person's life expectancy to the extent that there is at least a 50 percent probability that the individual will not survive for more than 1 year from the valuation date. Exceptions are made in the regulations for special situations under sections 2013, 2037, and 2042.

In the case of the simultaneous death of the transferor and an individual who is the measuring life of a property interest, the proposed regulations specifically preclude use of the standard factors in the tables to value that interest. This is pertinent in determining the previously taxed property credit under section 2013 and reaffirms the position of the Fifth Circuit in the *Carter* case.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, an initial Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments that are submitted timely (preferably a signed original and eight copies) to the Internal Revenue Service. In particular, the Service invites comments on whether the proposed definition of terminal illness adequately deals with certain illnesses that are known to cause death in a short period of time but are often diagnosed more than 1 year before death. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested in writing by a person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**

Drafting Information

The principal author of these proposed regulations is William L. Blodgett, Office of Assistant Chief Counsel (Passthroughs and Special Industries), Internal Revenue Service. However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 20

Estate taxes, Reporting and recordkeeping requirements.

26 CFR Part 25

Gift taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1, 20 and 25 are proposed to be amended as follows:

PART 1—INCOME TAXES

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

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.7520–3 is amended by adding the text of paragraph (b) to read as follows:

§ 1.7520–3 Limitation on the application of section 7520.

* * * * *

(b) *Other limitations on the application of section 7520*— (1) *In general*—(i) *Ordinary beneficial interests.* For purposes of this section:

(A) An *ordinary annuity interest* is the right to receive a fixed dollar amount at the end of each year during one or more measuring lives or for some other defined period. A standard section 7520 annuity factor for an ordinary annuity interest represents the present worth of the right to receive $1.00 per year for a defined period, using the interest rate prescribed under section 7520 for the appropriate month. If an annuity interest is payable more often than annually or is payable at the beginning of each period, a special adjustment must be made in any computation with a standard section 7520 annuity factor.

(B) An *ordinary income interest* is the right to receive the income from, or the use of, property during one or more measuring lives or for some other defined period. A standard section 7520 income factor for an ordinary income interest represents the present worth of the right to receive the income from $1.00 for a defined period, using the interest rate prescribed under section 7520 for the appropriate month.

(C) An *ordinary remainder or reversionary interest* is the right to receive an interest in property at the end of one or more measuring lives or for some other defined period. A standard section 7520 remainder factor for an ordinary remainder or reversionary interest represents the present worth of the right to receive $1.00 at the end of a defined period, using the interest rate prescribed under section 7520 for the appropriate month.

(ii) *Certain restricted beneficial interests.* A *restricted beneficial interest* is an annuity, income, remainder, or reversionary interest that is subject to a contingency, power, or other restriction, whether the restriction is provided for by the terms of the trust, will, or other governing instrument or is caused by other circumstances. In general, a standard section 7520 annuity, income, or remainder factor may not be used to value a restricted beneficial interest. However, a special section 7520 annuity, income, or remainder factor may be used to value a restricted beneficial interest under some circumstances. See *Example 2* in § 1.7520–3(b)(4), which illustrates a situation where a special section 7520 actuarial factor is needed to take into account the shorter life expectancy of the terminally ill measuring life. See § 1.7520–1(c) for requesting a special factor from the Internal Revenue Service.

(iii) *Other beneficial interests.* If, under the provisions of § 1.7520–3(b), the interest rate and mortality components prescribed under section 7520 are not applicable in determining the value of any annuity, income, remainder, or reversionary interest, the actual fair market value of the interest (determined without regard to section 7520) is based on all of the facts and circumstances if and to the extent permitted by the Internal Revenue Code provision applicable to the property interest.

(2) *Provisions of governing instrument and other limitations on source of payment*—(i) *Annuities.* A standard section 7520 annuity factor is not to be used to determine the present value of an annuity for a specified term of years or the life of one or more individuals unless the effect of the trust, will, or other governing instrument is to ensure that the annuity will be paid for the entire defined period. In the case of an annuity payable from a trust or other limited fund, the annuity is not considered payable for the entire defined period if, considering the applicable section 7520 interest rate, the annuity is expected to exhaust the fund before the last possible annuity payment is made in full. For this purpose, it must be assumed that it is possible for each measuring life to survive until age 110, because every standard section 7520 life annuity factor is calculated on the basis of that assumption. If it is determined that the trust or other fund from which an annuity is to be paid may exhaust before the end of the defined period of the annuity, it will be necessary to calculate a special section 7520 annuity factor that takes into account the facts and circumstances that may exhaust the trust or fund.

(ii) *Income and similar interests*—(A) *Beneficial enjoyment.* A standard section 7520 income factor for an ordinary income interest is not to be used to determine the present value of an income or similar interest in trust for a term of years or for the life of one or more individuals unless the effect of the trust, will, or other governing instrument is to provide the income beneficiary with that degree of beneficial enjoyment of the property during the term of the income interest that the principles of the law of trusts accord to a person who is unqualifiedly designated as the income beneficiary of a trust for a similar period of time. This degree of beneficial enjoyment is provided only if it was the transferor's intent, as manifested by the provisions of the governing instrument and the surrounding circumstances, that the trust provide an income interest for the income beneficiary during the specified period of time that is consistent with the value of the trust corpus and with its preservation. In determining whether a trust arrangement evidences that intention, the treatment required or permitted with respect to individual items must be considered in relation to the entire system provided for in the administration of the subject trust. Similarly, in determining the present value of the right to use tangible property (whether or not in trust) for one or more measuring lives or other specified period of time, the interest rate component prescribed under section 7520 and § 1.7520–1 is not to be used unless, during the specified period, the beneficiary is entitled to that degree of use, possession, and enjoyment of the property that an outright owner would be entitled to exercise during a similar period of time.

(B) *Diversions of income and corpus.* A standard section 7520 income factor for an ordinary income interest is not to be used to value an income interest or

similar interest in property for a term of years or for one or more measuring lives if—

(1) The trust, will, or other governing instrument requires or permits the beneficiary's income or other enjoyment to be withheld, diverted, or accumulated for another person's benefit without the consent of the income beneficiary; or

(2) The governing instrument requires or permits trust corpus to be withdrawn from the trust for another person's benefit during the income beneficiary's term of enjoyment without the consent of and accountability to the income beneficiary for such diversion.

(iii) *Remainder and reversionary interests.* A standard section 7520 remainder interest factor for an ordinary remainder or reversionary interest is not to be used to determine the present value of a remainder or reversionary interest (whether in trust or otherwise) unless, consistent with the preservation and protection that the law of trusts would provide for a person who is unqualifiedly designated as the remainder beneficiary of a trust for a similar duration, the effect of the administrative and dispositive provisions for the interest or interests that precede the remainder or reversionary interest is to assure that the property will be adequately preserved and protected from erosion, invasion, depletion, or damage until the remainder or reversionary interest takes effect in possession and enjoyment. This degree of preservation and protection is provided only if it was the transferor's intent, as manifested by the provisions of the arrangement and the surrounding circumstances, that the entire disposition provide the remainder or reversionary beneficiary with an undiminished interest in the property transferred.

(iv) *Pooled income fund interests.* In general, pooled income funds are created and administered to achieve a special rate of return. A beneficial interest in a pooled income fund is not ordinarily valued using a standard section 7520 income or remainder interest factor. The present value of a beneficial interest in a pooled income fund is determined according to rules, and special remainder factors prescribed in § 1.642(c)–6.

(3) *Mortality component.* The mortality component prescribed under section 7520 is not to be used to determine the present value of an annuity, income interest, remainder interest, or reversionary interest if an individual who is a measuring life for the interest dies or is terminally ill at the time of the transaction. For purposes of this paragraph (b)(3), an individual who is known to have an incurable illness or other deteriorating physical condition is considered terminally ill if there is at least a 50 percent probability that the individual will die within 1 year.

(4) *Examples.* The provisions of this paragraph (b) are illustrated by the following examples:

Example 1.—Annuity funded with unproductive property. The taxpayer transfers corporation stock worth $1,000,000 to a trust. The trust provides for a 6 percent ($60,000 per year) annuity in cash or other property to be paid to a charitable organization for 25 years and for the remainder to be distributed to the donor's child. The trust specifically authorizes, but does not require, the trustee to retain the shares of stock. The section 7520 interest rate for the month of the transfer is 8.2 percent. The corporation has paid no dividends on this stock during the past 5 years, and there is no indication that this policy will change in the near future. Under applicable state law, the corporation is considered to be a sound investment for a trust with diversified investments because the corporation's practice of retaining its earnings has caused the value of the corporation stock to grow commensurately each year. Considering the 6 percent annuity payout rate and the 8.2 percent section 7520 interest rate, the trust corpus is considered sufficient to pay this annuity for the entire 25-year term of the trust, or even indefinitely. Thus, though the trust assets not likely to earn dividend income during the term of the trust, the assets would be assumed to appreciate at the rate of 8.2 percent per year if there were no income. Therefore, the trust's sole investment in this corporation is not expected to adversely affect the interest of either the annuitant or the remainder beneficiary. Although it appears that neither beneficiary would be able to compel the trustee to make the trust corpus produce investment income, the annuity interest in this case is considered to be an ordinary annuity interest, and the standard section 7520 annuity factor may be used to determine the present value of the annuity. In this case, the section 7520 annuity factor would represent the right to receive $1.00 per year for a term of 25 years.

Example 2.—Terminal illness. The taxpayer transfers property worth $1,000,000, to a charitable remainder unitrust described in section 664(d)(2) and § 1.664–3. The trust provides for a fixed-percentage 7 percent unitrust benefit (each annual payment is equal to 7 percent of the trust assets as valued at the beginning of each year) to be paid quarterly to an individual beneficiary for life and for the remainder to be distributed to a charitable organization. At the time the trust is created, the individual beneficiary is age 60 and has been diagnosed with an incurable illness and there is at least a 50 percent probability of the individual dying within 1 year. Because there is at least a 50 percent probability that this beneficiary will die within 1 year, the standard section 7520 unitrust remainder factor for a person age 60 from the valuation tables may not be used to determine the present value of the charitable remainder interest. Instead, a special unitrust remainder factor must be computed that is based on the section 7520 interest rate and that takes into account the projection of the individual beneficiary's actual life expectancy.

(5) *Additional limitations.* Section 7520 does not apply to the extent provided by the Internal Revenue Service in revenue rulings or revenue procedures.

(6) *Effective date.* The provisions of paragraph (b) of this section are effective with respect to transactions after the date these regulations are published as final regulations in the **Federal Register**.

PART 20—ESTATE TAX; ESTATES OF DECEDENTS DYING AFTER AUGUST 16, 1954

Par. 3. The authority citation for part 20 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 4. Section 20.7520–3 is amended by adding the text of paragraph (b) to read as follows:

§ 20.7520–3 Limitation on the application of section 7520.

* * * * *

(b) *Other limitations on the application of section 7520.*—(1) *In general.*—(i) *Ordinary beneficial interests.* For purposes of this section:

(A) An *ordinary annuity interest* is the right to receive a fixed dollar amount at the end of each year during one or more measuring lives or for some other defined period. A standard section 7520 annuity factor for an ordinary annuity interest represents the present worth of the right to receive $1.00 per year for a defined period, using the interest rate prescribed under section 7520 for the appropriate month. If an annuity interest is payable more often than annually or is payable at the beginning of each period, a special adjustment must be made in any computation with a standard section 7520 annuity factor.

(B) An *ordinary income interest* is the right to receive the income from or the use of property during one or more measuring lives or for some other defined period. A standard section 7520 income factor for an ordinary income interest represents the present worth of the right to receive the income from $1.00 for a defined period, using the interest rate prescribed under section 7520 for the appropriate month.

(C) An *ordinary remainder or reversionary interest* is the right to receive an interest in property at the end of one or more measuring lives or for some other defined period. A standard section 7520 remainder factor for an

ordinary remainder or reversionary interest represents the present worth of the right to receive $1.00 at the end of a defined period, using the interest rate prescribed under section 7520 for the appropriate month.

(ii) *Certain restricted beneficial interests*—A *restricted beneficial interest* is an annuity, income, remainder, or reversionary interest that is subject to any contingency, power, or other restriction, whether the restriction is provided for by the terms of the trust, will, or other governing instrument or is caused by other circumstances. In general, a standard section 7520 annuity, income, or remainder factor may not be used to value a restricted beneficial interest. However, a special section 7520 annuity, income, or remainder factor may be used to value a restricted beneficial interest under some circumstances. See *Example 4* in § 20.7520–3(b)(2)(iv) and *Example 2* in § 20.7520–3(b)(4), which illustrate situations where special section 7520 actuarial factors are needed to take into account limitations on beneficial interests. See § 20.7520–1(c) for requesting a special factor from the Internal Revenue Service.

(iii) *Other beneficial interests.* If, under the provisions of § 20.7520–3(b), the interest rate and mortality components prescribed under section 7520 are not applicable in determining the value of any annuity, income, remainder, or reversionary interest, the actual fair market value of the interest (determined without regard to section 7520) is based on all of the facts and circumstances if and to the extent permitted by the Code provision applicable to the property interest.

(2) *Provisions of governing instrument and other limitations on source of payment*—(i) *Annuities.* A standard section 7520 annuity factor is not to be used to determine the present value of an annuity for a specified term of years or the life of one or more individuals unless the effect of the trust, will, or other governing instrument is to ensure that the annuity will be paid for the entire defined period. In the case of an annuity payable from a trust or other limited fund, the annuity is not considered payable for the entire defined period if, considering the applicable section 7520 interest rate, the annuity is expected to exhaust the fund before the last possible annuity payment is made in full. For this purpose, it must be assumed that it is possible for each measuring life to survive until age 110, because every standard section 7520 annuity factor is calculated on the basis of that assumption. If it is determined that the trust or other fund from which an annuity is to be paid may exhaust before the end of the defined period of the annuity, it will be necessary to calculate a special section 7520 annuity factor that takes into account the facts and circumstances that may exhaust the trust or fund.

(ii) *Income and Similar Interests*—(A) *Beneficial enjoyment.* A standard section 7520 income factor for an ordinary income interest is not to be used to determine the present value of an income or similar interest in trust for a term of years, or for the life of one or more individuals, unless the effect of the trust, will, or other governing instrument is to provide the income beneficiary with that degree of beneficial enjoyment of the property during the term of the income interest that the principles of the law of trusts accord to a person who is unqualifiedly designated as the income beneficiary of a trust for a similar period of time. This degree of beneficial enjoyment is provided only if it was the transferor's intent, as manifested by the provisions of the governing instrument and the surrounding circumstances, that the trust provide an income interest for the income beneficiary during the specified period of time that is consistent with the value of the trust corpus and with its preservation. In determining whether a trust arrangement evidences that intention, the treatment required or permitted with respect to individual items must be considered in relation to the entire system provided for in the administration of the subject trust. Similarly, in determining the present value of the right to use tangible property (whether or not in trust) for one or more measuring lives or other specified period of time, the interest rate component prescribed under section 7520 and § 20.7520–1 is not to be used unless, during the specified period, the beneficiary is entitled to that degree of use, possession, and enjoyment of the property that an outright owner would be entitled to exercise during a similar period of time.

(B) *Diversions of income and corpus.* A standard section 7520 income factor for an ordinary income interest is not to be used to value an income interest or similar interest in property for a term of years, or for one or more measuring lives, if—

(*1*) The trust, will, or other governing instrument requires or permits the beneficiary's income or other enjoyment to be withheld, diverted, or accumulated for another person's benefit without the consent of the income beneficiary; or

(*2*) The governing instrument requires or permits trust corpus to be withdrawn from the trust for another person's benefit without the consent of the income beneficiary during the income beneficiary's term of enjoyment and without accountability to the income beneficiary for such diversion.

(iii) *Remainder and reversionary interests.* A standard section 7520 remainder interest factor for an ordinary remainder or reversionary interest is not to be used to determine the present value of a remainder or reversionary interest (whether in trust or otherwise) unless, consistent with the preservation and protection that the law of trusts would provide for a person who is unqualifiedly designated as the remainder beneficiary of a trust for a similar duration, the effect of the administrative and dispositive provisions for the interest or interests that precede the remainder or reversionary interest is to assure that the property will be adequately preserved and protected from erosion, invasion, depletion, or damage until the remainder or reversionary interest takes effect in possession and enjoyment. This degree of preservation and protection is provided only if it was the transferor's intent, as manifested by the provisions of the arrangement and the surrounding circumstances, that the entire disposition provide the remainder or reversionary beneficiary with an undiminished interest in the property transferred.

(iv) *Pooled income fund interests.* In general, pooled income funds are created and administered to achieve a special rate of return. A beneficial interest in a pooled income fund is not ordinarily valued using a standard section 7520 income or remainder interest factor. The present value of a beneficial interest in a pooled income fund is determined according to rules and special remainder factors prescribed in § 1.642(c)–6 of this chapter (Income Tax Regulations).

(v) *Examples.* The provisions of this paragraph (b)(2) are illustrated by the following examples:

Example 1.—Unproductive property. The decedent's will provides for a bequest of corporation stock to a trust under the terms of which all of the trust income is payable to the decedent's child for life. After the death of the life income beneficiary, the trust is to terminate and the trust property is to be distributed to the decedent's grandchild. The trust specifically authorizes, but does not require, the trustee to retain the shares of stock. The corporation has paid no dividends on this stock during the past 5 years, and there is no indication that this policy will change in the near future. Under applicable state law, the corporation is considered to be an adequately sound growth investment for a trust with diversified investments because

the corporation's practice of retaining its earnings has caused the value of the corporation stock to increase commensurately each year. The facts and circumstances, including applicable state law, indicate that the life income beneficiary would not be able to compel the trustee to make the trust corpus productive in conformity with the requirements for a lifetime trust income interest under applicable local law. Therefore, the life income interest in this case is considered nonproductive. Consequently, the income interest may not be valued actuarially under this section.

Example 2.—Beneficiary's right to make trust productive. The facts are the same as in *Example 1*, except that the trustee is not specifically authorized to retain the shares of stock. Further, the terms of the trust specifically provide that the life income beneficiary may require the trustee to make the trust corpus productive consistent with income yield standards for trusts under applicable state law. Under that law, the minimum rate of income that a productive trust may produce is substantially below the section 7520 interest rate for the month of the decedent's death. In this case, because the income beneficiary has the right to compel the trustee to make the trust productive for purposes of applicable local law during the beneficiary's lifetime, the income interest is considered an ordinary income interest for purposes of this paragraph, and the standard section 7520 life income interest factor may be used to determine the present value of the income interest.

Example 3.—Discretionary invasion of corpus. The decedent transfers property to a trust under the terms of which all of the trust income is to be paid to the decedent's child for life and the remainder of the trust is to be distributed to a grandchild. The trust authorizes the trustee without restriction to distribute corpus to the decedent's surviving spouse for the spouse's comfort and happiness. In this case, because the trustee's power to invade trust corpus is unrestricted, the exercise of the power could result in the termination of the income interest at any time. Consequently, the income interest is not considered an ordinary income interest for purposes of this paragraph, and may not be valued actuarially under this section.

Example 4.—Limited invasion of corpus. The decedent bequeaths property to a trust under the terms of which all of the trust income is to be paid to the decedent's child for life and the remainder is to be distributed to the decedent's grandchild. The trust authorizes the child to withdraw up to $5,000 per year from the trust corpus. In this case, the child's power to invade trust corpus is limited to an ascertainable amount each year. Annual invasions of any amount would be expected to progressively diminish the property from which the child's income is paid. Consequently, the income interest is not considered an ordinary income interest for purposes of this paragraph, and the standard section 7520 income interest factor may not be used to determine the present value of the income interest. Nevertheless, the present value of the child's income interest is ascertainable by making a special actuarial calculation that would take into account not only the initial value of the trust corpus, the section 7520 interest rate for the month of the transfer, and the mortality component for the child's age, but also the assumption that the trust corpus will decline at the rate of $5,000 each year during the child's lifetime. The child's right to receive an amount not in excess of $5,000 per year may be separately valued in this instance and, assuming the trust corpus would not exhaust before the child would attain age 110, would be considered an ordinary annuity interest.

Example 5.—Power to consume. The decedent devises a life estate in 3 parcels of real estate to the surviving spouse with the remainder to a child. The decedent also confers upon the spouse an unrestricted power to consume the property, which includes the right to sell part or all of the property and to use the proceeds for the spouse's support, comfort, happiness, and other purposes. Any portion of the property or its sale proceeds remaining at the death of the surviving spouse is to vest by operation of law in the child at that time. In this case, the surviving spouse's power to consume the corpus is unrestricted, and the exercise of the power could entirely exhaust the remainder interest during the life of the spouse. Consequently, the remainder interest is not considered an ordinary remainder interest for purposes of this paragraph and may not be valued actuarially under this section.

(3) *Mortality component*—(i) *Terminal illness cases.* Except as provided in paragraph (b)(3)(ii) of this section, the mortality component prescribed under section 7520 is not to be used to determine the present value of an annuity, income interest, remainder interest, or reversionary interest if an individual who is a measuring life dies or is terminally ill at the time of the decedent's death. For purposes of this paragraph (b)(3), an individual who is known to have an incurable illness or other deteriorating physical condition is considered terminally ill if there is at least a 50 percent probability that the individual will die within 1 year.

(ii) *Exceptions.* If, in the case of the allowance of the credit for tax on a prior transfer under section 2013, the tax in the transferor's estate was finally determined without regard to the fact that one or more measuring lives were terminally ill at the time of the transferor's death, the value of any transferred interest dependent on any of those lives shall be determined for purposes of section 2013 without regard to the fact that those measuring lives were terminally ill. In addition, the value of a decedent's reversionary interest under section 2037(b) or 2042(2) shall be determined without regard to the physical condition of the decedent immediately before death.

(4) *Examples.* The provisions of paragraph (b)(3) of this section are illustrated by the following examples:

Example 1.—Simultaneous deaths. The decedent's will establishes a trust to pay income to the decedent's surviving spouse for life. The will provides that, upon the spouse's death, or if the spouse fails to survive the decedent, the trust property is to pass to the decedent's children. The decedent and the decedent's spouse die simultaneously in an accident under circumstances in which it was impossible to determine who survived the other. Applicable state law presumes that the decedent died first with the result that the property interest is considered to have passed in trust for the benefit of the spouse for life, after which the remainder is to be distributed to the decedent's children. Therefore, the spouse's life income interest may not be valued under this section.

Example 2.—Terminal illness. The decedent bequeaths $1,000,000 to a trust under the terms of which the trustee is to pay $103,000 per year to a charitable organization during the life of the decedent's child. Upon the death of the child, the remainder in the trust is to be distributed to the decedent's grandchild. The child, who is age 60, has been diagnosed with an incurable illness, and there is at least a 50 percent probability of the child dying within 1 year. The section 7520 interest rate for the month of the decedent's death is 10.6 percent. The standard life annuity factor for a person age 60 (7.4230) may not be used to determine the present value of the charitable organization's annuity interest because there is at least a 50 percent probability that the measuring life will die within 1 year. Instead, a special section 7520 annuity factor must be computed that takes into account the projection of the child's actual life expectancy.

(5) *Additional Limitations.* Section 7520 does not apply to the extent provided by the Internal Revenue Service in revenue rulings or revenue procedures.

(6) *Effective date.* The provisions of this paragraph (b) are effective with respect to estates of decedents dying after the date these regulations are published as final regulations in the Federal Register.

PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

Par. 5. The authority citation for part 25 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 6. Section 25.7520–3 is amended by adding the text of paragraph (b) to read as follows:

§ 25.7520–3 Limitation on the application of section 7520.

* * * * *

(b) *Other limitations on the application of section 7520*—(1) *In*

general—(i) *Ordinary beneficial interests.* For purposes of this section:

(A) An *ordinary annuity interest* is the right to receive a fixed dollar amount at the end of each year during one or more measuring lives or for some other defined period. A standard section 7520 annuity factor for an ordinary annuity interest represents the present worth of the right to receive $1.00 per year for a defined period, using the interest rate prescribed under section 7520 for the appropriate month. If an annuity interest is payable more often than annually or is payable at the beginning of each period, a special adjustment must be made in any computation with a standard section 7520 annuity factor.

(B) An *ordinary income interest* is the right to receive the income from or the use of property during one or more measuring lives or for some other defined period. A standard section 7520 income factor for an ordinary income interest represents the present worth of the right to receive the income from $1.00 for a defined period, using the interest rate prescribed under section 7520 for the appropriate month. However, in the case of certain gifts made after October 8, 1990, if the donor does not retain a qualified annuity, unitrust, or reversionary interest, the value of any interest retained by the donor is considered to be zero if the remainder beneficiary is a member of the donor's family. See § 25.2702–2.

(C) An *ordinary remainder or reversionary interest* is the right to receive an interest in property at the end of one or more measuring lives or for some other defined period. A standard section 7520 remainder factor for an ordinary remainder or reversionary interest represents the present worth of the right to receive $1.00 at the end of a defined period, using the interest rate prescribed under section 7520 for the appropriate month.

(ii) *Certain restricted beneficial interests.* A *restricted beneficial interest* is an annuity, income, remainder, or reversionary interest that is subject to any contingency, power, or other restriction, whether the restriction is provided for by the terms of the trust, will, or other governing instrument or is caused by other circumstances. In general, a standard section 7520 annuity, income, or remainder factor may not be used to value a restricted beneficial interest. However, a special section 7520 annuity, income, or remainder factor may be used to value a restricted beneficial interest under some circumstances. See *Examples 3, 4,* and *5* in § 25.7520–3(b)(2)(iv) and the *Example* in § 25.7520–3(b)(4), which illustrate situations in which special section 7520 actuarial factors are needed to take into account limitations on beneficial interests. See § 25.7520–1(c) for requesting a special factor from the Internal Revenue Service.

(iii) *Other beneficial interests.* If, under the provisions of § 25.7520–3(b), the interest rate and mortality components prescribed under section 7520 are not applicable in determining the value of any annuity, income, remainder, or reversionary interest, the actual fair market value of the interest (determined without regard to section 7520) is based on all of the facts and circumstances if and to the extent permitted by the Internal Revenue Code provision applicable to the property interest.

(2) *Provisions of governing instrument and other limitations on source of payment*—(i) *Annuities.* A standard section 7520 annuity factor is not to be used to determine the present value of an annuity for a specified term of years or the life of one or more individuals unless the effect of the trust, will, or other governing instrument is to ensure that the annuity will be paid for the entire defined period. In the case of an annuity payable from a trust or other limited fund, the annuity is not considered payable for the entire defined period if, considering the applicable section 7520 interest rate, the annuity is expected to exhaust the fund before the last possible annuity payment is made in full. For this purpose, it must be assumed that it is possible for each measuring life to survive until age 110, because every standard section 7520 annuity factor is calculated on the basis of that assumption. If it is determined that the trust or other fund from which an annuity is to be paid may exhaust before the end of the defined period of the annuity, it will be necessary to calculate a special section 7520 annuity factor that takes into account the facts and circumstances that may exhaust the trust or fund.

(ii) *Income and similar interests*—(A) *Beneficial enjoyment.* A standard section 7520 income factor for an ordinary income interest is not to be used to determine the present value of an income or similar interest in trust for a term of years, or for the life of one or more individuals, unless the effect of the trust, will, or other governing instrument is to provide the income beneficiary with that degree of beneficial enjoyment of the property during the term of the income interest that the principles of the law of trusts accord to a person who is unqualifiedly designated as the income beneficiary of a trust for a similar period of time. This degree of beneficial enjoyment is provided only if it was the transferor's intent, as manifested by the provisions of the governing instrument and the surrounding circumstances, that the trust provide an income interest for the income beneficiary during the specified period of time that is consistent with the value of the trust corpus and with its preservation. In determining whether a trust arrangement evidences that intention, the treatment required or permitted with respect to individual items must be considered in relation to the entire system provided for in the administration of the subject trust. Similarly, in determining the present value of the right to use tangible property (whether or not in trust) for one or more measuring lives or other specified period of time, the interest rate component prescribed under section 7520 and § 25.7520–1 is not to be used unless, during the specified period, the beneficiary is entitled to that degree of use, possession, and enjoyment of the property that an outright owner would be entitled to exercise during a similar period of time.

(B) *Diversions of income and corpus.* A standard section 7520 income factor for an ordinary income interest is not to be used to value an income interest or similar interest in property for a term of years, or for one or more measuring lives, if—

(*1*) The trust, will, or other governing instrument requires or permits the beneficiary's income or other enjoyment to be withheld, diverted, or accumulated for another person's benefit without the consent of the income beneficiary; or

(*2*) The governing instrument requires or permits trust corpus to be withdrawn from the trust for another person's benefit without the consent of the income beneficiary during the income beneficiary's term of enjoyment and without accountability to the income beneficiary for such diversion.

(iii) *Remainder and reversionary interests.* A standard section 7520 remainder interest factor for an ordinary remainder or reversionary interest is not to be used to determine the present value of a remainder or reversionary interest (whether in trust or otherwise) unless, consistent with the preservation and protection that the law of trusts would provide for a person who is unqualifiedly designated as the remainder beneficiary of a trust for a similar duration, the effect of the administrative and dispositive provisions for the interest or interests that precede the remainder or reversionary interest is to assure that the property will be adequately preserved and protected from erosion, invasion,

depletion, or damage until the remainder or reversionary interest takes effect in possession and enjoyment. This degree of preservation and protection is provided only if it was the transferor's intent, as manifested by the provisions of the arrangement and the surrounding circumstances, that the entire disposition provide the remainder or reversionary beneficiary with an undiminished interest in the property transferred.

(iv) *Pooled income fund interests.* In general, pooled income funds are created and administered to achieve a special rate of return. A beneficial interest in a pooled income fund is not ordinarily valued using a standard section 7520 income or remainder interest factor. The present value of a beneficial interest in a pooled income fund is determined according to rules and special remainder factors prescribed in § 1.642(c)–6 of this chapter (Income Tax Regulations).

(v) *Examples.* The provisions of this paragraph (b)(2) are illustrated by the following examples:

Example 1.—Unproductive property. The donor transfers corporation stock to a trust under the terms of which all of the trust income is payable to a child for life. After the death of the life income beneficiary, the trust is to terminate and the trust property is to be distributed to a grandchild. The trust specifically authorizes, but does not require, the trustee to retain the shares of stock. The corporation has paid no dividends on this stock during the past 5 years, and there is no indication that this policy will change in the near future. Under applicable state law, the corporation is considered to be an adequately sound growth investment for a trust with diversified investments because the corporation's practice of retaining its earnings has caused the value of the corporation stock to increase commensurately each year. The facts and circumstances, including applicable state law, indicate that the income beneficiary would not have the legal right to compel the trustee to make the trust corpus productive in conformity with the requirements for a lifetime trust income interest under applicable local law. Therefore, the life income interest in this case is considered nonproductive. Consequently, the income interest may not be valued actuarially under this section.

Example 2.—Beneficiary's right to make trust productive. The facts are the same as in *Example 1*, except that the trustee is not specifically authorized to retain the shares of corporation stock. Further, the terms of the trust specifically provide that the life income beneficiary may require the trustee to make the trust corpus productive consistent with income yield standards for trusts under applicable state law. Under that law, the minimum rate of income that a productive trust may produce is substantially below the section 7520 interest rate on the valuation date. In this case, because the income beneficiary has the right to compel the trustee to make the trust productive for purposes of applicable local law during the beneficiary's lifetime, the income interest is considered an ordinary income interest for purposes of this paragraph, and the standard section 7520 life income factor may be used to determine the value of the income interest. However, in the case of gifts made after October 8, 1990, if the donor was the life income beneficiary, the value of the income interest would be considered to be zero in this situation. See § 25.2702–2.

Example 3.—Annuity trust funded with unproductive property. The donor, who is age 60, transfers corporation stock worth $1,000,000 to a trust. The trust will pay a 6 percent ($60,000 per year) annuity in cash or other property to the donor for 10 years or until the donor's prior death. Upon the termination of the trust, the trust property is to be distributed to the donor's child. The section 7520 rate for the month of the transfer is 8.2 percent. The corporation has paid no dividends on the stock during the past 5 years, and there is no indication that this policy will change in the near future. Under applicable state law, the corporation is considered to be a sound investment for a trust with diversified investments because the corporation's practice of retaining its earnings has caused the value of the corporation stock to grow commensurately each year. Considering the 6 percent annuity payout rate and the 8.2 percent section 7520 interest rate, the trust corpus is considered sufficient to pay this annuity for the entire 10-year term of the trust, or even indefinitely. Thus, though the trust assets not likely to earn dividend income during the term of the trust, the assets would be assumed to appreciate at the rate of 8.2 percent per year if there were no income. Therefore, the trust's sole investment in this corporation is not expected to adversely affect the interest of either the annuity beneficiary or the remainder beneficiary. The trust specifically authorizes, but does not require, the trustee to retain the shares of stock. Although it appears that neither beneficiary would be able to compel the trustee to make the trust corpus produce investment income, the annuity interest in this case is considered to be an ordinary annuity interest, and a section 7520 annuity factor may be used to determine the present value of the annuity. In this case, the section 7520 annuity factor would represent the right to receive $1.00 per year for a term of 10 years or the prior death of a person age 60.

Example 4.—Unitrust funded with unproductive property. The facts are the same as in *Example 3*, except that the donor has retained a unitrust interest equal to 7 percent of the value of the trust property, valued as of the beginning of each year. Although the trust corpus is nonincome producing, the present value of the donor's retained unitrust interest may be determined by using the section 7520 unitrust factor for a term of years or a prior death.

Example 5.—Eroding corpus in an annuity trust. The donor, who is age 60 and in normal health, transfers property worth $1,000,000 to a trust. The trust will pay a 10 percent ($100,000 per year) annuity to a charitable organization for the life of the donor, and the remainder is to be distributed to the donor's child. The section 7520 rate for the month of the transfer is 6.8 percent. Because the 10 percent annuity payout rate exceeds the 6.8 percent income and growth rate that the trust is expected to experience each year, the annuity payout must be assumed to progressively erode the corpus. Using an interest rate of 6.8 percent, an annuity payout of $100,000 per year will exhaust a $1,000,000 trust corpus in 18 years. The final payment at the end of the 18th year will consist of a partial payment of $32,712. Under section 7520, the standard life annuity factors are based on the assumption that any person may survive until age 110. This means that the standard life annuity factor for age 60 (9.8585) takes into account the separate probabilities that a person age 60 may survive to receive each of 50 different annuity payments. However, in the present case, because of the eroding corpus, the person age 60 can be assumed to receive no more than 17 $100,000 annuity payments, regardless of how long that person might survive. Therefore, the standard life annuity factor for a person age 60 (9.8585) is not applicable in this case, and special section 7520 annuity factors that take into account the 18-year limitation on the annuity payout must be used. The special annuity factor for the present value of the right to receive $1.00 per year for 17 years or until the prior death of a person age 60 is $8.6121, and the special factor for the present value of the right to receive $1.00 in 18 years if a person age 60 survives is $.1836. The present value of the charitable annuity interest is $867,269 ($100,000 X 8.6121 plus $32,712 X .1836).

(3) *Mortality component.* The mortality component prescribed under section 7520 is not to be used to determine the present value of an annuity, income interest, remainder interest, or reversionary interest if an individual who is a measuring life dies or is terminally ill at the time the gift is completed. For purposes of this paragraph (b)(3), an individual who is known to have an incurable illness or other deteriorating physical condition is considered terminally ill if there is at least a 50 percent probability that the individual will die within 1 year.

(4) *Example.* The provisions of paragraph (b)(3) of this section are illustrated by the following example:

Example.—Terminal illness. The donor transfers property worth $1,000,000 to a child in exchange for the child's promise to pay the donor $103,000 per year for the donor's life. The donor is age 60 but has been diagnosed with an incurable illness and has at least a 50 percent probability of dying within 1 year. The section 7520 interest rate for the month of the transfer is 10.6 percent, and the standard annuity factor at that interest rate for a person age 60 in normal health is 7.4230. Thus, if the donor were not terminally ill, the present value of the annuity would be $764,569 ($103,000 X 7.4230). Because there is at least a 50 percent

probability that the donor will not survive for 1 more year, the standard section 7520 annuity factor may not be used to determine the present value of the donor's annuity interest. Instead, a special section 7520 annuity factor must be computed that takes into account the projection of the donor's actual life expectancy.

(5) *Additional limitations.* Section 7520 does not apply to the extent provided by the Internal Revenue Service in revenue rulings or revenue procedures.

(6) *Effective date.* The provisions of this paragraph are effective with respect to gifts made after [the date these regulations are published as final regulations in the **Federal Register**]

Margaret Milner Richardson,

Commissioner of Internal Revenue.

[FR Doc. 94-12295 Filed 6-9-94; 8:45 am]

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Federal Register

Friday
June 10, 1994

Part III

Department of Education

Direct Grant Programs and Fellowship Programs; Notice Inviting Applications for New Awards for Fiscal Year 1994

DEPARTMENT OF EDUCATION

Direct Grant Programs and Fellowship Programs

AGENCY: Department of Education.

ACTION: Notice inviting applications for new awards for fiscal year 1995.

SUMMARY: The Secretary invites applications for new awards for fiscal year (FY) 1995 under some of the Department's direct grant and fellowship programs and announces deadline dates for the transmittal of applications under these programs. This combined application notice contains fiscal and programmatic information for potential applicants under the Department's programs announced in this issue of the **Federal Register**. This notice also lists FY 1995 programs previously announced in the **Federal Register**.

DATES: The chart for each principal office (Charts 1 through 6) includes the following dates for each program or competition: the date on which applications will be available, the deadline for submission of applications, and—for programs subject to Executive Order (EO) 12372 (Intergovernmental Review of Federal Programs)—the deadline date for transmittal of State Process Recommendations by State Single Points of Contact (SPOCs) and comments by other interested parties.

ADDRESSES: *For Applications or Further Information:* The address and telephone number for obtaining applications for, or further information about, a program are in the application notice for that program.

For Users of TDD or FIRS: Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number, if any, listed in the individual application notices. If a TDD number is not listed for a given program, individuals who use a TDD may call the Federal Information Relay Service (FIRS) at 1–800–877–8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

For Intergovernmental Review: The address for transmitting recommendations and comments under intergovernmental review is in the appendix to this notice. The appendix also contains the addresses of individual SPOCs.

For Electronic Access to Information: Information about the Department's funding opportunities, including copies of application notices for discretionary grant competitions, can be viewed on the Department's electronic bulletin board (ED Board), telephone (202) 260–9950; or on the Internet Gopher Server at GOPHER.ED.GOV (under Announcements, Bulletins and Press Releases). However, the official application notice for a discretionary grant competition is the notice published in the **Federal Register**.

SUPPLEMENTARY INFORMATION: The Department's first combined application notice was published in September 1989. It was based on the idea—subsequently affirmed by numerous parties in the educational community—that placing as many application notices as possible in a single notice would assist potential applicants in planning projects and activities. In the intervening years, other issues affecting the application and grant award processes were identified, including the view of a number of potential applicants that the Department's schedule for grant awards did not allow grantees sufficient time to implement departmentally assisted projects before the start of the academic year.

As part of the Administration's goal to "reinvent" the Federal Government, a departmentwide Quality Improvement Team examined the Department's grant procedures and how these procedures affect the timely award of grants. The team's recommendations, which have been adopted by the Secretary, will result in a number of changes in the way the Department announces and awards grants under the Department's programs.

In order to announce and award grants to accommodate the academic year, the Secretary determined that grants should be awarded during the preceding spring, to the maximum extent possible. To allow applicants more time to prepare applications and the Department the necessary time to process those applications, the Secretary further determined that application announcements should be published in the spring preceding the year in which the grants will be awarded.

Thus, it is the Secretary's intent to publish the Department's annual combined application notice in the spring rather than in September, as has been the case until now. This policy will take full effect with the announcement of grants for FY 1996. For this transition year the combined notice for FY 1995 is being published in two sections—one now, announcing as many programs and competitions as possible at this time, and the other in September, announcing the remainder of the Department's programs and competitions.

Thus, this notice contains those application announcements that the Department is able to publish at this time, and references application notices for FY 1995 that were published before this combined notice. Readers should note that, unlike previous combined notices, this notice does not list—or give estimated dates for—programs and competitions for which application notices are to be published at a later date. Those programs and competitions will be listed in the September combined notice.

Among the programs and competitions omitted from this notice are those governed by statutes that are undergoing congressional reauthorization. These include programs administered by the Office of Bilingual Education and Minority Languages Affairs and the Office of Elementary and Secondary Education, and some programs of the Office of Educational Research and Improvement.

Also omitted from this notice are programs and competitions to be governed by new regulations or funding priorities that have not yet been issued in final form. In addition, this notice does not contain programs and competitions that will use application forms not yet approved by the Office of Management and Budget under the Paperwork Reduction Act of 1980.

The Secretary anticipates that most of the Department's remaining application notices for new awards for FY 1995 will be included in the second section of the combined notice, to be issued in September 1994, or published as separate application notices before then. The September document will reference all programs and competitions announced in this notice, as well as any for which application notices will have been published in the interim.

Within the next month the Secretary intends to publish in the **Federal Register** amendments to the Education Department General Administrative Regulations (EDGAR) that will change how the Department makes non-competing continuation discretionary grant awards for multi-year projects. The amendments will eliminate the requirement that a recipient submit an application for a continuation award. Instead, the due dates for performance reports will be adjusted so that they can be used to determine whether the recipient has met the criteria for receiving the continuation award. This action is being taken to improve the effectiveness, integrity, and quality of the grant award process and the projects that the Department funds.

The amendments will affect the information that an applicant must submit to the Department when it applies for a new grant for a multi-year project. Specifically, the applicant

would submit a detailed budget for the entire project period, rather than for only the first budget period of the project. This combined application notice announces the amount the Secretary intends to award for only the first budget period of a multi-year project. In the application package for an individual program or competition, applicants will receive information about the amount the Secretary intends to make available for each year of a multi-year project. That will enable an applicant to provide a detailed budget for each year of the grant, as will be required by the amended regulations.

Organization of Notice

Each principal program office is assigned a separate chart as follows:

Chart 1—Office of Bilingual Education and Minority Languages Affairs.

Chart 2—Office of Educational Research and Improvement.

Chart 3—Office of Elementary and Secondary Education.

Chart 4—Office of Postsecondary Education.

Chart 5—Office of Special Education and Rehabilitative Services.

Chart 6—Office of Vocational and Adult Education.

Each of the charts that lists individual programs or competitions contains the following information:

- The CFDA number and the name of each affected program.
- The date of availability of applications.
- The deadline date for transmitting applications.
- For any program subject to the requirements of EO 12372 and the regulations in 34 CFR part 79, the deadline date for transmitting comments under intergovernmental review.
- The estimated range of awards.
- The estimated average size of awards.
- The estimated number of awards.

For programs or competitions that have already published in the **Federal Register** application notices for FY 1995 grants, the chart references the date and page number of the notice.

Following the chart for each principal program office are additional details for each affected program with an application notice in this combined notice, including—

- A brief statement of the purpose of the program;
- A list of eligible applicants;
- A list of regulations applicable to the program;
- Information regarding priorities, if any;
- Supplemental information, if necessary, regarding selection criteria, any fiscal matters peculiar to the program or competition, or other matters;
- The project period in months;
- The name, address, and telephone number of the person or office at the Department to contact for applications or information; and
- A citation of the statutory or other legal authority for the program.

In addition, some programs have listed an estimated award date.

Available Funds

The Congress has not yet enacted a fiscal year 1995 appropriation for the Department of Education. However, the Department is publishing this notice in order to give potential applicants adequate time to prepare applications. Estimates of the amount of funds available for these programs are based in part on the President's 1995 budget request and in part on the level of funding available for fiscal year 1994. The Department of Education is not Bound by any of the Estimates in this Notice.

National Education Goals

On March 31, 1994, the President signed into law the Goals 2000: Educate America Act (Pub. L. 103–227). The Act enunciates eight National Education Goals for the year 2000:

- All children in America will start school ready to learn.
- The high school graduation rate will increase to at least 90 percent.
- All students will leave grades 4, 8, and 12 having demonstrated competency in challenging subject matter, including English, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography; and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our Nation's modern economy.
- United States students will be first in the world in mathematics and science achievement.
- Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.
- Every school in the United States will be free of drugs, violence, and the unauthorized presence of firearms and alcohol and will offer a disciplined environment conducive to learning.
- The Nation's teaching force will have access to programs for the continued improvement of their professional skills and the opportunity to acquire the knowledge and skills needed to instruct and prepare all American students for the next century.
- Every school will promote partnerships that will increase parental involvement and participation in promoting the social, emotional, and academic growth of children.

In developing this combined application notice the Department has sought to ensure that programs awarding grants during FY 1995 will further achievement of the National Education Goals. The Secretary encourages applicants under these programs to consider the National Education Goals in developing their applications.

Applicability of Section 5301 of the Anti-Drug Abuse Act of 1988

Some programs included in this combined application notice may provide that a grant, fellowship, traineeship, or other monetary benefit may be awarded to an individual. This award may be made to the individual either directly by the Department or by a grantee that receives Federal funds for the purpose of providing, for example, fellowships, traineeships, or other awards to individuals.

Section 5301 of the Anti-Drug Abuse Act of 1988 (Pub. L. 100–690; redesignated as section 421 of the Controlled Substances Act, 21 U.S.C. 862) provides that a sentencing court may deny eligibility for certain Federal benefits to an individual convicted of drug trafficking or possession. Thus, an individual who applies for a grant, fellowship, or other monetary benefit under a program covered by this notice should understand that, if convicted of drug trafficking or possession, he or she is subject to denial of eligibility for that benefit if the sentencing court imposes such a sanction.

This denial applies whether the Federal benefit is provided to the individual directly by the Department or is provided through a grant, fellowship, traineeship, or other award made available with Federal funds by a grantee.

Any persons determined to be ineligible for Federal benefits under the provisions of section 5301 are listed in the General Services Administration's "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs."

Applicability of the Federal Debt Collection Procedures Act of 1990

The programs announced in this notice make discretionary awards subject to the eligibility requirements of the Federal Debt Collection Procedures

Act of 1990 (Pub. L. 101–647; 28 U.S.C. 3201). The Act provides that if there is a judgment lien against a debtor's property for a debt to the United States, the debtor is not eligible to receive a Federal grant or loan, except direct payments to which the debtor is entitled as beneficiary, until the judgment is paid in full or otherwise satisfied.

Intergovernmental Review of Federal Programs

Certain programs in this notice are subject to the requirements of EO 12372 and the regulations in 34 CFR part 79. These programs are identified in Charts 1 through 6 with a date in the column headed "Deadline for intergovernmental review." For further information, an applicant under a program subject to the Executive order and other parties interested in that program—are directed to the appendix to this notice.

CHART 1.—OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
Application notices for all programs will be published at a future date	.....	.....	.....	.....	.....	.....

CHART 2.—OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
Library programs:						
Application notices for all programs will be published at a future date	.....	.....	.....	.....	.....	.....
Fund for the improvement and reform of schools and teaching (FIRST):						
Application notices for all programs will be published at a future date	.....	.....	.....	.....	.....	.....
Office of research:						
Application notices for all programs will be published at a future date	.....	.....	.....	.....	.....	.....
Programs for the improvement of practice:						
Application notices for all programs will be published at a future date	.....	.....	.....	.....	.....	.....
National center for education statistics:						
Application notices for all programs will be published at a future date	.....	.....	.....	.....	.....	.....

CHART 3.—OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

CFDA No. and Name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
Application notices for all programs will be published at a future date	.....	.....	.....	.....	.....	.....

CHART 4.—OFFICE OF POSTSECONDARY EDUCATION

CFDA No. and Name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
84.016A Undergraduate international studies and foreign language program	8/22/94	11/4/94	1/3/95	$30,000–85,000	$62,000	31
84.017A International research and studies program	9/2/94	11/4/94	N/A	30,000–140,000	95,588	15
84.019A Fulbright-Hays faculty research abroad program	8/12/94	10/28/94	N/A	17,000–75,000	38,000	22
84.021A Fulbright-Hays group projects abroad program	8/26/94	10/21/94	N/A	30,000–70,000	52,000	25
84.022A Fulbright-Hays doctoral dissertation research abroad program	8/12/94	10/28/94	N/A	9,000–72,000	[1] 29,000	[2] 61
84.031G Endowment challenge grant program	4/17/95	6/16/95	N/A	50,000–500,000	350,000	20
84.055A Cooperative education program—administration, part a projects	10/21/94	1/6/95	3/6/95	25,000–300,000	78,125	18

CHART 4.—OFFICE OF POSTSECONDARY EDUCATION—Continued

CFDA No. and Name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
84.055B Cooperative education program—demonstration projects	10/21/94	1/6/95	3/6/95	20,000–150,000	100,000	2
84.055C Cooperative education program—research projects	10/21/94	1/6/95	3/6/95	20,000–150,000	100,000	2
84.055D Cooperative education program—training and resource center Projects	10/21/94	1/6/95	3/6/95	20,000–150,000	100,000	2
84.055E Cooperative education program—administration, part B projects	10/21/94	1/6/95	3/6/95	1,000–75,000	15,000	60
84.097A Law school clinical experience program	12/12/94	2/28/95	4/28/95	27,000–250,000	125,000	13
84.120 Minority science improvement program—institutional, design, special, and cooperative projects	8/12/94	10/14/94	12/14/95	[3] 100,000–300,000	120,000	13
				[4] 16,000–20,000	18,000	.....
				[5] 20,000–150,000	25,000	10
				[6] 200,000–500,000	175,000	2
84.153A Business and international education program	8/26/94	11/7/94	1/9/95	50,000–100,000	80,000	18
84.202A Grants to institutions and consortia to encourage women and minority participation in graduate education program	8/8/94	10/19/94	12/19/94	25,000–100,000	80,000	50
84.220A Centers for international business education program	8/22/94	11/10/94	1/9/95	150,000–350,000	272,000	12
84.261 Dwight D. Eisenhower leadership development program	11/21/94	1/20/95	3/20/95	100,000–225,000	162,500	16

[1] Per fellow.
[2] Individual fellowships.
[3] Institutional projects.
[4] Design projects.
[5] Special projects.
[6] Cooperative projects.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION (FIPSE)

CFDA No. and Name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
84.116F Fund for the improvement of postsecondary education—Innovative projects for community service	10/14/94	12/20/94	2/20/95	$25,000–75,000	$60,000	29

84.016A Undergraduate International Studies and Foreign Language Program

Purpose of Program: To provide grants to strengthen and improve undergraduate instruction in international studies and foreign languages in the United States.

Eligible applicants: Institutions of higher education; combinations of institutions of higher education; and public and nonprofit private agencies and organizations, including professional and scholarly associations.

Applicable regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 82, 85 and 86; and (b) The regulations for this program in 34 CFR parts 655 and 658, as amended in the **Federal Register** on June 10, 1993 (58 FR 32574).

Priority: Under 34 CFR 75.105(c)(2)(i), 34 CFR 658.35, and section 604(a)(4) of title VI of the Higher Education Act of 1965, as amended by the Higher Education Amendments of 1992, the Secretary gives preference to applications that meet the following competitive priority. The Secretary awards five points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

Applications from institutions of higher education or combinations of institutions that—

(a) Require entering students to have successfully completed at least two years of secondary school foreign language instruction;

(b) Require each graduating student to earn two years of postsecondary credit in a foreign language or have demonstrated equivalent competence in the foreign language; or

(c) In the case of a two-year degree granting institution, offer two years of postsecondary credit in a foreign language.

Supplementary information: An institutional grantee shall pay a minimum of 50 percent of the cost of the project for each fiscal year.

Project period: 24 to 36 months.

For Applications or Information Contact: Christine Corey, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202–5332. Telephone: (202) 732–6061.

Program Authority: 20 U.S.C. 1124.

84.017A International Research and Studies Program

Purpose of Program: To provide grants to conduct research and studies to improve and strengthen instruction in modern foreign languages, area studies, and other international fields to provide full understanding of the places in which the foreign languages are commonly used.

Eligible Applicants: Public and private agencies, organizations, and institutions; and individuals.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 80, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 655 and 660, as amended in the **Federal Register** on June 10, 1993 (58 FR 32574).

Priorities: Under 34 CFR 75.105 (c)(2)(i), and 34 CFR 660.34 and 660.10, the Secretary gives preference to applications that meet either of the following competitive priorities. The Secretary awards five points to an application that meets either of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Studies and surveys to determine needs for increased or improved instruction in foreign language, area studies, or other international fields, including the demand for foreign language, area, and international specialists in government, education, and the private sector.

(b) Studies and surveys to assess the use of graduates of programs supported under title VI of the Higher Education Act, as amended, by governmental, educational, and private sector organizations; and other studies assessing the outcomes and effectiveness of programs supported under title VI.

Project Period: 12 to 36 months.

For Applications or Information Contact: Jose L. Martinez, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202–5331. Telephone: (202) 732–6072.

Program Authority: 20 U.S.C. 1125.

84.019A Fulbright-Hays Faculty Research Abroad Program

84.022A Fulbright-Hays Doctoral Dissertation Research Abroad Program

Purpose of Programs: (a) The Faculty Research Abroad Program offers opportunities to faculty members of higher education for research and study in modern foreign languages and area studies. (b) The Doctoral Dissertation Research Abroad Fellowship Program provides opportunities for graduate students to engage in full time dissertation research abroad in modern foreign languages and area studies.

Eligible Applicants: Institutions of higher education.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR), 34 CFR parts 74, 75, 77, 81, 82, 85 and 86; and (b) The regulations for these programs in 34 CFR parts 662 and 663.

Priorities: Under 34 CFR 75.105(c)(3), 34 CFR 663.32(c) (Higher Education Programs in Modern Foreign Language Training and Area Studies—Faculty Research Abroad Fellowship Program), and 34 CFR 662.32(c) (Higher Education Programs in Modern Foreign Language Training and Area Studies—Doctoral Dissertation Research Abroad Fellowship Program) the Secretary gives an absolute preference to applications that meet the following priority. The Secretary funds only applications that meet this absolute priority:

Research projects that focus on one or more of the following: Africa, East Asia, Southeast Asia and the Pacific, South Asia, the Near East, East Central Europe and Eurasia, and the Western Hemisphere.

Note: Applications that propose projects focused on Western Europe will not be funded.

Project Period: Three to 12 months for Faculty Research Abroad; and 6 to 12 months for Doctoral Dissertation Research Abroad.

For Applications or Information Contact: For Faculty Research Abroad Program: Eliza Washington, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202–5331. Telephone: (202) 732–6075.

For Doctoral Dissertation Research Abroad Program: Karla Ver Bryck Block, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202–5331. Telephone: (202) 732–6073.

Program Authority: 22 U.S.C. 2452(b)(6).

84.021A Fulbright-Hays Group Projects Abroad Program

Purpose of Program: To provide grants to support overseas projects in training, research, and curriculum development in modern foreign languages and area studies by teachers, students, and faculty engaged in a common endeavor. Projects may include short-term seminars, curriculum development, group research or study, or advanced intensive language projects.

Eligible Applicants: Institutions of higher education; State departments of education; nonprofit private educational organizations; and consortia of these types of institutions, departments, and organizations.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR), 34 CFR parts 74, 75, 77, 80, 81, 82, 85, and 86; (b) The regulations for this program in 34 CFR part 664.

Priorities:

Absolute Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR 664.32 the Secretary gives an absolute preference to applications that meet the following priority. The Secretary funds only applications that meet this absolute priority:

Group projects that focus on one or more of the following: Africa, East Asia, the Western Hemisphere, Southeast Asia and the Pacific, East Central Europe and Eurasia, the Near East, and South Asia.

Note: Applications that propose projects focused on Western Europe will not be funded.

Competitive Priority: Within the absolute priority specified in this notice, the Secretary, under 34 CFR 75.105(c)(2)(i) and 34 CFR 664.32, gives preference to applications that meet the following competitive priority. The Secretary awards up to five points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

Short-term seminars that develop and improve foreign language and area studies at elementary and secondary schools.

Invitational Priority: Within the absolute priority for and the Western Hemisphere, the Secretary is particularly interested in applications that meet the following invitational priority. However, under 34 CFR 75.105(c)(i) an application that meets this invitational priority does not receive competitive or absolute preference over other applications:

Projects that focus on Mexico.

Project Periods:

For short-term seminar projects: five weeks.

For curriculum development projects: six to eight weeks.

For group research or study projects: two to twelve months.

For Applications or Information Contact: Dr. Lungching Chiao, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202–5332. Telephone: (202) 732–6061.

Program Authority: 22 U.S.C. 2452(b)(6).

84.031G Endowment Challenge Grant Program

Purpose of Program: To provide matching grants to eligible institutions of higher education to establish or increase their endowment funds.

Eligible Applicants: Institutions of higher education that are designated as eligible. The Secretary publishes separately in the Federal Register a notice informing interested parties how to be designated as eligible to apply for Endowment Challenge Grant funds.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR 74.61(h) or 34 CFR 80.26 and the appendix to 34 CFR part 80, as applicable; 74.80, 74.84 and 74.85; 75.100 through 75.102 and 75.217; and in 34 CFR parts 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 628.

Project Period: 240 months (20 years).

Fundraising Period: 18 months (September 1995–March 1997).

For Applications or Information Contact: Anne Price-Collins, U.S. Department of Education, 400 Maryland Avenue, SW., room 3042, ROB–3, Washington, DC 20202–5337. Telephone: (202) 708–8866. Applications will be sent to those institutions designated as eligible under the title III programs.

Program Authority: 20 U.S.C. 1065.

84.055A Cooperative Education Program—Administration, Part A Projects

Purpose of Program: To provide grants for new projects to encourage institutions of higher education to offer their students work experiences that will aid these students in their future careers and support them financially while in school.

Eligible Applicants: Institutions of higher education (IHEs), as defined in section 1201(a) of the Higher Education Act of 1965, as amended; and combinations of IHEs.

Note: The Secretary awards a grant for a new project to an institution, or combination of institutions, that has not received an administration project grant in the 10-year period immediately preceding the date for which the institution, or combination of institutions, requests a grant under this part.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 631 and 632, published in the Federal Register on August 11, 1993 (58 FR 42651).

Project Period: Up to 60 months.

For Applications or Information Contact: Dr. John E. Bonas, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3265.

Program Authority: 20 U.S.C. 1133–1133b.

84.055B Cooperative Education Program—Demonstration Projects

Purpose of Program: To provide grants to demonstrate or determine the feasibility or value of innovative cooperative education projects, as well as to disseminate information about effective innovative projects.

Eligible Applicants: Institutions of higher education (IHEs), as defined in section 1201(a) of the Higher Education Act of 1965, as amended; combinations of IHEs; and public and nonprofit private agencies and organizations.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 631 and 633, published in the Federal Register on August 11, 1993 (58 FR 42651).

Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR 633.21(a) the Secretary gives an absolute preference to applications that meet one or more of the following priorities. The Secretary funds under this competition only applications that meet one or more of these absolute priorities:

Absolute Priority 1: Model cooperative education projects in the fields of science and mathematics for women and minorities who are underrepresented in those fields.

Absolute Priority 2: Model cooperative education projects specializing in developing technical and professional work force skills for nontraditional students and students from special or underrepresented populations.

Absolute Priority 3: Model cooperative education projects that focus on developing and establishing articulation and other cooperative arrangements between or among secondary and postsecondary educational institutions.

Project Period: Up to 36 months.

For Applications or Information Contact: Dr. John E. Bonas, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3265.

Program Authority: 20 U.S.C. 1133, 1133a, 1133c.

84.055C Cooperative Education Program—Research Projects

Purpose of Program: To provide grants to conduct studies to improve, develop, or evaluate methods of cooperative education for the benefit of the cooperative education community.

Eligible Applicants: Institutions of higher education (IHEs), as defined in section 1201(a) of the Higher Education Act of 1965, as amended; combinations of IHEs; and public and nonprofit private agencies and organizations.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 631 and 634, published in the Federal Register on August 11, 1993 (58 FR 42651).

Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR 634.21(a) the Secretary gives an absolute preference to applications that meet one or more of the following priorities. The Secretary funds under this competition only applications that meet one or more of these absolute priorities:

Absolute Priority 1: Longitudinal studies on former cooperative education students and non-cooperative education students to determine the relationship between the students' cooperative education work experiences and one or more of the following:

(a) Initial job placement.
(b) Job advancement.
(c) Long-term earnings.

Absolute Priority 2: Assessment of the impact of cooperative education on college retention rates and on the academic achievement of students participating in cooperative education, compared to nonparticipants.

Absolute Priority 3: Assessment of the impact of comprehensive cooperative education projects on—

(a) The institution;
(b) Students at the institution;
(c) Faculty;
(d) Employment opportunities; and
(e) Factors influencing the successes and failures of comprehensive cooperative education projects.

Absolute Priority 4: Identification and assessment of incentives and factors that influence an IHE to continue its cooperative education project successfully after Federal financial assistance has ended.

Project Period: Up to 36 months.

For Applications or Information Contact: Dr. John E. Bonas, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3265.

Program Authority: 20 U.S.C. 1133, 1133a, 1133c.

84.055D Cooperative Education Program—Training and Resource Center Projects

Purpose of Program: To provide grants to train and assist individuals who participate in or are planning to participate in the planning, establishment, and administration of cooperative education projects.

Eligible Applicants: Institutions of higher education (IHEs), as defined in section 1201(a) of the Higher Education Act of 1965, as amended; combinations of IHEs; and public and private nonprofit agencies and organizations.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 631 and 635, published in the **Federal Register** on August 11, 1993 (58 FR 42651).

Priority: Under 34 CFR 75.105(c)(2)(ii) and 34 CFR 635.4(b)(5) and 34 CFR 635.21(a) the Secretary gives preference to applications that meet the following competitive priority. An application that meets this competitive priority is selected by the Secretary over applications of comparable merit that do not meet the priority:

Supporting partnerships in which an institution with an existing comprehensive cooperative education program assists one or more institutions to—

(a) Improve their existing cooperative education program; or

(b) Establish, expand, or improve a comprehensive cooperative education program.

Project Period: Up to 36 months.

For Applications or Information Contact: Dr. John E. Bonas, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3265.

Program Authority: 20 U.S.C. 1133, 1133a, 1133c.

84.055E Cooperative Education Program—Administration, Part B Projects

Purpose of Program: To provide grants for existing projects to encourage individual institutions of higher education to offer their students work experiences that will aid these students in their future careers and support them financially while in school.

Eligible Applicants: Individual institutions of higher education, as defined in section 1201(a) of the Higher Education Act of 1965, as amended.

Note: The Secretary awards a grant for an existing project to an institution that is operating a cooperative education program, as defined under 34 CFR 631.5(b).

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 631 and 632, published in the **Federal Register** on August 11, 1993 (58 FR 42651).

Project Period: Up to 60 months.

For Applications or Information Contact: Dr. John E. Bonas, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3265.

Program Authority: 20 U.S.C. 1133–1133b.

84.097A Law School Clinical Experience Program

Purpose of Program: To provide grants to continue, expand, or establish programs that provide clinical experience to students in the practice of law.

Eligible Applicants: Individual law schools that have been accredited by a nationally recognized agency approved by the Secretary; and combinations and consortiums of accredited law schools.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 82, 85, and 86; and (b) the regulations of this program in 34 CFR part 639.

Priorities: Under 34 CFR 75.105(c) and 34 CFR 639.11 the Secretary gives an absolute preference to applications that meet both of the following priorities. The Secretary funds under this program only those competing applications that meet both of these absolute priorities:

Projects that—

(a) Provide legal experience in the preparation and trial of actual cases, including administrative cases and the settlement of controversies outside the courtroom; and

(b) Provide service to persons who have difficulty in gaining access to legal representation.

Supplementary Information: The authorizing statute for the program permits the Secretary to pay up to 90 percent of the costs of projects at law schools (20 U.S.C. 1134u(a)). The program regulations permit the Secretary to establish annually a lower maximum Federal share (34 CFR 639.40(a)(2)). For fiscal year 1995 the Secretary sets the maximum Federal share at 65 percent to establish programs, 50 percent to expand programs, and 35 percent to continue programs of legal clinical experience.

Project Period: Up to 36 months.

For Applications or Information Contact: John J. Lank, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3281.

Program Authority: 20 U.S.C. 1134u, 1134v.

84.120 Minority Science Improvement Program—Institutional, Design, Special, and Cooperative Projects

Purpose of Program: To effect long-range improvement in science education at predominantly minority institutions and to increase the flow of underrepresented ethnic minorities, particularly minority women, into scientific careers.

Eligible Applicants:

(a) *For institutional, design, and special projects described in 34 CFR 637.14(a), (b) and (c):* Public and nonprofit private minority institutions.

Note: A minority institution is defined in 34 CFR 637.4(b) as an accredited college or university whose enrollment of a single minority group or combination of minority groups, as defined in 34 CFR 637.4(b), exceeds 50 percent of the total enrollment.

(b) *For institutional, design, and special projects described in 34 CFR 637.14(b) and (c):* Non-profit science-oriented organizations; professional scientific societies; and nonprofit accredited colleges and universities that render a needed service to a group of eligible minority institutions, as defined in 34 CFR 637.4(b), or that provide inservice training of project directors, scieatists, and engineers from eligible minority institutions.

(c) *For cooperative projects:* Groups of nonprofit accredited colleges and universities whose primary fiscal agent is an eligible minority institution, as defined in 34 CFR 637.4(b).

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 637.

Project Period: Up to 36 months.

For Applications or Information Contact: Dr. Argelia Velez-Rodriguez, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3261.

Program Authority: 20 U.S.C. 1135b–1135b–3, 1135d–1135d–6.

84.153A Business and International Education Program

Purpose of Program: To provide grants both to enhance international business education programs and expand the capacity of the business community to engage in international economic activities.

Eligible Applicants: Institutions of higher education that have entered into agreements with business enterprises, trade organizations, or associations engaged in international economic activity.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 82, 85 and 86; and (b) The regulations for this program in 34 CFR parts 655 and 661.

Supplementary Information: A grantee shall pay a minimum of 50 percent of the cost of the project for each fiscal year.

Project Period: 24 months.

For Applications or Information Contact: Susanna C. Easton or Sarah T. Beaton, U.S. Department of Education, 400 Maryland Avenue SW., Washington, DC 20202–5332. Telephone: (202) 732–6061.

Program Authority: 20 U.S.C. 1130–1130b.

84.220A Centers for International Business Education Program

Purpose of Program: To provide grants to eligible applicants to pay the Federal share of the cost of planning, establishing, and operating centers for international business.

Eligible Applicants: Institutions of higher education; and combinations of institutions of higher education.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 82, 85, 86; and (b) Because there are no program-specific regulations for this program, applicants are encouraged to read the authorizing statute for the Centers for International Business Education Program, under section 612 of part B, title VI, of the Higher Education Act of 1965, as amended by section 6261 of the Omnibus Trade and Competitiveness Act of 1988 (Pub.L. 100–418).

Project Period: 36 months.

For Applications or Information Contact: Susanna C. Easton, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202–5332. Telephone: (202) 732–6061.

Program Authority: 20 U.S.C. 1130–1.

For Applications or Additional Information Contact: Vicki V. Payne, U.S. Department of Education, 400 Maryland Avenue, SW., Courtyard Suite C–80, Portals Building, Washington, DC 20202–5329. Telephone: (202) 260–3291.

Program Authority: 20 U.S.C. 1134–1134c–2.

84.261A Dwight D. Eisenhower Leadership Development Program

Purpose of Program: To provide grants that establish prototypes that reach out to young Americans and promote the practical study and teachings of leadership through programs specially prepared to foster the development of new generations of leaders in the areas of national and international affairs.

Eligible Applicants: Institutions of higher education (IHEs), as defined in section 1201 of the Higher Education Act of 1965, as amended; and nonprofit private organizations in combination with IHEs.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 82, 85, 86; and (b) Because there are no program-specific regulations for this program, applicants are encouraged to read the authorizing statute for the Dwight D. Eisenhower Leadership Development Act, under part D, title X of the Higher Education Act of 1965, as amended (Pub. L. 102–325).

Project Period: Up to 24 months.

For Applications or Information Contact: Dr. Donald N. Bigelow, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202–5247. Telephone: (202) 732–6070.

Program Authority: 29 U.S.C. 1135f.

84.116F Fund for the Improvement of Postsecondary Education—Innovative Projects for Community Service

Purpose of Program: To provide grants to support projects encouraging students to participate in community service activities.

Eligible Applicants: Institutions of higher education (IHEs); combinations of IHEs; and other public and nonprofit private institutions and agencies.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 82, 85, and 86, with the exceptions noted in 34 CFR 630.4(a); and (b) The regulations for this program in 34 CFR part 630.

Selection Criteria: In evaluating applications for grants under this program competition, the Secretary uses the following selection criteria chosen from those listed in 34 CFR 630.32.

(a) *Significance for Postsecondary Education.* The Secretary reviews each proposed project for its significance in improving postsecondary education by determining the extent to which it would—

(1) Achieve the purpose of the Innovative Projects for Community Service Program as referenced in 34 CFR 630.11(c);

(2) Address an important problem or need;

(3) Represent an improvement upon, or important departure from, existing practice; and

(4) Achieve far-reaching impact through improvements that will be useful in a variety of ways and in a variety of settings.

(b) *Feasibility.* The Secretary reviews each proposed project for its feasibility by determining the extent to which—

(1) The proposed project represents an appropriate response to the problem or need addressed;

(2) The applicant is capable of carrying out the proposed project as evidenced by, for example—

(i) The applicant's understanding of the problem or need;

(ii) The quality of the project design, including objectives, approaches, and evaluation plan;

(iii) The adequacy of resources, including money, personnel, facilities, equipment, and supplies;

(iv) The qualifications of key personnel who would conduct the project; and

(v) The applicant's relevant prior experience;

(3) The applicant and any other participating organizations are committed to the success of the proposed project, as evidenced by, for example—

(i) Contribution of resources by the applicant and by participating organizations;

(ii) Their prior work in the area; and

(iii) The potential for continuation of the proposed project beyond the period of funding (unless the project would be self-terminating); and

(4) The proposed project demonstrates potential for dissemination to or adaptation by other organizations, and shows evidence of interest by potential users.

(c) *Appropriateness of funding projects.* The Secretary reviews each application to determine whether support of the proposed project by the Secretary is appropriate in terms of the availability of other funding sources for the proposed activities.

The Secretary gives equal weight to the selection criteria on significance, feasibility, and appropriateness. Within

each of these criteria, the Secretary gives equal weight to each of the subcriteria. In applying the criteria, the Secretary first analyzes an application in terms of each individual criterion. The Secretary then bases the final judgment of an application on the overall assessment of the degree to which the applicant addresses all selection criteria.

Project Period: 12 to 36 months.

For Applications and Information Contact: FIPSE, 400 Maryland Avenue, SW., room 3100, ROB–3, Washington, DC 20202–5175. Telephone: (202) 205–0082 to order applications; or (202) 708–5750 for information.

Program Authority: 20 U.S.C. 1137–1137a.

CHART 5.—OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards (per year)	Estimated avg. size of awards (per year)	Estimated number of awards
Office of Special Education Programs:						
84.023 Research in education of individuals with disabilities program	.....	.....	.....	.....	.....	.....
84.023A Advancing and improving the research knowledge base	6/30/94	12/16/94	N/A	$70,000–100,000	$85,000	8
84.023C Field-initiated research projects	6/30/94	10/24/94	N/A	100,000–180,000	140,000	17
84.023E Synthesize and communicate a professional knowledge base: contributions to research and practice	6/30/94	10/17/94	N/A	145,000–150,000	147,500	3
84.023N Initial career awards	6/30/94	9/6/94	N/A	72,000–75,000	73,500	4
84.024 Early education program for children with disabilities	.....	.....	.....	.....	.....	.....
84.024B Model demonstration projects for young children with disabilities	6/30/94	9/12/94	11/12/94	120,000–140,000	130,000	8
84.024P Early childhood model inservice training projects	6/30/94	9/19/94	11/19/95	120,000–140,000	130,000	10
84.025 Services for children with deaf-blindness program	.....	.....	.....	.....	.....	.....
84.025A State and multi-state projects for children who are deaf-blind	6/30/94	12/9/94	2/9/95	30,000–800,000	175,000	49
84.025A Optional pilot projects for children who are deaf-blind[1]	6/30/94	12/9/94	2/9/95	60,000–75,000	70,000	10
84.025E Technical assistance for transitional services for children and youth who are deaf-blind	6/30/94	10/17/94	12/17/94	650,000	650,000	1
84.029 Training personnel for the education of individuals with disabilities—grants for personnel training and parent training and information centers	.....	.....	.....	.....	.....	.....
84.029A Training personnel to service low-incidence disabilities	6/30/94	10/7/94	12/7/94	75,000–115,000	90,000	23
84.029B Preparation of personnel for careers in special education	6/30/94	9/30/94	11/30/94	75,000–100,000	90,000	23
84.029D Preparation of leadership personnel	6/30/94	9/16/94	11/16/94	75,000–100,000	90,000	23
84.029E Minority institutions personnel	6/30/94	10/21/94	12/21/94	75,000–100,000	90,000	11
84.029F Preparation of related services personnel	6/30/94	9/23/94	11/23/94	75,000–115,000	90,000	11
84.029K Special projects	6/30/94	10/28/94	12/28/94	75,000–115,000	90,000	17
84.029L Training educational interpreters	6/30/94	10/28/94	12/28/94	75,000–115,000	90,000	6
84.029M Parent training and information centers	6/15/94	8/19/94	11/19/94	100,000–300,000	150,000	17
84.029P Experimental parent centers	6/15/94	8/19/94	10/19/94	25,000–35,000	30,000	5
84.029Q Training early intervention and preschool personnel	6/30/94	10/14/94	12/14/94	75,000–115,000	90,000	23
84.078 Postsecondary education programs for individuals with disabilities	.....	.....	.....	.....	.....	.....
84.078C Model demonstration projects to improve the delivery and outcomes of postsecondary education for individuals with disabilities	6/30/94	11/4/94	1/4/95	90,000–110,000	100,000	14
84.086 Program for children with severe disabilities	.....	.....	.....	.....	.....	.....
84.086D Research project for educating children with severe disabilities in inclusive settings	6/30/94	12/2/94	2/2/95	165,000–175,000	175,000	3
84.086J Statewide system change: children with severe disabilities	6/30/94	10/17/94	12/17/94	210,000–260,000	250,000	6
84.086U Outreach projects: serving children with severe disabilities in general education and community settings	6/30/94	1/23/95	3/23/95	125,000–140,000	130,000	3

CHART 5.—OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES—Continued

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards (per year)	Estimated avg. size of awards (per year)	Estimated number of awards
84.158 State systems for transition services for youth with disabilities program						
84.158A State systems for transition services for youth with disabilities program	6/30/94	1/27/95	3/27/95	N/A	500,000	4
84.158 Secondary education and transitional services for youth with disabilities program						
84.158D Model demonstration projects to identify and develop alternatives for youth with disabilities who have dropped out of school or are at risk of dropping out of school	6/30/94	10/7/94	12/7/94	100,000–115,000	106,000	5
84.158Q Outreach projects for services for youth with disabilities	6/30/94	10/7/94	12/7/94	90,000–110,000	100,000	7
84.159 Special studies program						
84.159A State agency-federal evaluation studies projects	10/7/94	12/9/94	N/A	74,000–80,000	77,000	2
84.159D State and local education efforts to implement the transition requirements in the individuals with disabilities education act	6/17/94	8/19/94	N/A	300,000	300,000	1
84.159F State agency-federal evaluation studies projects	10/7/94	12/9/94	N/A	50,000	50,000	1
84.180 Technology, educational media, and materials for individuals with disabilities program						
84.180G Technology, educational media materials research project that promote literacy	7/11/94	9/12/94	11/14/94	192,000–200,000	196,000	4
84.237 Program for children and youth with serious emotional disturbance						
84.237F Preventing the development of serious emotional disturbance among children and youth with emotional and behavioral problems	7/15/94	9/16/94	11/14/94	173,000–175,000	174,000	5

[1] With regard to CFDA 84.025A, only successful applicants under State and Multi-State Projects are considered for funding under Optional Pilot Projects.

CFDA No. and Name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
National institute on disability and rehabilitation research:						
84.133F Research fellowships [1]						
84.133G Field-initiated research [1]						
84.133N Special projects and demonstrations for spinal cord injuries [1]						
84.133P Research training and career development program [1]						

[1] The application notices for these programs were published in the FEDERAL REGISTER on June 3, 1994 (Part V).

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
Rehabilitation Services Administration:						
84.128G Vocational rehabilitation service projects for migratory agricultural and seasonal farmworkers with disabilities	10/19/94	1/25/95	3/27/95	$150,000–175,000	$162,500	3

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovern-mental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
84.128T Special projects and demonstrations for providing supported employment to individuals with the most severe disabilities and technical assistance projects—community-based projects	10/19/94	1/16/95	3/16/95	175,000–225,000	200,000	9
84.129A–1 Rehabilitation long-term training—rehabilitation medicine	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	2
84.129A–5 Rehabilitation long-term training—prosthetics and orthotics	8/22/94	10/14/94	12/14/94	165,000–185,000	175,000	2
84.129B Rehabilitation long-term training—rehabilitation counseling	8/22/94	10/14/94	12/14/94	60,000–110,000	86,000	20
129D–1 Rehabilitation long-term training—physical therapy	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	4
84.129E Rehabilitation long-term training—rehabilitation technology	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	3
84.129F Rehabilitation long-term training—vocational evaluation and work adjustment	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	3
84.129H Rehabilitation long-term training—rehabilitation of individuals who are mentally ill	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	2
84.129L Rehabilitation long-term training—undergraduate education in rehabilitation services	8/22/94	10/14/94	12/14/94	65,000–85,000	75,000	5
84.129P Rehabilitation long-term training—specialized personnel for rehabilitation of individuals who are blind or have vision impairment (currently: rehabilitation long-term training—rehabilitation of individuals who are blind)	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	6
84.129Q Rehabilitation long-term training—rehabilitation of individuals who are deaf or hard of hearing (currently: rehabilitation long-term training—rehabilitation of individuals who are deaf)	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	6

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovern-mental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
84.129R Rehabilitation long-term training—rehabilitation job development and placement	8/22/94	10/14/94	12/14/94	90,000–110,000	100,000	2
84.250E Vocational rehabilitation service projects for American Indians with disabilities	10/19/94	4/10/95	N/A	200,000–300,000	250,000	15
84.263A Rehabilitation training—experimental and innovative training	8/1/94	10/14/94	12/14/94	90,000–110,000	100,000	5
84.264A–1 Rehabilitation training—rehabilitation continuing education programs (for region V only.)	8/22/94	10/14/94	12/14/94	490,000–530,000	510,000	1

84.023A, C, E, and N Research in Education of Individuals With Disabilities Program

Purpose of Program: To advance and improve the knowledge base and improve the practice of professionals, parents, and others providing early intervention, special education, and related services—including professionals in regular education environments—to provide children with disabilities effective instruction and enable these children to learn successfully.

Eligible Applicants: State and local educational agencies; institutions of higher education; and other public agencies and nonprofit private organizations.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 324.

Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR 324.10 the Secretary gives an absolute preference to applications that meet the following priorities. The Secretary funds under these competitions only applications that meet one of these absolute priorities:

Absolute Priority 1—Advancing and Improving the Research Knowledge Base (84.023A). This priority supports a wide range of research and related activities that support innovation, development, exchange, and use of advancements in knowledge and practice designed to contribute to the improvement of instruction and learning of infants, toddlers, children, and youth with disabilities.

Invitational Priority: Within Absolute Priority 1 the Secretary is particularly interested in applications that meet one or more of the following invitational priorities. However, under 34 CFR 75.105(c)(1) an application that meets one or more of these invitational priorities does not receive competitive or absolute preference over other applications:

The Secretary is particularly interested in pilot studies, projects that employ new methodologies, descriptive studies, projects to advance assessment, projects that synthesize state-of-the-art research and practice, projects for research dissemination and utilization, and projects that analyze extant data bases. The Secretary further encourages studies that use these approaches to foster the full participation and maximize the achievement of students with disabilities in education reform efforts related to the Goals 2000: Educate America Act.

Project Period: Up to 12 months.

Supplementary Information: No project will be funded at an amount more than the high end of the range specified in Chart 5. Any project approved by reviewers that exceeds this amount will be required to be performed, as proposed, within the award amount.

Absolute Priority 2—Field-Initiated Research Projects (84.023C). This priority provides support for field-initiated research projects focusing on special education and related services for children and youth with disabilities and early intervention services for infants and toddlers, consistent with the purposes of the program, as described in 34 CFR 324.1.

Supplementary Information: No project will be funded at an amount more than the high end of the range specified in Chart 5. Any project approved by reviewers that exceeds this amount will be required to be performed, as proposed, within the award amount.

Project Period: Up to 60 months.

Absolute Priority 3—Synthesize and Communicate a Professional Knowledge Base: Contributions to Research and Practice (84.023E). A project must—

(a) In conducting a synthesis of the literature—

(1) Identify and implement rigorous social science methods for synthesizing the professional knowledge base (e.g., integrative reviews (Cooper, 1982), best-evidence synthesis (Slavin, 1989), meta-analysis (Glass, 1977), multi-vocal approach (Ogawa & Malen, 1991), and National Institute of Mental Health consensus development program (Huberman, 1977));

(2) Identify the topical focus and the relevant and irrelevant concepts under review, and pose hypotheses around which the synthesis would be conducted;

(3) Develop hypotheses with input from potential consumers of the synthesis to enhance the usability and validity of project efforts. Consumers include researchers, policymakers, educators, other relevant practitioners, individuals with disabilities, and parents;

(4) Develop and implement procedures for locating and organizing the extant literature and ensure that these procedures address and guard against potential threats to the integrity and generalizability of findings;

(5) Establish criteria and procedures for judging the appropriateness of studies;

(6) Meet with the Office of Special Education Programs and with the other projects funded under this priority to review their topical focus and methodological approach for conducting the synthesis prior to the start of their respective synthesis; and

(7) Analyze and interpret the professional knowledge base, including identification of general trends in the literature, points of consensus and conflict among the findings, and areas of evidence where the literature base is lacking. The interpretation of the literature base must address the contributions of the findings for improving the practice of professionals educating children and youth with disabilities; and

(b) In communicating its findings—

(1)(i) Cooperate with OSEP to convene a forum—to be held in Washington, DC between the 18th and 21st months of the project—at which the project would exchange findings from the synthesis activity with researchers, policymakers, educators, other relevant practitioners, individuals with disabilities, and parents; and

(ii) Provide draft copies of its analysis and interpretations to participants;

(2) Based on discussion and feedback from forum participants, prepare final synthesis documents; and

(3)(i) Develop the information products that have the greatest potential for use by national professional education and parent organizations in their existing communication systems and member networks;

(ii) In developing the information products the project must propose products appropriate for the topical focus and audience, provide a rationale for those proposed types of products, and propose communication strategies for fostering the use of the products by the appropriate audience; and

(iii) The project must coordinate with OSEP to finalize information products for various systems and networks.

Each project must budget for—

(1) A two-day meeting in Washington, DC, during the first year, as described under paragraph (b)(1) of this priority;

(2) The two-day Research Project Directors' meeting to be held in Washington, DC, each year of the project; and

(3) Two trips for up to two days each to Washington, DC for the activity described under paragraph (b)(3)(iii) of this priority.

Supplementary Information: The estimated average size of award specified in Chart 5 is for year one only. Year two is estimated at $50,000.

Project Period: Up to 24 months.

Absolute Priority 4—Initial Career Awards (84.023N).

(a) To be considered for funding under this priority, a project must—

(a) Pursue a line of inquiry that reflects a programmatic strand of research emanating either from theory or a conceptual framework. The line of research must be evidenced by a series of related questions that establish directions for designing future studies extending beyond the support of this award. The project is not intended to represent all inquiry related to the particular theory or conceptual framework; rather, it is expected to initiate a new line or advance an existing one;

(b) Include, in its design and conduct, sustained involvement with nationally recognized experts having substantive or methodological knowledge and expertise relevant to the proposed research. Experts do not have to be at the same institution or agency at which the project is located, but the interaction must be sufficient to develop the capacity of the researcher to effectively pursue the research into mid-career activities. At least 50 percent of the researcher's time must be devoted to the project;

(c) Prepare its procedures, findings, and conclusions in a manner that informs other interested researchers and is useful for advancing professional practice or improving programs and services to infants, toddlers, children, and youth with disabilities and their families; and

(d) Disseminate project procedures, findings, and conclusions to appropriate research institutes, clearinghouses, and technical assistance providers.

A project must budget for the two-day Research Project Directors' meeting to be held in Washington, DC each year of the project.

Competitive Priority: Within Absolute Priority 4, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet the following competitive priority. The Secretary awards up to 10 points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

A project that would give a priority to providing support for individuals who are members of groups that have been underrepresented in the field of special education research, such as members of racial or ethnic minority groups (e.g. Black, Hispanic, American Indian, or Alaskan Native, Asian or Pacific Islander), and individuals with disabilities.

Project Period: Up to 36 months.

For Applications and General Information Contact: Darlene Crumblin, U.S. Department of Education, 400 Maryland Avenue, SW., room 3525, Switzer Building, Washington, DC 20202–2641. Telephone (202) 205–8953, or FAX: (202) 205–8105.

For Technical Information Contact: For Advancing and Improving the Research Knowledge Base (CFDA 84.023A): Judith Fein, U.S. Department of Education, 400 Maryland Avenue, SW., room 3524, Switzer Building, Washington, DC 20202–2641. Telephone: (202) 205–8116.

For Field-Initiated Research Projects (CFDA 84.023C): Dr. Tom V. Hanley, U.S. Department of Education, 400 Maryland Avenue, SW., room 3526, Switzer Building, Washington, DC 20202–2641. Telephone: (202) 205–8110.

For Synthesize and Communicate a Professional Knowledge Base: Contributions to Research and Practice (CFDA 84.023E): Ellen Schiller, U.S. Department of Education, 400 Maryland Avenue, SW., room 3523, Switzer Building, Washington, DC 20202–2641 Telephone: (202) 205–8123.

For Initial Career Awards (84.023N): Melville J. Appell, U.S. Department of Education, 400 Maryland Avenue, SW., room 3525, Switzer Building, Washington, DC 20202–2640. Telephone: (202) 205–8113.

Program Authority: 20 U.S.C. 1441–1443.

84.024B and P Early Education Program for Children With Disabilities

Purpose of Program: To provide Federal financial assistance (a) to address the special needs of children with disabilities, birth through age eight, and their families; and (b) to assist State and local entities in expanding and improving programs and services for these children and their families.

Eligible Applicants: Public agencies and nonprofit private organizations. In addition, profit-making organizations are eligible to apply under Early Childhood Model Inservice Training Projects (84.024P).

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 309.

Priorities. Under 34 CFR 75.105(c)(3) and 34 CFR part 309 the Secretary gives an absolute preference to applications that meet the following priorities. The

Secretary funds under these competitions only applications that meet one of these absolute priorities:

Absolute Priority 1—Model Demonstration Projects for Young Children with Disabilities (84.024B). (a) A model demonstration project funded under this priority must—

(1) Address a specific service problem or issue;

(2) Address specific components or strategies and the rationale—based on theory, research, or evaluation—for those components or strategies;

(3) Delineate a specific population of children—i.e., by age, disability, diagnosis, level of functioning, and membership in a special population, if appropriate—and their families;

(4) Produce detailed procedures and materials that enable others to replicate the model as implemented at the original site;

(5) As appropriate, develop and evaluate the model in integrated, age-appropriate settings that facilitate the interaction between project participants and their peers without disabilities, including models developed for use in home or in hospital settings (such as neonatal intensive care units); and

(6) Evaluate the model at the original model development site and—if approved for funding beyond the initial three years of the project period—at other sites to determine whether the model can be adopted by other sites and yield similar positive results. In its evaluation, a project must use multiple outcome measures to determine the effectiveness of the model and its component strategies, including measures of multiple, functional child and family outcomes, other indices of the effects of the model, and cost data associated with implementing the model.

(b) In determining whether to continue a project for the fourth and fifth years of the project period, in addition to considering factors in 34 CFR 75.253(a), the Secretary considers the following:

(1) The degree to which the model developed by the project is, or would be by the end of year three, designed soundly and replicable by other agencies, and provides state-of-the-art interventions for the target population.

(2) The extent to which dissemination of the model would meet a significant or unique service need in other geographic locations.

(3) The degree to which the project has initially produced compelling, quantifiable evidence of the effectiveness of the model as implemented at the original development site.

(4) Availability of funding for the model from sources other than the Early Education Program for Children with Disabilities to support the operation of the model at the original development site during years four and five.

(5) The extent to which the project has documented the commitment of other agencies not affiliated with the original project to adopt its model and participate in evaluation of the model during years four and five of the project period.

(6) The extent to which the project has sound plans for aiding in replication and for evaluating its model at replication sites during years four and five of the project period.

A project that applies for funding for the fourth and fifth years must set aside in its budget for the third year funds to cover costs associated with the services to be performed by the review team appointed by the Secretary to evaluate the project in the third year. These funds are estimated to be approximately $4,000.

Competitive Priority. Within Absolute Priority 1, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet the following competitive priority. The Secretary awards up to 10 points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

Projects designed to develop, implement, evaluate, and disseminate models that—

(a) Incorporate the appropriate use of assistive technology to enhance services to young children with disabilities; or

(b) Address the unique needs of young children with low incidence disabilities, such as deaf-blindness.

Project Period: Up to 60 months.

Absolute Priority 2—Early Childhood Model Inservice Training Projects (84.024P). A model inservice training project considered for funding under this priority must—

(a) Identify the target population to be trained, including their roles and responsibilities, and the national needs addressed by the model;

(b) Delineate a conceptual framework upon which the training model is to be based, including the changes in personnel roles and responsibilities and the skills needed to implement the new roles or responsibilities;

(c) Identify the content of training and the format for delivery of training and other activities of the model;

(d) Develop and demonstrate an inservice training model for professionals, paraprofessionals, or both, who are currently providing services to infants, toddlers, and preschool-aged children with disabilities and their families, or to those individuals who through retraining could provide those services;

(e) Include goals, objectives, and activities to ensure that personnel participating in the training acquire skills to work effectively with children and families who are members of cultural, linguistic, and racial minority groups.

(f) Include within the model an array of follow-up and support activities that ensure that personnel participating in the training acquire the skills being taught and use that knowledge in meeting the service needs of young children with disabilities and their families;

(g) Coordinate with the State agencies responsible for the Comprehensive System of Personnel Development (CSPD) under part H or part B of IDEA, and arrange for credit to be granted to trainees by appropriate agencies, organizations, or institutions of higher education; and

(h) Evaluate the inservice training model through direct assessment of participants' skills following the training and, after a period of time, include some direct observation measures of trainees in the service setting using standardized observational rating techniques.

Competitive Priority. Within Absolute Priority 2, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet the following competitive priority. The Secretary awards up to 10 points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

Projects that provide evidence that they will develop, demonstrate, evaluate, and disseminate models that—

(a) Incorporate collaborative, multi-disciplinary, team training approaches to personnel development; or

(b) Focus on paraprofessionals and address their unique training needs.

Project Period: Up to 36 months.

For Applications and General Information Contact: Sonja Jenkins, U.S. Department of Education, 400 Maryland Avenue, SW., room 4716, Switzer Building, Washington, DC 20202–2732. Telephone (202) 205–9377. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

For Technical Information Contact: Gail Houle, U.S. Department of Education, 400 Maryland Avenue, SW.,

room 4613, Switzer Building, Washington, DC 20202–2644. Telephone: (202) 205–9045. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

Program Authority: 20 U.S.C. 1423.

84.025A and E Services for Children With Deaf-Blindness Program

Purpose of Program: To provide Federal assistance to address the special needs of infants, toddlers, children, and youth with deaf-blindness.

Eligible Applicants: Public or nonprofit private agencies, institutions, or organizations, including an Indian tribe and the Bureau of Indian Affairs of the Department of the Interior (if acting on behalf of schools operated by the Bureau for children and students on Indian reservations); and tribally controlled schools funded by the Department of the Interior.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 307.

Priorities. Under 34 CFR 75.105(c)(3) and 34 CFR part 307, the Secretary gives an absolute preference to applications that meet the following priorities. The Secretary funds under these competitions only applications that meet one of these absolute priorities:

Absolute Priority 1(a)—State and Multi-State Projects for Children Who Are Deaf-Blind; and 1(b)—Optional Pilot Projects for Children Who Are Deaf-Blind (84.025A). This priority supports two types of projects:

(a) State and Multi-State Projects for Children who are Deaf-Blind. These projects may provide services to infants, toddlers, children, and youth with deaf-blindness and technical assistance to public and private agencies, institutions, and organizations providing early intervention, educational, transitional, vocational, early identification, and related services to children with deaf-blindness, as described in 34 CFR 307.11.

(b) Optional Pilot Projects for Children who are Deaf-Blind.

(**Note:** Only successful applicants under State and Multi-State Projects (Absolute Priority 1(a)) are considered for funding under Optional Pilot Projects (Absolute Priority 1(b).) These projects are designed to expand local educational agency capabilities by providing services to children with deaf-blindness that supplement services already provided to children and youth through State and local resources, and encourage eventual assumption of funding responsibility by State and local authorities, as described in 34 CFR 307.10(d) and 307.14.

Invitational Priority. Within Absolute Priority 1(b) (Optional Pilot Projects for Children Who Are Deaf-Blind), the Secretary is particularly interested in applications that meet one or more of the following invitational priorities. However, under 34 CFR 75.105(c)(1), an application that meets one or more of these invitational priorities does not receive competitive or absolute preference over other applications:

Projects that propose to provide validated effective practices related to—

(a) Transition from school to adult life in the community;

(b) Early identification and intervention for infants and toddlers who are deaf-blind;

(c) Strategies that facilitate the integration of students who are deaf-blind into neighborhood schools;

(d) Acquisition of communication or orientation and mobility skills; or

(e) Facilitation of family involvement.

Supplementary Information: Applicants seeking support for both 1(a) State and Multi-State Projects for Children who are Deaf-Blind and 1(b) Optional Pilot Projects for Children who are Deaf-Blind must submit a two-part application, each complete by itself and containing its individual budget.

The Secretary evaluates applications for State and Multi-State Projects using criteria in 34 CFR 307.33.

The Secretary evaluates applications for Optional Pilot Projects using criteria in 34 CFR 307.36.

Project Period: Up to 48 months.

Absolute Priority 2—Technical Assistance for Transitional Services for Children and Youth Who Are Deaf-Blind (84.025E). This priority supports a project to provide technical assistance to State educational agencies in making available to adolescents and young adults who are deaf-blind, programs and services to facilitate their transition from education to employment and other services such as vocational, independent living, and other postsecondary services. The project must provide technical assistance, training or inservice training, and assistance in the development or replication of successful innovative approaches, to assist adolescents and young adults who are deaf-blind transition to adult living. (34 CFR 307.13)

Project Period: 12 months.

For Applications and General Information Contact: Robin Buckler, U.S. Department of Education, 400 Maryland Avenue, SW., room 4617, Switzer Building, Washington, DC 20202–2732. Telephone (202) 205–8168. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

For Technical Information Contact: Charles Freeman, U.S. Department of Education, 400 Maryland Avenue, SW., room 4617, Switzer Building, Washington, DC 20202–2644. Telephone: (202) 205–8165. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

Program Authority: 20 U.S.C. 1422.

84.029A–Q Training Personnel for the Education of Individuals With Disabilities—Grants for Personnel Training and Parent Training and Information Centers

Purpose of Program: (a) The purpose of Grants for Personnel Training is to increase the quantity and improve the quality of personnel available to serve infants, toddlers, children, and youth with disabilities. (b) The purpose of Parent Training and Information Centers is to enable parents to work more effectively with professionals in meeting the needs of infants, toddlers, children, and youth with disabilities.

Eligible Applicants: Under Absolute Priorities 1, 2, 3, 4, 5, 7, and 10 (Grants for Personnel Training): institutions of higher education; and appropriate nonprofit agencies.

Under Absolute Priority 6 (Special Projects): institutions of higher education; State agencies; and other appropriate nonprofit agencies.

Under Absolute Priorities 8 (Parent Training and Information Centers) and 9 (Experimental Parent Centers): parent organizations, as defined in 34 CFR 316.5(a).

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 76, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 316 and 318.

Priorities: Under 34 CFR 75.105(c)(3), 34 CFR 316, and 34 CFR 318, the Secretary gives an absolute preference to applications that meet the following priorities. The Secretary funds under this program only those applications that meet any one of these absolute priorities:

(**Note:** If an applicant wishes to apply under more than one of these absolute priorities, the applicant must submit a separate application under each affected priority.)

Absolute Priority 1—Training Personnel to Serve Low Incidence Disabilities (84.029A). This priority supports projects to train teachers of children with visual impairments,

including blindness; hearing impairments, including deafness; orthopedic impairments, other health impairments, autism, traumatic brain injury, and severe and multiple disabilities. (34 CFR 318.11(a)(10)).

Competitive Priorities: Within Absolute Priority 1, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet one or more of the following competitive priorities. The Secretary awards up to 10 additional points to an application that meets one or more of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Training personnel to provide transition assistance from school to adult roles (34 CFR 318.11(a)(12)).

(b) Preparing personnel to meet the National Education Goals (34 CFR 318.11(a)(17)).

(c) Utilizing innovative recruitment and retention strategies (34 CFR 318.11(a)(8)).

Project Period: Up to 36 months.

Absolute Priority 2—Preparation of Personnel for Careers in Special Education (84.029B). This priority supports preservice preparation of personnel for careers in special education. Preservice training includes additional training for currently employed teachers seeking additional degrees, certifications, or endorsements. Training at the baccalaureate, masters, or specialist level is appropriate. Under this priority, "personnel" includes special education teachers, speech-language pathologists, audiologists, adapted physical education teachers, vocational educators, and instructive and assistive technology specialists (34 CFR 318.11(a)(1)).

Competitive Priorities: Within Absolute Priority 2, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet one or more of the following competitive priorities. The Secretary awards up to 10 additional points to an application that meets one or more of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Training personnel to provide transition assistance from school to adult roles (34 CFR 318.11(a)(12)).

(b) Preparing personnel to meet the National Education Goals (34 CFR 318.11(a)(17)).

(c) Promoting full qualifications for personnel serving infants, toddlers, children, and youth with disabilities (34 CFR 318.11(a)(9).

Project Period: Up to 36 months.

Absolute Priority 3—Preparation of Leadership Personnel (84.029D). This priority supports projects designed to provide preservice professional preparation of leadership personnel in special education, related services, and early intervention. Leadership training is considered to be preparation in—

(a) Supervision and administration at the advanced graduate, doctoral, and post-doctoral levels;

(b) Research; and

(c) Personnel preparation at the doctoral and post-doctoral levels (34 CFR 318.11(a)(4)).

Competitive Priorities: Within Absolute Priority 3, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet one or more of the following competitive priorities. The Secretary awards up to 10 additional points to an application that meets one or more of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Training personnel to provide transition assistance from school to adult roles (34 CFR 318.11(a)(12)).

(b) Preparing personnel to meet the National Education Goals (34 CFR 318.11(a)(17)).

Project Period: Up to 48 months.

Absolute Priority 4—Minority Institutions Personnel (84.029E). This priority supports awards to Historically Black Colleges and Universities and other institutions of higher education whose minority student enrollment is at least 25 percent. Awards may provide training of personnel in all areas noted in § 318.10(a)(1) and (2) and must be designed to increase the capabilities of the institution in appropriate training areas (34 CFR 318(a)(17)).

Competitive Priorities: Within Absolute Priority 4, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet one or more of the following competitive priorities. The Secretary awards up to 10 additional points to an application that meets one or more of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Training personnel to provide transition assistance from school to adult roles (34 CFR 318.11(a)(12)).

(b) Preparing personnel to meet the National Education Goals (34 CFR 318.11(a)(17)).

Project Period: Up to 36 months.

Absolute Priority 5—Preparation of Related Services Personnel (84.029F). This priority supports preservice preparation of individuals to provide developmental, corrective, and other supportive services that assist children and youth with disabilities to benefit from special education. These include paraprofessional personnel, therapeutic recreation specialists, school social workers, health service providers, physical therapists, occupational therapists, school psychologists, counselors (including rehabilitation counselors), interpreters, orientation and mobility specialists, respite care providers, art therapists, volunteers, physicians, and other related services personnel.

- Projects to train personnel identified as special education personnel in the regulations in this part are not appropriate, even if those personnel may be considered related services personnel in other settings.
- This priority is not designed for general training. Projects must include inducements and preparation to increase the probability that graduates will direct their efforts toward supportive services to special education. For example, a project in occupational therapy (OT) might support a special component on pediatric or juvenile psychiatric OT, support those students whose career goal is OT in the schools, or provide for practica and internships in school settings. (See 34 CFR 318.11(a)(2).)

Competitive Priorities: Within Absolute Priority 5, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet one or more of the following competitive priorities. The Secretary awards up to 10 additional points to an application that meets one or more of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Training personnel to provide transition assistance from school to adult roles (34 CFR 318.11(a)(12)).

(b) Preparing personnel to meet the National Education Goals (34 CFR 318.11(a)(17)).

(c) Utilizing innovative recruitment and retention strategies (34 CFR 318.11(a)(8)).

Project Period: Up to 36 months.

Absolute Priority 6: Special Projects (84.029K). This priority supports projects that include development, evaluation, and distribution of innovative approaches to personnel preparation; development of curriculum materials to prepare personnel to educate or provide early intervention services; and other projects of national significance related to the preparation of personnel needed to serve infants,

toddlers, children, and youth with disabilities.

(a) Appropriate areas of interest include—

(1) Preservice training programs to prepare regular educators to work with children and youth with disabilities and their families;

(2) Training teachers to work in community and school settings with children and youth with disabilities and their families;

(3) Inservice and preservice training of personnel to work with infants, toddlers, children, and youth with disabilities and their families;

(4) Inservice and preservice training of personnel to work with minority infants, toddlers, children, and youth with disabilities and their families;

(5) Preservice and inservice training of special education and related services personnel in instructive and assistive technology to benefit infants, toddlers, children, and youth with disabilities; and

(6) Recruitment and retention of special education, related services, and early intervention personnel.

(b) Both inservice and preservice training must include a component that addresses the coordination among all service providers, including regular educators. (See 34 CFR 318(a)(5).)

Competitive Priorities: Within Absolute Priority 6, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet one or more of the following competitive priorities. The Secretary awards up to 10 additional points to an application that meets one or more of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Training personnel to provide transition assistance from school to adult roles (34 CFR 318.11(a)(12)).

(b) Preparing personnel to meet the National Education Goals (34 CFR 318.11(a)(17)).

Project Period: Up to 36 months.

Absolute Priority 7—Training Educational Interpreters (84.029L). This priority supports projects to establish or continue programs to train educational interpreters to meet effectively the various communication needs of elementary and secondary students who are deaf or deaf-blind. These programs may also support training or retraining on the role of educational interpreters (including short-term and inservice training) of regular education teachers who are not certified teachers of individuals who are deaf and other personnel who teach or work with them (34 CFR 318.11(a)(18)).

Project Period: Up to 36 months.

Absolute Priority 8—Parent Training and Information Centers (84.029M). Parent training and information centers assisted under § 316.3(a) must assist parents to—

(a) Better understand the nature and needs of the disabling conditions of their children with disabilities;

(b) Provide follow-up support for the educational programs of their children with disabilities;

(c) Communicate more effectively with special and regular educators, administrators, related services personnel, and other relevant professionals;

(d) Participate fully in educational decision-making processes, including the development of the individualized education program, for a child with a disability;

(e) Obtain information about the range of options, programs, services, and resources available at the national, State, and local levels to children with disabilities and their families; and

(f) Understand the provisions for educating children with disabilities under the [Individuals with Disabilities Education] Act (34 CFR 316.3(a)).

Project Period: Up to 60 months.

Absolute Priority 9—Experimental Parent Centers (84.029P). This priority supports both experimental urban and rural parent centers. Experimental urban centers must serve large numbers of parents of children with disabilities located in high density areas. Experimental rural centers must serve large numbers of parents of children with disabilities located in rural areas. The centers may focus on particular aspects of parent training and information services, including but not limited to those activities required under 34 CFR 316.10(a). Experimental projects may include a planning and development phase. (See 34 CFR 316.10(b).)

Project Period: Up to 36 months.

Absolute Priority 10—Training Early Intervention and Preschool Personnel (84.029Q). This priority supports projects that are designed to provide preservice preparation of personnel who serve infants, toddlers, and preschool children with disabilities, and their families. Personnel may be prepared to provide short-term services or long-term services that extend into a child's school program. The proposed training program must have a clear and limited focus on the special needs of children within the age range from birth through five, and must include consideration that this priority must have a significant interdisciplinary focus. (See 34 CFR 318(a)(3).)

Competitive Priorities: Within Absolute Priority 10, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet one or more of the following competitive priorities. The Secretary awards up to 10 additional points to an application that meets one or more of these competitive priorities in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for the program:

(a) Preparing personnel to meet the National Education Goals (34 CFR 318.11(a)(17)).

(b) Promoting full qualifications for personnel serving infants, toddlers, children and youth with disabilities (34 CFR 318.11(a)(9)).

Project Period: Up to 36 months.

For Applications Contact: Cecelia Aldridge, U.S. Department of Education, 400 Maryland Avenue SW., room 3072, Switzer Building, Washington, DC 20202–2651. Telephone: 205–9979. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–9999.

For Technical Information Contact: Dr. Norm Howe, U.S. Department of Education, 400 Maryland Avenue SW., room 3072, Switzer Building, Washington, DC 20202–2651. Telephone: (202) 205–9554. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–9999.

Program Authority: 20 U.S.C. 1431.

84.078 Postsecondary Education Programs for Individuals With Disabilities

Purpose of Program: To provide assistance for the development, operation, and dissemination of specially designed model programs of postsecondary, vocational, technical, continuing, or adult education for individuals with disabilities.

Eligible Applicants: State educational agencies; institutions of higher education; junior and community colleges; vocational and technical institutions; and other appropriate nonprofit educational agencies.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 338.

Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR part 338, the Secretary gives an absolute preference to applications that meet the following priority. The Secretary funds under this competition

only applications that meet this absolute priority:

Absolute Priority—Model Demonstration Projects to Improve the Delivery and Outcomes of Postsecondary Education for Individuals with Disabilities (84.078C). A model demonstration project must—

(a) Develop and implement programs that address one or more of the three specific service issues described in the background of this priority (for background, see notice of final funding priority for fiscal years 1994 and 1995, published in the **Federal Register** on September 14, 1993 (58 FR 48250));

(b) Develop and implement programs with specific project components or strategies that are based on theory, research, or evaluation;

(c) Produce detailed procedures and materials that would enable others to successfully replicate the model as implemented in the original site. Materials must include a manual or guide describing the components or strategies developed to address the specific issues; and

(d) Evaluate the model by using multiple outcome measures to determine the effectiveness of the model and its components or strategies, as well as a design that includes measures of multiple, functional student outcomes, other indices of the effects of the model, and cost data associated with implementing the model.

Competitive Priority. Within the absolute priority in this notice, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet the following competitive priority. The Secretary awards up to 10 points to an application that meets this competitive priority in a particularly effective way. These points would be in addition to any points the application earns under the selection criteria for this program:

Projects that would develop models for serving students with disabilities who are also members of minority groups (e.g., Black, Hispanic, American Indian or Alaskan Native, Asian or Pacific Islander).

Project Period: Up to 36 months.

For Applications and General Information Contact: Oneida Jennings, U.S. Department of Education, 400 Maryland Avenue, SW., room 4627, Switzer Building, Washington, DC 20202–2732. Telephone (202) 205–9058. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

For Technical Information Contact: Joseph Clair, U.S. Department of Education, 400 Maryland Avenue, SW., room 4622, Switzer Building, Washington, DC 20202–2644. Telephone: (202) 205–9503. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

Program Authority: 20 U.S.C. 1424a.

84.086D, J, and U Program for Children With Severe Disabilities

Purpose of Program: To provide Federal assistance to address the special needs of infants, toddlers, children, and youth with severe disabilities—including children with deaf-blindness—and their families.

Eligible Applicants: Public or nonprofit private organizations and institutions.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 315.

Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR part 315, the Secretary gives an absolute preference to applications that meet the following priorities. The Secretary funds under these competitions only applications that meet one of these absolute priorities:

Absolute Priority 1—Research Projects for Educating Children with Severe Disabilities in Inclusive Settings (84.086D). To be considered for funding under this priority, a research project must—

(a) Address one or more of the issues identified in the background section of this priority (for background, see notice of final funding priorities for fiscal years 1994 and 1995, published in the **Federal Register** on September 22, 1993 (58 FR 49394));

(b) Identify specific interventions or strategies to be investigated;

(c) Design the research activities in a manner that is likely to improve services for students with severe disabilities and, if appropriate, their families.

(d) Carry out the research within a conceptual framework, based on previous research or theory, that provides a basis for the interventions or strategies to be studied, the research design, and the target population;

(e) Conduct the research in typical, inclusive school and, if appropriate, community settings;

(f) Conduct the research using methodological procedures designed to produce unambiguous findings—

(1) Regarding the effects of the interventions or strategies and interaction effects between particular approaches and particular groups of students or particular contexts; and

(2) For use in national, State, and local policy analysis contexts; and

(g) Produce a variety of descriptive and outcome data, including—

(1) Information regarding the settings, the service providers, the students, and, if applicable, their families, targeted by the project (e.g., age, disabilities, skill and ability levels, and membership in a special population, if appropriate); and

(2) Multiple, performance outcome data regarding the students who are the focus of the interventions or strategies.

Competitive Priority. Within Absolute Priority 1, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet the following competitive priority. The Secretary awards up to 10 points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for this program:

Research projects that identify effective interventions or strategies enabling students with severe disabilities to be educated in general education classes—

(a) At the middle or secondary school levels; or

(b) In urban or rural school districts, or both.

Project Period: Up to 36 months.

Absolute Priority 2—Statewide Systems Change: Children with Severe Disabilities (84.086J). To be considered for funding under this priority, a Statewide systems change project must—

(a) Establish a project advisory board that—

(1) Is responsible for providing significant recommendations on project planning, implementation, and evaluation activities; and

(2) Has representation by parents of children participating in the project, service providers (both general education and special education, and providers of related services), institutions of higher education, relevant professional organizations, and State agency staff;

(b) Determine the resources, both human and fiscal, available at the community level to provide quality services to children with severe disabilities as well as resources available through other agencies or parties;

(c) Carry out activities that would assist children with severe disabilities to achieve their highest potential outcomes in general education settings within their neighborhoods—or, in the case of infants and toddlers, in natural environments, including nonsegregated settings—by implementing planned,

capacity building activities that result in systematic and systemic change. These activities must include, but need not be limited to—

(1) Policy analysis and, if necessary, policy revision or further policy development, including development of necessary interagency agreements;

(2) Public awareness;

(3) Product development and dissemination;

(4) Site development;

(5) Staff and parent training;

(6) Technical assistance; and

(7) Analysis and, if necessary, revision of existing teacher training programs, including inservice training of faculty of institutions of higher education;

(d) Disseminate formal, written policies and procedures to relevant State agencies, institutions of higher education, local education agencies, other relevant community agencies, and professional and parent organizations for coordinating services to the target population of children with severe disabilities;

(e) Coordinate activities with the State and Multi-State Services Projects for Children with Deaf-Blindness, the State educational agency (including the State coordinator of services for children with severe disabilities, the coordinator for the comprehensive system of personnel development, and the State's transition project, if the State has a federally funded grant under State Systems for Transition Services), the lead agency for part H of IDEA for early intervention services, other relevant State agencies, and institutions of higher education, as well as with technical assistance, information, and personnel development networks within the State, the Early Childhood Research Institute on Integration, the National Early Childhood Technical Assistance System, and the Institute on Implementing Inclusive Education for Children with Severe Disabilities; and

(f) Implement an evaluation plan that includes performance measures for—

(1) Changes in the delivery of special education and related services to the target population, and, in the case of infants and toddlers, changes in the delivery of early intervention services;

(2) The movement of children and youth with severe disabilities in the State from segregated settings to neighborhood general education settings—alongside their peers of the same age—and, in the case of infants and toddlers, to natural environments;

(3) The effectiveness of the training and technical assistance products and procedures; and

(4) The types and numbers of sites where activities are conducted, number and types of persons trained, types of follow-up activities, and number of children and families served at the site where activities were conducted.

Competitive Priority: Within Absolute Priority 2, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet the following competitive priority. The Secretary awards up to 10 points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for this program:

Statewide Systems Change projects from States that have not received a new Statewide System Change award since 1987.

Project Period: Up to 60 months.

Absolute Priority 3—Outreach Projects: Serving Children with Severe Disabilities in General Education and Community Settings (84.086U). To be considered for funding under this priority, an outreach project must—

(a) Disseminate information about and assist in replicating a proven model or models—or proven components of models—that provide or improve services for children with severe disabilities;

(b) Coordinate its dissemination and replication activities with—

(1) The lead agency for part H of the Individuals with Disabilities Education Act (IDEA) for early intervention services or the State educational agency for special education; as well as

(2) Technical assistance, information, and personnel development networks within the State;

(c) Include—

(1) Approaches relevant to programming in general education and local community settings;

(2) Active involvement of children and their families in the design, implementation, and evaluation of project activities; and

(3) Interagency coordination if multiple agencies are involved in the provision of services;

(d) Ensure that the model or components of models are consistent with part B of the IDEA, are state-of-the-art, match the needs of the proposed sites, and have recent unambiguous evaluation information supporting their effectiveness;

(e) Use activities that include, but need not be limited to, public awareness, product development and dissemination, site development, training, and technical assistance;

(f) Describe the effects of model components (e.g., expected costs, needed personnel, staff training, equipment) on potential users, the sequence of implementation activities, and the criteria for selecting cooperating sites; and

(g) Evaluate the outreach activities to determine their effectiveness. The evaluation must include measures on the number of children and families served at each site, child and family progress, types and numbers of sites where outreach activities are conducted, number of persons trained, types of follow-up activities, and any changes in the model made by sites.

Competitive Priority: Within Absolute Priority 3, the Secretary, under 34 CFR 75.105(c)(2)(i), gives preference to applications that meet the following competitive priority. The Secretary awards up to 10 points to an application that meets this competitive priority in a particularly effective way. These points are in addition to any points the application earns under the selection criteria for this program:

Outreach projects that provide evidence that they will establish implementation sites in urban or rural areas, or both.

Project Period: Up to 36 months.

For Applications and General Information Contact: Robin Buckler, U.S. Department of Education, 400 Maryland Avenue, SW., room 4617, Switzer Building, Washington, DC 20202–2732. Telephone (202) 205–8168. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

For Technical Information Contact: Dawn Hunter, U.S. Department of Education, 400 Maryland Avenue, SW., room 4620, Switzer Building, Washington, DC 20202–2644. Telephone: (202) 205–5809. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

Program Authority: 20 U.S.C. 1424.

84.158A State Systems for Transition Services for Youth With Disabilities Program

Purpose of Program: To assist States to develop, implement, and improve systems to provide transition services for youth with disabilities from age 14 through the age they exit school.

Eligible Applicants: A State education agency (SEA) and a State vocational rehabilitation agency that submit a joint application; or, if a vocational rehabilitation agency does not choose to participate, an SEA and a State agency that provides transition services to individuals who are leaving programs under the Individuals with Disabilities

Education Act, that submit a joint application.

Note: Because this is a one-time grant, States that have previously received a grant under this program are not eligible to apply (34 CFR 325.2).

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 325.

Project Period: Up to 60 months.

For Applications and General Information Contact: Oneida Jennings, U.S. Department of Education, 400 Maryland Avenue, SW., room 4627, Switzer Building, Washington, DC 20202–2732. Telephone (202) 205–9058. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

For Technical Information Contact: Dr. William Halloran, U.S. Department of Education, 400 Maryland Avenue, SW., room 4622, Switzer Building, Washington, DC 20202–2644. Telephone: (202) 205–8112. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

Program Authority: 20 U.S.C. 1425(e)

84.158D and Q Secondary Education and Transitional Services for Youth with Disabilities Program

Purpose of Program: To assist youth with disabilities in the transition from secondary school to postsecondary environments.

Eligible Applicants: Institutions of higher education; State education agencies; local education agencies; and other public and nonprofit private institutions or agencies (including the State job training coordinating councils and service delivery area administrative entities established under the Job Training Partnership Act).

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 326.

Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR part 326 the Secretary gives an absolute preference to applications that meet the following priorities. The Secretary funds under these competitions only applications that meet one of these absolute priorities:

Absolute Priority 1—Model Demonstration Projects To Identify and Develop Alternatives for Youth with Disabilities Who Have Dropped Out of School or Are At Risk of Dropping Out of School (84.158D). A model demonstration project must—

(a) Build upon specific components or strategies based on theory, research, or evaluation. These components or strategies must include procedures to identify youth who are at risk of dropping out of school and to recruit youth with disabilities who have already dropped out of school;

(b) Include alternatives for engaging students in programs that provide functional literacy skills and employment training and for serving students who refuse to return to their previous school;

(c) Develop working relationships with the private sector, especially employers, rehabilitation personnel, and local Private Industry Councils authorized by the Job Training Partnership Act;

(d) Target services to specific students (i.e., by age, disability, level of functioning, and membership in a special population, if appropriate);

(e) Produce detailed procedures and materials that enable others to successfully replicate the model as implemented in the original site; and

(f) Evaluate the model at the original model development site and, if implemented at other sites, at those sites to determine whether the model can be adopted by other sites and yield similar results. The project must determine the effectiveness of the model and its component or strategies, including multiple, functional student outcomes measures, other indices of the effects of the model, and cost data associated with implementing the model.

Invitational Priority: Within Absolute Priority 1 the Secretary is particularly interested in applications that meet the following invitational priority. However, under 34 CFR 75.105(c)(1), an application that meets this invitational priority does not receive competitive or absolute preference over other applications:

Projects designed to serve minority youth (e.g., Black, Hispanic, American Indian or Alaskan Native, Asian or Pacific Islander) or youth from urban areas with recognized high drop out rates.

Project Period: Up to 36 months.

Absolute Priority 2—Outreach Projects for Services for Youth with Disabilities (84.158Q). An outreach project for services must—

(a) Disseminate information about and assist in replicating proven models, components of models, or exemplary practices that provide or improve transition services for students with disabilities based on the specific needs of the sites selected for outreach;

(b) Develop written plans for implementation;

(c) Coordinate its dissemination and replication activities with relevant State and local educational agencies, consumer organizations, administrative entities established in the service delivery area under the Job Training Partnership Act, and, if appropriate, projects funded under the State Systems for Transition Services for Youth with Disabilities Program, as well as with technical assistance, information, and personnel development networks within the State;

(d) Include—

(1) Services in community-based settings;

(2) Effective involvement of students and adults with disabilities in the design, implementation, and evaluation of project activities;

(3) Coordination with schools, vocational rehabilitation agencies, adult service providers, and potential employers, if appropriate; and

(4) Assistance in identifying funding for assistive devices and services;

(e) Ensure that the model, components of models, or exemplary practices are consistent with part B of the Individuals with Disabilities Education Act, are state-of-the-art, and have recent, unambiguous evaluation information supporting their effectiveness;

(f) Employ activities that include, but need not be limited to, public awareness, product development and dissemination, site development, training, and technical assistance;

(g) Describe the effects of model components (e.g., expected costs, needed personnel, staff training, equipment) on potential users, the sequence of implementation activities, and the criteria for selecting cooperating sites; and

(h) Evaluate the outreach activities to determine their effectiveness. The evaluation designs must include, but need not be limited to, measures of types and numbers of sites where outreach activities are conducted, number of persons trained, types of follow-up activities, number of youth and families served at the site where models were adopted or adapted, youth and family progress information, and changes in the model made by sites.

Project Period: Up to 36 months.

For Applications and General Information Contact: Oneida Jenkins, U.S. Department of Education, 400 Maryland Avenue, SW., room 4627, Switzer Building, Washington, DC 20202–2732. Telephone (202) 205–9058. Individuals who use a telecommunications device for the deaf

(TDD) may call the TDD number at (202) 205–8169.

For Technical Information Contact: Dr. William Halloran, U.S. Department of Education, 400 Maryland Avenue, SW., room 4622, Switzer Building, Washington, DC 20202–2644. Telephone: (202) 205–8112. Individuals who use a telecommunications device for the deaf (TDD) may call the TDD number at (202) 205–8169.

Program Authority: 20 U.S.C. 1425.

84.159A, D, and F Special Studies Program

Purpose of Program: To support the collection of data, studies, investigations, and evaluations to assess the impact and effectiveness of programs and projects assisted under the Individuals with Disabilities Education Act (IDEA).

Eligible Applicants: Under Absolute Priorities 1 and 3 (State Agency-Federal Evaluation Studies Projects) (84.159A and 84.159F): State educational agencies (SEA's); and those State agencies designated by the Governor in each State for the purpose of administering an early intervention program under part H of IDEA.

Under Absolute Priority 2 (State and Local Education Efforts to Implement the Transition Requirements in the Individuals with Disabilities Education Act) (84.159D): Public or private agencies, institutions, and organizations; and other appropriate parties.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 75, 77, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 327.

Note: Absolute Priorities 1 and 3 are based on 34 CFR 327.10(c). Absolute Priority 2 is based on 34 CFR 327.10(f) and the notice of final priorities for the Special Studies Program for fiscal years 1994–1995 published in the **Federal Register** on January 20, 1994 (59 FR 3079).

Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR part 327 the Secretary gives an absolute preference to applications that meet the following priorities. The Secretary funds under these competitions only applications that meet one of these absolute priorities:

Absolute Priority 1—State Agency-Federal Evaluation Studies Projects (84.159A). This priority supports cooperative agreements that assess the impact and effectiveness of programs, policies, and procedures assisted under the Individuals with Disabilities Education Act (IDEA) in accordance with sections 618(d)(1) and (2) of the Act.

Invitational Priorities: Within Absolute Priority 1 the Secretary is particularly interested in applications that meet one or more of the following invitational priorities. However, under 34 CFR 75.105(c)(1) an application that meets one or more of these invitational priorities does not receive competitive or absolute preference over other applications:

The Secretary particularly invites projects that evaluate the impact and effectiveness of—

(a) Management and regulatory flexibility that encourages innovative management of schools to expand opportunities for the inclusion of children with disabilities;

(b) Student outcomes and performance of comprehensive, community-based, family-oriented systems of education and support;

(c) Community-supported schools focusing on family participation in activities and services;

(d) Reconfigured relationships and responsibilities of regular and special education staff, and redesigned programs that train personnel for work in schools, for the continued development of all regular and special education personnel in the education of children with disabilities; or

(e) Expanded multi-agency solutions to the collaborative delivery of services for individual children with disabilities and their families.

Supplementary Information: An award under this competition provides not more than 60 percent of the total cost of the project. The State agency receiving the award shall provide an amount not less than 40 percent of the total cost of the project (34 CFR 327.40(a)).

Project Period: Up to 24 months.

Absolute Priority 2—State and Local Education Efforts to Implement the Transition Requirements in the Individuals with Disabilities Education Act (84.159D).

(a) A project funded under this priority must include substudies—or compile extant information that obviates the need for a study—in the following areas:

(1) The range and variation in State and local policies related to the definitional components of transition services;

(2) Student participation in transition planning, and student outcomes associated with implementation of transition services;

(3) State and local policies, practices and procedures related to the implementation of the transition services, with information obtained from local service providers (the substudy may include visits to illustrative sites);

(4) Interagency involvement in transition planning and services, including a description of the impediments associated with interagency involvement in transition planning and provision of services; and

(5) Federal program services (including those of the Department of Labor and the Social Security Administration) and relevant policies related to meeting the transition requirements, including special education, vocational education, rehabilitation services, adult education, postsecondary education, the Job Training Partnership Act, and the Americans with Disabilities Act.

(b) In planning and implementing the substudies, the project must include appropriate policymakers, administrators, and service providers involved in the design and delivery of transition services to youth with disabilities.

(c) The project must submit for approval—

(1) A plan for conducting the substudies and disseminating reports within 60 days of the start of the project;

(2) A report for substudy (1) by the end of year one;

(3) Reports for substudies (2), (3), and (4) by the end of year two;

(4) A report for substudy (5) by the middle of year 3; and

(5) A final report at the end of year three. The final report must include the following: an executive summary, introduction, project objectives, methodology, findings organized by substudy, summary, and conclusions regarding the progress being made by State and local agencies to implement the IDEA transition requirements.

The project must budget for two trips annually to Washington, DC for (1) a two-day Research Project Directors' meeting; and (2) another two-day meeting to meet with the project officer of the Office of Special Education Programs (OSEP) and with other OSEP work groups, as appropriate, to plan and review project activities and progress.

Project Period: Up to 36 months.

Absolute Priority 3—State Agency-Federal Evaluation Studies Projects (84.159F). This priority supports cooperative agreements that assess the impact and effectiveness of programs, policies, and procedures assisted under the Individuals with Disabilities Education Act (IDEA) in accordance with sections 618(d)(1) and (2) of the Act.

Invitational Priority: Within Absolute Priority 3 the Secretary is particularly interested in applications that meet the

following invitational priority. However, under 34 CFR 75.105(c)(1) an application that meets this invitational priority does not receive competitive or absolute preference over other applications:

The Secretary particularly invites projects that perform feasibility studies that develop the conceptual framework for an evaluation study about a specific issue or question concerning the impact and effectiveness of special education and related services, and determine if the conceptual framework is workable. Feasibility studies identify topics that have significant potential for evaluation, but that require preliminary study to determine feasibility related to identification of the issue, study designs, measurement, and analysis.

While collection and reporting of generalizable impact and effectiveness data are not expected for feasibility studies, the Secretary particularly encourages pilot tests of data collection instruments and procedures to determine the implications of these results for the study design, measurement and analysis.

The Secretary particularly encourages projects that address the feasibility of designs to evaluate the impact and effectiveness of:

(a) Management and regulatory flexibility that encourages innovative management of schools to expand opportunities for the inclusion of children with disabilities;

(b) Student outcomes and performance of comprehensive, community-based, family-oriented systems of education and support;

(c) Community-supported schools focusing on family participation in activities and services;

(d) Reconfigured relationships and responsibilities of regular and special education staff, and redesigned programs that train personnel for work in schools, for the continued development of all regular and special education personnel in the education of children with disabilities; or

(e) Expanded multi-agency solutions to the collaborative delivery of services for individual children with disabilities and their families.

Supplementary Information: An award under this competition provides not more than 60 percent of the total cost of the project. The State agency receiving the award shall provide an amount not less than 40 percent of the total cost of the project (34 CFR 327.40(a)).

Project Period: Up to 12 months.

For Applications and General Information Contact: Darlene Crumblin, U.S. Department of Education, 400 Maryland Avenue, SW., room 3525, Switzer Building, Washington, DC 20202–2641. Telephone (202) 205–8953; or FAX: (202) 205–8105.

For Technical Information Contact: Susan Sanchez, U.S. Department of Education, 400 Maryland Avenue, SW., room 3528, Switzer Building, Washington, DC 20202–2641. Telephone: (202) 205–8998.

Program Authority: 20 U.S.C. 1418.

84.180 Technology, Educational Media, and Materials for Individuals with Disabilities Program

Purpose of Program: To support projects and centers for advancing the availability, quality, use, and effectiveness of technology, educational media, and materials in the education of children and youth with disabilities and the provision of related services and early intervention services to infants and toddlers with disabilities.

Eligible Applicants: Institutions of higher education; State educational agencies; local educational agencies; public agencies; and nonprofit or for-profit private organizations.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 333.

Priority: Under 34 CFR 75.105(c)(3) and 34 CFR 333.1 and 333.3, the Secretary gives an absolute preference to applications that meet the following priority. The Secretary funds under this program only applications that meet this absolute priority:

Absolute Priority—Technology, Educational Media, and Materials Research Projects that Promote Literacy (84.180G). This priority provides support for research projects that examine how advancing the availability, quality, use, and effectiveness of technology, educational media, and materials can address the problem of illiteracy among individuals with disabilities.

Invitational Priority: Within the absolute priority specified in this notice, the Secretary is particularly interested in applications that meet the following invitational priority. However, under 34 CFR 75.105(c)(1) an application that meets this invitational priority does not receive competitive or absolute preference over other applications:

The Secretary is particularly interested in projects that—

(a) Define literacy as: to read, to communicate, to compute, to make judgments, and to take appropriate action;

(b) Are of rigorous design and employ clearly explicated quantitative or qualitative methodologies, or both, appropriate to the purpose of the project; and

(c) Consider learning and psychosocial factors in examining the availability, quality, and use of specified technology, educational media, and materials, and in examining their effectiveness in providing experiences and opportunities that improve the literacy of children and youth with disabilities.

Project Period: Up to 36 months.

For Applications and General Information Contact: Darlene Crumblin, U.S. Department of Education, 400 Maryland Avenue, SW., room 3525, Switzer Building, Washington, DC 20202–2641. Telephone (202) 205–8953; or FAX: (202) 205–8105.

For Technical Information Contact: Jane Hauser, U.S. Department of Education, 400 Maryland Avenue, SW., room 3521, Switzer Building, Washington, DC 20202–2640. Telephone: (202) 205–8126.

Program Authority: 20 U.S.C. 1461.

84.237 Program for Children and Youth with Serious Emotional Disturbance

Purpose of Program: To support projects designed to improve special education and related services to children and youth with serious emotional disturbance. Types of projects that may be supported under the program include, but are not limited to, research, development, and demonstration projects. Funds may also be used to develop and demonstrate approaches to assist and prevent children with emotional and behavioral problems from developing serious emotional disturbance.

Eligible Applicants: Institutions of higher education; State educational agencies; local educational agencies; and other appropriate public and nonprofit private institutions or agencies.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR part 328.

Priority: Under 34 CFR 75.105(c)(3) and 34 CFR 328.3(a)(5) the Secretary gives an absolute preference to applications that meet the following priority. The Secretary will fund under this competition only applications that meet this absolute priority:

Absolute Priority—Preventing the Development of Serious Emotional Disturbance Among Children and Youth

with Emotional and Behavioral Problems (84.237F). To be considered for funding under this priority, a project must—

(a) Provide a conceptual framework for the proposed preventive approach. The conceptual framework must reflect findings from multi-disciplinary research, as well as validated interventions and strategies relevant for promoting personal and social development of children with emotional and behavioral problems;

(b) As part of the conceptual framework—

(1) Address the challenge and diversity of mental health, psychological, and social characteristics so as to assist children with emotional and behavioral problems from developing serious emotional disturbance;

(2) Identify and define the outcomes related to personal and social development that would comprise the basis for the design of the proposed preventive components;

(3) Document the rationale for each outcome construct; and

(4) describe means for measuring these outcomes;

(c) Propose interventions that—

(1) Are comprehensive and positive;

(2) Promote the social and emotional development of students with emotional and behavioral problems; and

(3) Provide the cornerstone for building school-wide capacity for meeting the social and emotional needs of children with emotional and behavioral problems. The interventions must encompass an array of experiences that ensure that children with emotional and behavioral problems acquire and demonstrate in various settings the competencies needed to achieve the measurable desired outcomes related to personal and social development;

(d) Provide and assess interventions within the general education environment and expand these to include home-based and community-based components appropriate to the proposed approach;

(e) Implement interventions that involve the active participation of a broad range of constituents, including school personnel, parents, and community agencies, and that acknowledge and consider the interaction between regular and special education;

(f) Assess the efficacy of the proposed interventions for improving personal and social outcomes for students with emotional and behavioral problems; and

(g) Evaluate the implementation of the proposed interventions to enhance the personal and social adjustment of students with emotional and behavioral problems across school environments.

A project must budget for two trips annually to Washington, DC for (1) a two-day Research Project Directors' meeting; and (2) another two-day meeting to meet with the project director of the Office of Special Education Programs and the other projects funded under this priority to share their approaches, designs, and experiences, and to design collaborative products.

Project Period: Up to 48 months.

For Applications and General Information Contact: Darlene Crumblin, U.S. Department of Education, 400 Maryland Avenue, SW., room 3525, Switzer Building, Washington, DC 20202–2641. Telephone: (202) 205–8953; or FAX: (202) 205–8105.

For Technical Information Contact: Dr. Helen Thornton, U.S. Department of Education, 400 Maryland Avenue, SW., room 3520, Switzer Building, Washington, DC 20202–2641. Telephone: (202) 205–5910.

Program Authority: 20 U.S.C. 1426.

Rehabilitation Services Administration

84.128G Vocational Rehabilitation Service Projects for Migratory Agricultural and Seasonal Farmworkers With Disabilities

Purpose of Program: To provide grants for vocational rehabilitation services for migratory agricultural workers or seasonal farmworkers with disabilities.

Eligible Applicants: State vocational rehabilitation agencies (SVRAs); nonprofit agencies working in collaboration with SVRAs; local agencies administering vocational rehabilitation programs under written agreements with SVRAs; and SVRAs that enter into agreements with the State vocational rehabilitation agencies of one or more other States to develop cooperative programs for the provision of vocational rehabilitation services.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85 and 86; and (b) The regulations for this program in 34 CFR parts 369 and 375.

Project Period: Up to 36 months.

For Applications or Information Contact: Tony Cavataio, U.S. Department of Education, 400 Maryland Avenue, SW., room 3411, Switzer Building, Washington, DC 20202–2650. Telephone: (202) 205–9343 to order applications; or (202) 205–8206 for information.

Program Authority: 29 U.S.C. 777b.

84.128T Special Projects and Demonstrations for Providing Supported Employment Services to Individuals with the Most Severe Disabilities and Technical Assistance Projects—Community-Based Projects

Purpose of Program: To provide grants for community-based special projects and demonstrations to (a) stimulate the development of innovative approaches for improving and expanding the provision of supported employment services to individuals with the most severe disabilities; and (b) enhance local capacity to provide supported employment services.

Eligible Applicants: Public and nonprofit community rehabilitation programs; designated State units; and other public and private agencies and organizations.

Applicable Regulations: The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85 and 86; and (b) The regulations for this program in 34 CFR part 380.

Project Period: Up to 36 months.

For Applications or Information Contact: Ted Gonzales, U.S. Department of Education, 400 Maryland Avenue, SW., room 3320, Switzer Building, Washington, DC 20202–2650. Telephone: (202) 205–9343 to order applications; or (202) 205–8321 for information.

Program Authority: 29 U.S.C. 777a(c).

84.129A–R Rehabilitation Training—Rehabilitation Long-Term Training

Purpose of Program: To provide grants for (1) projects that provide basic or advanced training leading to an academic degree in one of the fields of study identified in the Absolute Priorities section of this notice; (2) projects that provide a specified series of courses or program of study leading to award of a certificate in one of the fields of study identified in the Absolute Priorities section of this notice; and (3) projects that provide support for medical residents enrolled in residency training programs in the specialty of physical medicine and rehabilitation.

Eligible Applicants: State agencies; and other public or nonprofit private agencies and organizations, including institutions of higher education.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 385 and 386.

Priorities:

Absolute Priorities: Under 34 CFR 75.105(c)(3) and 34 CFR 386.1, the

Secretary gives an absolute preference to applications that meet one of the following priorities. The Secretary funds under this competition only applications that meet one of these absolute priorities:

Projects that propose to provide training in one of the following areas of personnel shortages:

Rehabilitation medicine (CFDA No. 84.129A–1).

Prosthetics and orthotics (CFDA No. 84.129A–5).

Rehabilitation counseling (CFDA No. 84.129B).

Physical therapy (CFDA No. 129D–1).

Rehabilitation technology (CFDA No. 129E).

Vocational evaluation and work adjustment (CFDA No. 84.129F).

Rehabilitation of individuals who are mentally ill (CFDA No. 84.129H).

Undergraduate education in rehabilitation services (CFDA No. 84.129L).

Specialized personnel for individuals who are blind or have vision impairment (currently: Rehabilitation of individuals who are blind) (CFDA No. 84.129P).

Rehabilitation of individuals who are deaf or hard of hearing (currently: Rehabilitation of individuals who are deaf) (CFDA No. 84.129Q).

Rehabilitation job development and placement (CFDA No. 84.129R).

Invitational Priorities: Under 34 CFR 75.105(c)(1) the Secretary is particularly interested in applications that meet one of the following invitational priorities. However, an application that meets one of these invitational priorities does not receive competitive or absolute preference over other applications:

Invitational Priority 1: Within the absolute priorities specified in this notice, projects designed to provide financial assistance to individuals with disabilities from minority backgrounds for long-term academic training in certificate- or degree-granting courses of study.

Invitational Priority 2: Within the absolute priority of Rehabilitation Counseling, projects that provide academic training to individuals at both the master's degree level and the doctoral degree level.

Project Period: Up to 36 months, except for Rehabilitation Counseling (84.129B), which is up to 60 months.

For Applications or Information Contact: Richard Melia, U.S. Department of Education, 400 Maryland Avenue, SW., room 3324, Switzer Building, Washington, DC 20202–2649. Telephone: (202) 205–9343 to order applications; or (202) 205–9400 for information.

Program Authority: 29 U.S.C. 774.

84.250E Vocational Rehabilitation Services Projects for American Indians With Disabilities

Purpose of Program: To provide grants for vocational rehabilitation services to American Indians with disabilities who reside on Federal or State reservations.

Eligible Applicants: Governing bodies of Indian tribes; and consortia of these governing bodies located on Federal and State reservations.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 75, 77, 80, 81, 82, and 85; and (b) The regulations for this program in 34 CFR parts 369 and 371.

Project Period: Up to 36 months.

For Applications or Information Contact: Barbara Sweeney, U.S. Department of Education, 400 Maryland Avenue, SW., room 3225, Switzer Building, Washington, DC 20202–2650. Telephone: (202) 205–9343 to order applications; or (202) 205–9544 for information.

Program Authority: 29 U.S.C. 750.

84.263 Rehabilitation Training—Experimental and Innovative Training

Purpose of Program: To support pilot projects that develop new types of training programs for rehabilitation personnel or that develop new and improved methods of training rehabilitation personnel.

Eligible Applicants: State agencies and other public or nonprofit private agencies and organizations, including institutions of higher education.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 385 and 387.

Priority: Under 34 CFR 75.105(c)(1), the Secretary is particularly interested in applications that meet the following invitational priority. However, an application that meets this invitational priority does not receive competitive or absolute preference over other applications:

Projects designed to train rehabilitation counselors, practitioners, educators, and individuals with disabilities on rehabilitation needs of individuals who are HIV positive or who have Acquired Immune Deficiency Syndrome (AIDS).

Project Period: Up to 36 months.

For Applications or Information Contact: Beverly Brightly, U.S. Department of Education, 400 Maryland Avenue, SW., room 3322, Switzer Building, Washington, DC 20202–2649. Telephone: (202) 205–9343 to order applications; or (202) 205–9561 for information.

Program Authority: 29 U.S.C. 774.

84.264A Rehabilitation Continuing Education Programs (for Region V Only)

Purpose of Program: To support cooperative agreements for training centers that (1) serve either a Federal region or another geographic area and (2) provide a broad, integrated sequence of training activities that focus on meeting recurrent and common training needs of employed rehabilitation personnel throughout a multi-State geographical area.

Eligible Applicants: State agencies and other public or nonprofit agencies and organizations, including institutions of higher education.

Note: Applications are invited for the provision of training for Department of Education Region V only.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, and 86; and (b) The regulations for this program in 34 CFR parts 385 and 389, as amended on February 18, 1994 (59 FR 8330).

Fiscal Information: Applicants will be subject to a four percent cost-share requirement on awards.

Project Period: Up to 60 months.

For Applications or Information Contact: Ellen Chesley, U.S. Department of Education, 400 Maryland Avenue, SW., room 3318, Switzer Building, Washington, DC 20202–2649. Telephone: (202) 205–9343 to order applications; or (202) 205–9481 for information.

Program Authority: 29 U.S.C. 774.

CHART 6.—OFFICE OF VOCATIONAL AND ADULT EDUCATION

CFDA No. and name	Applications available	Application deadline date	Deadline for intergovernmental review	Estimated range of awards	Estimated avg. size of awards	Estimated number of awards
84.101 Indian vocational education training program.[1]	.....	.....	.....	.....	.....	.....

[1] The application notice for this program was published in the FEDERAL REGISTER on May 26, 1994 (59 FR 27406).

Invitation To Comment

The Secretary welcomes comments and suggestions for improving the annual combined application notice.

Please direct any comments and suggestions to Steven N. Schatken, Assistant General Counsel for Regulations, U.S. Department of Education, 400 Maryland Avenue, SW., (room 5131, FOB–6), Washington, DC 20202–2241.

Dated: June 3, 1994.

Richard W. Riley,

Secretary of Education.

Appendix

Intergovernmental Review of Federal Programs

This appendix applies to each program that is subject to the requirements of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the regulations in 34 CFR part 79.

The objective of the Executive order is to foster an intergovernmental partnership and to strengthen federalism by relying on State and local processes for State and local government coordination and review of proposed Federal financial assistance.

Applicants must contact the appropriate State Single Point of Contact to find out about, and to comply with, the State's process under Executive Order 12372. Applicants proposing to perform activities in more than one State should immediately contact the Single Point of Contact for each of those States and follow the procedure established in each of those States under the Executive order. A listing containing the Single Point of Contact for each State is included in this appendix.

In States that have not established a process or chosen a program for review, State, areawide, regional, and local entities may submit comments directly to the Department.

Any State Process Recommendation and other comments submitted by a State Single Point of Contact and any comments from State, areawide, regional, and local entities must be mailed or hand-delivered by the date indicated in this notice to the following address: The Secretary, EO 12372—CFDA# [commenter must insert number—including suffix letter, if any], U.S. Department of Education, room 4161, 400 Maryland Avenue, SW., Washington, DC 20202–0125.

Proof of mailing will be determined on the same basis as applications (see 34 CFR 75.102). Recommendations or comments may be hand-delivered until 4:30 p.m. (Washington, DC time) on the date indicated in this notice.

PLEASE NOTE THAT THE ABOVE ADDRESS IS NOT THE SAME ADDRESS AS THE ONE TO WHICH THE APPLICANT SUBMITS ITS COMPLETED APPLICATION. *DO NOT SEND APPLICATIONS TO THE ABOVE ADDRESS.*

State Single Points of Contact

Note: In accordance with Executive Order #12372, this listing represents the designated State Single Points of Contact. Because participation is voluntary some States no longer participate in the process. These include: Alabama, Alaska, Connecticut, Hawaii, Idaho, Kansas, Louisiana, Minnesota, Montana, Nebraska, Oklahoma, Oregon, Pennsylvania, South Dakota, Virginia, and Washington.

Arizona

Janice Dunn, Arizona State Clearinghouse, 3800 N. Central Avenue, Fourteenth Floor, Phoenix, Arizona 85012, Telephone (602) 280–1315, FAX (602) 280–1305

Arkansas

Mr. Tracy L. Copeland, Manager, State Clearinghouse, Office of Intergovernmental Services, Department of Finance and Administration, 1515 W. 7th Street, room 412, Little Rock, Arkansas 72203, Telephone (501) 682–1074, FAX (501) 682–5206

California

Grants Coordinator, Office of Planning and Research, 1400 Tenth Street, room 121, Sacramento, California 95814, Telephone (916) 323–7480, FAX (916) 323–3018

Colorado

Margaret Dubas, State Single Point of Contact, State Clearinghouse, Division of Local Government, 1313 Sherman Street, room 521, Denver, Colorado 80203, Telephone (303) 866–2156, FAX (303) 866–2251

Delaware

Francine Booth, State Single Point of Contact, Executive Department, Thomas Collins Building, Dover, Delaware 19903, Telephone (302) 739–3326, FAX (302) 739–5661

District of Columbia

Rodney T. Hallman, State Single Point of Contact, Office of Grants Management and Development, 717 14th Street, N.W., Suite 500, Washington, DC 20005, Telephone (202) 727–6551, FAX (202) 727–1617

Florida

Suzanne Traub-Metlay, Florida State Clearinghouse, Intergovernmental Affairs Policy Unit, Executive Office of the Governor, Office of Planning and Budgeting, The Capitol (room 1603), Tallahassee, Florida 32399–0001, Telephone (904) 488–8114, FAX (904) 488–9005

Georgia

Charles H. Badger, Administrator, Georgia State Clearinghouse, 254 Washington Street, S.W., room 401J, Atlanta, Georgia 30334, Telephone (404) 656–3855 or 656–3829, FAX (404) 656–7938

Illinois

Steve Klokkenga, State Single Point of Contact, Office of the Governor, 107 Stratton Building, Springfield, Illinois 62706, Telephone (217) 782–1671, FAX (217) 782–6620

Indiana

Francis E. Williams, Intergovernmental Grant Coordinator, State Budget Agency, 212 State House, Indianapolis, Indiana 46204, Telephone (317) 232–2972, FAX (317) 233–3323

Iowa

Steven R. McCann, Division for Community Assistance, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309, Telephone (515) 242–4719, FAX (515) 242–4859

Kentucky

Ronald W. Cook, Office of the Governor, Department of Local Government, 1024 Capitol Center Drive, Frankfort, Kentucky 40601–8204, Telephone (502) 573–2382, FAX (502) 573–2512

Maine

Joyce Benson, State Planning Office, State House Station #38, 184 State Street, Augusta, Maine 04333, Telephone (207) 287–3261, FAX (207) 287–6489

Maryland

Mr. Roland E. English III, Chief, State Clearinghouse for Intergovernmental Assistance, Maryland Office of Planning, 301 West Preston Street, room 1104, Baltimore, Maryland 21201–2365, Telephone (410) 225–4490, FAX (410) 225–4480

Massachusetts

Karen Arone, State Clearinghouse, Executive Office of Communities and Development, 100 Cambridge Street, room 1803, Boston, Massachusetts 02202, Telephone (617) 727–7001, ext. 443, FAX (617) 727–4259

Michigan

Richard S. Pastula, Director, Office of Federal Grants, Michigan Department of Commerce, P.O. Box 30225, Lansing, Michigan 48909, Telephone (517) 373–7356, FAX (517) 373–6683

Mississippi

Cathy Malette, Clearinghouse Officer, Office of Federal Grant Management and

Reporting, Department of Finance and Administration, 301 West Pearl Street, Jackson, Mississippi 39203, Telephone (601) 949–2174, FAX (601) 949–2125

Missouri

Lois Pohl, Federal Assistance Clearinghouse, Office of Administration, P.O. Box 809, room 760, Truman Building, Jefferson City, Missouri 65102, Telephone (314) 751–4834, FAX (314) 751–4819

Nevada

Maud Naroll, Department of Administration, State Clearinghouse, Capitol Complex, room 200, Carson City, Nevada 89710, Telephone (702) 687–4065, FAX (720) 687–3983

New Hampshire

Jeffrey H. Taylor, Director, New Hampshire Office of State Planning, Attn: Intergovernmental Review Process/James E. Bieber, 2½ Beacon Street, Concord, New Hampshire 03301, Telephone (603) 271–2155, FAX (603) 271–1728

New Jersey

Gregory D. Adkins, Director, Division of Community Resources, New Jersey Department of Community Affairs

Please direct all correspondence and questions about intergovernmental review to: Andrew J. Jaskolka, State Review Process, Division of Community Resources, CN 814, room 609, Trenton, New Jersey 08625–0814, Telephone (609) 292–9025, FAX (609) 984–0386.

New Mexico

George Elliott, Deputy Director, State Budget Division, room 190, Bataan Memorial Building, Santa Fe, New Mexico 87503, Telephone (505) 827–3640

New York

New York State Clearinghouse, Division of the Budget, State Capitol, Albany, New York 12224, Telephone (518) 474–1605

North Carolina

Chrys Baggett, Director, N.C. State Clearinghouse, Office of the Secretary of Admin., 116 West Jones Street, Suite 5106, Raleigh, North Carolina, 27603–8003, Telephone (919) 733–7232, FAX (919) 733–9571

North Dakota

North Dakota Single Point of Contact, Office of Intergovernmental Assistance, 600 East Boulevard Avenue, Bismarck, North Dakota 58505–0170, Telephone (701) 224–2094, FAX (701) 224–2308

Ohio

Larry Weaver, State Single Point of Contact, State Clearinghouse, Office of Budget and Management, 30 East Broad Street, 34th Floor, Columbus, Ohio 43266–0411

Please direct correspondence and questions about intergovernmental review to: Linda Wise, Telephone (614) 466–0698, FAX (614) 466–5400.

Rhode Island

Kevin Nelson, Senior Planner, Statewide Planning Program, Department of Administration, Division of Planning, One Capitol Hill, 4th Floor, Providence, Rhode Island 02908–5870, Telephone (401) 277–2656, FAX (401) 277–2083

South Carolina

Omeagia Burgess, State Single Point of Contact, Grant Services, Office of the Governor, 1205 Pendleton Street, room 477, Columbia, South Carolina 29201, Telephone (803) 734–0494, FAX (803) 734–0385

Tennessee

Charles Brown, State Single Point of Contact, State Planning Office, 500 Charlotte Avenue, John Sevier Building, Suite 309, Nashville, Tennessee 37243–0001, Telephone (615) 741–1676

Texas

Tom Adams, Director, Intergovernmental Coordination, P.O. Box 13005, Austin, Texas 78711, Telephone (512) 463–1771, FAX (512) 463–1984

Utah

Carolyn Wright, Utah State Clearinghouse, Office of Planning and Budget, room 116 State Capitol, Salt Lake City, Utah 84114, Telephone (801) 538–1535, FAX (801) 538–1547

Vermont

Nancy McAvoy, State Single Point of Contact, Pavilion Office Building, 109 State Street, Montpelier, Vermont 05609, Telephone (802) 828–3326, FAX (802) 828–3339

West Virginia

Fred Cutlip, Director, Community Development Division, West Virginia Development Office, Building #6, room 553, Charleston, West Virginia 25305, Telephone (304) 558–4010, FAX (304) 558–3248

Wisconsin

William Carey, Bureau Director, Intergovernmental Relations, State/Federal Relations, Wisconsin Department of Administration, 101 East Wilson Street, 6th Floor, P.O. Box 7868, Madison, Wisconsin 53707, Telephone (608) 266–2125, FAX (608) 267–6931

Wyoming

Sheryl Jeffries, State Single Point of Contact, Herschler Building, 4th Floor, East Wing, Cheyenne, Wyoming 82002, Telephone (307) 777–7574, FAX (307) 638–8967

Territories

Guam

Mr. Giovanni T. Sgambelluri, Director, Bureau of Budget and Management Research, Office of the Governor, P.O. Box 2950, Agana, Guam 96910, Telephone 011–671–472–2285, FAX 011–671–472–2825

Northern Mariana Islands

State Single Point of Contact, Planning and Budget Office, Office of the Governor, Saipan, CM, Northern Mariana Islands 96950

Puerto Rico

Norma Burgos/Jose B. Caro, Chairman/Director, Puerto Rico Planning Board, Federal Proposals Review Office, Minillas Government Center, P.O. Box 41119, San Juan, Puerto Rico 00940–1119985, Telephone (809) 727–4444 or 723–6190, FAX (809) 724–3270 or 724–3103

Virgin Islands

Jose George, Director, Office of Management and Budget, #41 Norregade Emancipation Garden Station, Second Floor, Saint Thomas, Virgin Islands 00802

Please direct all questions and correspondence about intergovernmental review to: Linda Clarke, Telephone (809) 774–0750, FAX (809) 776–0069.

Note: This list is based on the most current information provided by the States. Information on any changes or apparent errors should be provided to Donna Rivelli (Telephone (202) 395–5090) at the Office of Management and Budget and to the State in question.

[FR Doc. 94–14026 Filed 6–9–94, 8:45 am]

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federal register

Friday
June 10, 1994

Part IV

Department of Agriculture

Food and Nutrition Service

7 CFR Parts 210 and 220

National School Lunch Program and School Breakfast Program: Nutrition Objectives for School Meals; Proposed Rule

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

7 CFR Parts 210 and 220

National School Lunch Program and School Breakfast Program: Nutrition Objectives for School Meals

AGENCY: Food and Nutrition Service, USDA.

ACTION: Proposed rule.

SUMMARY: This rule proposes to amend the regulations outlining the nutrition standards for the National School Lunch and School Breakfast Programs. It is part of an integrated, comprehensive plan for promoting the health of children. Specifically, this proposal would update the current nutrition standards to incorporate the Dietary Guidelines for Americans, which reflect medical and scientific consensus on proper nutrition as a vital element in disease prevention and long-term health promotion. This proposal would also adopt meal planning based on analysis of key nutrients (Nutrient Standard Menu Planning) in lieu of the current meal pattern. These changes would be implemented no later than July 1, 1998. The Department will be providing State agencies and school food authorities with technical assistance to enable them to meet this implementation date.

In developing this proposed rule, the Department is responding to an array of medical and scientific evidence linking improper diet with increased incidence of heart disease, strokes and certain cancers. These proposals acknowledge the positive role school programs must play in establishing childhood eating patterns that influence lifelong habits. The Department also considered extensive oral testimony presented at four public hearings and meetings as well as written comments submitted in response to a notice published in the Federal Register on September 13, 1993.

In recognition of the importance of reinventing and streamlining government programs, this proposal would also remove various paperwork burdens associated with the school meal programs and would modify the review requirements for the National School Lunch Program to ensure adequate oversight of the proposed updated nutrition standards. The overriding purpose behind this proposed rule is to serve more nutritious and healthful meals to school children while maintaining access to the meal programs for needy children, and to enhance the flexibility of local schools to administer the programs.

DATES: To be assured of consideration, comments must be postmarked on or before September 8, 1994.

ADDRESSES: Robert M. Eadie, Chief, Policy and Program Development Branch, Child Nutrition Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, Alexandria, Virginia 22302.

FOR FURTHER INFORMATION CONTACT: Robert M. Eadie at the above address or by telephone at 703–305–2620.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This proposed rule is issued in conformance with Executive Order 12866 and has been designated significant.

Included at the end of this proposal is the Regulatory Cost/Benefit Assessment. The Assessment provides the background on the economic, market and benefit impacts of this proposal.

Regulatory Flexibility Act

This proposed rule has been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601 through 612). The Administrator of the Food and Nutrition Service (FNS) has certified that this rule will not have a significant economic impact on a substantial number of small entities. In the interest of furthering efforts to reinvent government, this rule proposes a substantial reduction in current State agency administrative burdens and a technical adjustment in the recordkeeping burdens. Moreover, the Department of Agriculture (the Department or USDA) does not anticipate any adverse fiscal impact on local schools. A recent analysis by FNS and the Department's Economic Research Service found that the menu planning aspects of this proposal can be met at the current cost of food in the National School Lunch Program. Therefore, food costs should not be a barrier to implementation of this regulation.

Catalog of Federal Domestic Assistance

The National School Lunch Program and the School Breakfast Program are listed in the Catalog of Federal Domestic Assistance under Nos. 10.555 and 10.553, respectively, and are subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (7 CFR part 3015, subpart V and final rule-related notice at 48 FR 29112, June 24, 1983.)

Executive Order 12778

This proposed rule has been reviewed under Executive Order 12778, Civil Justice Reform. This proposed rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full implementation. This proposed rule is not intended to have retroactive effect unless so specified in the "Effective Date" section of this preamble. Prior to any judicial challenge to the provisions of this proposed rule or the application of the provisions, all applicable administrative procedures must be exhausted. In the National School Lunch Program and School Breakfast Program, the administrative procedures are set forth under the following regulations: (1) School food authority appeals of State agency findings as a result of an administrative review must follow State agency hearing procedures as established pursuant to 7 CFR 210.18(q); (2) School food authority appeals of FNS findings as a result of an administrative review must follow FNS hearing procedures as established pursuant to 7 CFR 210.30(d)(3); and (3) State agency appeals of State Administrative Expense fund sanctions (7 CFR 235.11(b)) must follow the FNS Administrative Review Process as established pursuant to 7 CFR 235.11(f).

Information Collection

This proposed rule contains information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980 (44 U.S.C. chapter 35). The title, description, and respondent description of the information collections are shown below with an estimate of the annual reporting and recordkeeping burdens. Included in the estimate is the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The Department would like to note that the description of burden hours represents full implementation of the proposed regulation, which would be School Year 1998–9, and only provides for the recordkeeping burden associated with the proposed regulatory changes.

Title: National School Lunch Program and School Breakfast Program: Nutrition Objectives for School Meals.

Description: Under this proposed rule on Nutrition Objectives, some existing recordkeeping activities contained in 7 CFR 210 and 220 would be affected. The

OMB control numbers are 0584–006 and 0584–0012, respectively

Description of Respondents: State agencies, school food authorities and schools doing on-site preparation of meals.

ESTIMATED ANNUAL RECORDKEEPING BURDEN

	Annual number of respondents	Annual frequency	Average burden per response	Annual burden hours
7 CFR 210.8 (a)(3):				
Existing	20,249	12	2 hours	485,976
Proposed	0	0	0	0
Difference				−485,976
7 CFR 210.10/210.10a:				
Existing	[1]71,176	180	.25	[1]3,202,920
Proposed	71,176	180	.333	4,266,289
Difference				+1,063,369
7 CFR 210.15(b)(4):				
Existing	20,249	12	52.333	12,716,291
Proposed	0	0	0	0
Difference				−12,716,291
7 CFR 220.8/220.8a:				
Existing	[2]60,585	180	.083	[2]905,140
Proposed	60,585	180	.117	1,275,920
Difference				+370,780
7 CFR 220.13(i):				
Existing	5,658	12	34	2,308,464
Proposed	0	0	0	0
Difference				−2,308,464

[1] The current OMB approved burden is based on 70,455 schools. However, for the purposes of a more accurate comparison, the current burden has been adjusted here to include the same number of schools used to determine the proposed burden.
[2] The current OMB approved burden is based on 49,962 schools. However, for the purposes of a more accurate comparison, the current burden has been adjusted here to include the same number of schools used to determine the proposed burden.

As required by section 3504(h) of the Paperwork Reduction Act of 1980, 44 U.S.C. 3504(h), FNS has submitted a copy of this proposed rule to OMB for review of these information collection requirements. Other organizations and individuals desiring to submit comments regarding this burden estimate or any aspects of these information collection requirements, including suggestions for reducing the burdens, should direct them to the Policy and Program Development Branch, Child Nutrition Division, (address above) and to the Office of Information and Regulatory Affairs, OMB, Room 3208, New Executive Office Building, Washington, DC 20503, Attention: Laura Oliven, Desk Officer for FNS.

Background

Nutrition Standards in the School Meal Programs

The primary purpose of the National School Lunch Program (NSLP), as originally stated by Congress in 1946 in section 2 of the National School Lunch Act (NSLA), 42 U.S.C. 1751, is "to safeguard the health and well-being of the Nation's children * * *." At that time, nutritional concerns in the United States centered on nutrient deficiencies and issues of underconsumption. Over time, meal requirements for the NSLP, 7 CFR 210.10, were designed to provide foods sufficient to approximate one-third of the National Academy of Sciences' Recommended Dietary Allowances (RDA). Participating schools were required to offer meals that complied with general patterns established by the Department. These patterns were developed to provide a balanced meal by focusing on minimum amounts of specific components (meat/meat alternate, bread/bread alternate, vegetables, fruits and dairy products) rather than on the nutrient content of the entire meal. Over the years, virtually no substantive changes have been made to these patterns.

An array of scientific data now augments our knowledge by documenting that excesses in consumption are a major concern because of their relationship to the incidence of chronic disease. The typical diet in the United States is high in fat, saturated fat and sodium and low in complex carbohydrates and fiber. The meal requirements for the NSLP have not kept pace with the growing consensus of the need to modify eating habits. Given the importance of school meals to the nation's children, especially needy children, the Department is committed to meeting its health responsibilities by updating the nutrition standards for school meals to ensure that children have access to a healthful diet as well as an adequate one. To accomplish this task, the Department is proposing to have school meals conform to the 1990 Dietary Guidelines for Americans (hereinafter referred to as the Dietary Guidelines) as well as provide proper levels of nutrients and calories.

Although this proposal would expressly incorporate the 1990 Dietary Guidelines into the school meals programs' nutrition requirements, the Department will consider incorporating into the regulations any updates of the Dietary Guidelines or other scientific recommendations. Specific use of the 1990 Dietary Guidelines will allow the Department to review any revisions of the Dietary Guidelines to determine their applicability to school programs, and will avoid any undue burden on State agencies and school food authorities to make the changes without the direction of implementing regulations.

Scientific Studies Leading to Development of the Dietary Guidelines

Over the past thirty years a large body of evidence based on epidemiological, clinical and laboratory investigation has established that dietary patterns in the

United States are associated with an increased risk of chronic disease including coronary heart disease, stroke, diabetes and certain types of cancer (Surgeon General's Report on Nutrition and Health, 1988; National Academy of Sciences, Diet and Health: Implications for Reducing Chronic Disease Risk, 1989). Research summarized in the Surgeon General's Report indicates that five of the ten leading causes of death in the United States are associated with diet.

As a result of this accumulating body of scientific research establishing diet/disease links, dietary recommendations for the United States population were developed in the late 1970's. The first of these developed in 1977 by the Senate Select Committee on Nutrition and Human Needs, established Dietary Goals for the United States. This was followed closely by The Surgeon General's Report: Healthy People (1979). USDA and the Department of Health and Human Services (DHHS) released the first Dietary Guidelines for Americans in 1980.

The Dietary Guidelines were subsequently updated in 1985 and again in 1990. Also in 1990, Title III of the National Nutrition Monitoring and Related Research Act of 1990 (NNMRRA) (Pub. L. 101–445), 7 U.S.C. 5301, *et seq.*, was enacted. Section 301 of the NNMRRA, 7 U.S.C. 5341(a), requires that the Dietary Guidelines be reviewed at least every five years by a panel of experts in the various fields that contribute to nutrition guidance. The task of the panel is to decide whether there is sufficient evidence for altering the existing Dietary Guidelines and, if so, to recommend specific changes. The Secretaries of the DHHS and USDA then make the final decision on whether or not to incorporate the recommended changes.

The process was first established when the Senate Appropriations Committee, in November, 1980, stipulated that a Dietary Guidelines Advisory Committee be established to review the first edition of the Dietary Guidelines and to make any recommendations deemed appropriate. The committee consisted of nine members (three from USDA, three from DHHS and three selected from a list of nominees recommended by the National Academy of Sciences). In 1988, a second committee comprised of nine prominent experts in nutrition and health was appointed by the Secretaries of USDA and DHHS. Pursuant to Section 301(a) of the NNMRRA, a Dietary Guidelines Advisory Committee will be empaneled in 1995 to determine whether the 1990 Guidelines should be modified.

As a result, the Dietary Guidelines are based on the best available scientific and medical knowledge. Consequently, the Department is proposing to use the Dietary Guidelines as the basis for the nutrition standards for school meals. This established procedure enables medical and scientific experts to continually review and recommend updating of the Dietary Guidelines in light of the most current and highly-regarded data in this area. Moreover, the private sector and general public have widely endorsed and relied upon the Dietary Guidelines in nutrition education programs, activities and marketing. Because of the widespread acceptance of the recommendations in the Dietary Guidelines, the Department believes that the transition to using these recommendations as the cornerstone for the school meal programs will be readily accepted.

The 1988 Surgeon General's Report on Nutrition and Health and a 1989 National Academy of Science Report: Diet and Health: Implications for Reducing Chronic Disease Risk reinforce the Dietary Guidelines. One common theme runs throughout each of the publications, that is, an improved diet can have positive health consequences.

The most recent Diet and Health report issued by the Food and Nutrition Board of the National Academy of Sciences (1989) provides a very thorough review of the scientific evidence linking diet to disease and gives quantifiable goals for some of the Dietary Guidelines. The report recommends that Americans reduce fat intake to 30% or less of calories, reduce saturated fat intake to less than 10% of calories and reduce the intake of cholesterol to less than 300 mg per day. The report also recommends that sodium intake be limited to 2400 milligrams or less per day.

School Meals' Lack of Compliance With Current Dietary Guidelines

The current Dietary Guidelines recommend that people eat a variety of foods; maintain a healthy weight; choose a diet with plenty of vegetables, fruits, and grain products; and use sugar and sodium in moderation. The Dietary Guidelines also recommend diets low in fat, saturated fat, and cholesterol so that over time, fat comprises 30 per cent or less of caloric intake, and saturated fat less than 10 per cent of total calories, for persons two years of age and older.

However, information available to the Department consistently shows that children's diets, including meals served in schools, do not conform to the recommendations of the Dietary Guidelines. For example, according to data from the 1989 and 1990 Continuing Survey of Food Intakes by Individuals conducted by USDA, fat composed, on average, 35 per cent of calories for the diets of children ages six to nineteen.

Equally significant were the findings of a nationally representative USDA study entitled the School Nutrition Dietary Assessment (SNDA) Study. Released in October, 1993, the SNDA Study presented findings on the nutrients and foods provided in school meals and described the dietary intakes of students on a typical school day. A total of 545 schools were surveyed, and approximately 3,350 students in grades one through twelve (with assistance from parents for children grades one and two) provided detailed information about foods and beverages consumed in a day that included school attendance. The study compared nutrients provided in school meals with the Dietary Guidelines' recommendations on fat and saturated fat, the National Research Council's (NRC) Diet and Health Recommendations on sodium, cholesterol and carbohydrate intake, and the current objective that the nutrients provided in the NSLP meet one-third of the RDA and that the School Breakfast Program (SBP) meet one-fourth of the RDA.

The SNDA findings showed that, while school lunches meet or exceed one-third of the RDA for key nutrients and food energy, they do not meet the recommended levels of fat and saturated fat established by the Dietary Guidelines. In fact, the report showed that school lunches exceeded the Dietary Guidelines' recommendations for fat and saturated fat. Specifically, the average percentage of calories from total fat was 38 per cent compared with the recommended goal of 30 per cent or less; and the percentage from saturated fat was 15 per cent, compared with the recommended goal of less than 10 per cent. The report also found that children who ate the school lunch consumed a significantly higher amount of calories from fat than children who brought their lunch from home or obtained a lunch from vending machines or elsewhere at school. Further, the report showed that virtually no schools were in compliance with the Dietary Guidelines. In over 40 percent of schools, students could select a meal that met the Dietary Guidelines, but few did so. The SNDA study also showed that while school meals met the NRC recommendation on cholesterol, the meals did not meet the NRC recommendations on sodium and carbohydrate levels. In fact, the level for sodium, at 1,479 milligrams, was nearly two times the lunch target of 800 milligrams.

Even though the SBP did meet most of the recommendations in the Dietary Guidelines, the majority of school meals do not conform to current scientific knowledge of what constitutes a healthful diet. The SNDA findings underscore that the program has not adapted or changed school meal patterns over the years to incorporate scientific knowledge about diet. This situation is cause for concern because it demonstrates the need for significant improvement if the programs are to play their appropriate role in promoting long-term health through proper nutrition.

As the first step toward achieving meaningful improvement in children's diets and, thus, their health and future well being, the Department considers it necessary to update the regulations which establish the specific nutrition criteria for reimbursable school meals to incorporate the RDA for key nutrients, energy allowances for calories, and the most current nutritional standards as outlined in the Dietary Guidelines. In this way, the school meal programs can provide an example of nutritional achievement as well as ensuring that children are served healthful meals.

Before proceeding with a rulemaking, however, the Department recognized the importance of public input. The following is a description of the Department's procedure for obtaining input and a discussion of significant issues raised by commenters.

Providing a Public Forum

To obtain input from the public prior to drafting proposed regulations, the Department solicited comments on nutrition objectives for school meals through public hearings and written comments. In a Notice published in the **Federal Register** (58 FR 47853, September 13, 1993), the Department announced a series of four public hearings. Any person who was interested could register to speak at any of the hearings. Persons unable to testify in person were invited to submit written comments. The Notice identified the following four questions as the focus areas for comments and suggestions:

I. What are the health consequences of children's current dietary patterns?

II. How can the Dietary Guidelines for Americans be used to bring about measurable nutritional improvements in school meals and in children's diets?

III. What are the opportunities and obstacles in meeting current nutrition recommendations in school meal programs?

IV. What actions can the USDA, parents, school food service, food industry and other public and private organizations take to encourage the implementation of current nutrition recommendations in local schools?

The four hearings were held in Atlanta, Georgia on October 13, 1993; in Los Angeles, California on October 27, 1993; in Flint, Michigan on November 12, 1993; and in Washington, DC on December 7, 1993. Each hearing was presided over jointly by officials from USDA and officials from USDA's Federal partners in this effort—the Department of Education (DOEd) and DHHS. The inclusion of representatives from DOEd and DHHS is an important asset in modifying the school meal programs both because of their expertise and their missions. The school meal programs must be considered in the context of the educational framework, as overseen by DOEd, and the national policies regarding health care and disease prevention under the aegis of DHHS. Therefore, USDA is very pleased that a partnership is being forged among all Federal agencies responsible for assisting the nation's schoolchildren. USDA is also pleased to be working with DOEd and DHHS to further their policy initiatives—Goals 2000: Educate America Act (DOEd) and Healthy People 2000: National Health Promotion and Disease Prevention Objectives (DHHS). Of particular concern are solutions to issues such as increasing public awareness of the links between diet and health, familiarizing the public with the need to establish good eating habits in children that will be carried on through their lifetimes and finding innovative ways to incorporate the school meal as a learning experience into daily school curriculums.

A variety of witnesses from the fields of medicine, nutrition and education, food service, production and processors and other food industry representatives, as well as parents, students and other consumers and the general public, testified at each of the hearings. Witnesses were asked to focus their remarks on one of the four questions stated above. A transcript of each hearing was prepared, and witnesses could, if they wished, also submit written testimony and copies of any materials used to prepare their remarks. As noted above, the **Federal Register** Notice also solicited written comments from anyone who could not attend one of the hearings. To be assured of consideration, comments had to be submitted on or before December 15, 1993. The written testimony and all comment letters were reviewed and analyzed by the Department prior to preparation of this proposed regulation. This portion of the preamble provides a summary of the comments.

Summary of Comments Received

The overwhelming majority of commenters, representing a broad range of backgrounds and experiences, called for improvements to school meals. Comments from the public, students, and parents, while expressing serious concerns and supporting change, were general in nature and provided few specific details. However, commenters from the medical, nutrition, and food advocacy communities, State and local food service professionals, and food industry representatives provided detailed information and frequently recommended specific actions.

Commenter Categories

A total of 363 witnesses testified at the hearings, and an additional 2,013 written comments were received by the Department. Of the 2,376 commenters: 21% were medical professionals, nutritionists or dietitians, representatives of public health, nutrition, or food organizations; 21% were from the general public; 21% were parents and students; 16% were school food service personnel, representatives of school food service organizations or representatives from State education/child nutrition agencies; 11% were teachers, school officials or representatives from school associations; 7% were food industry representatives; and 3% were representatives of other State or Federal agencies or members of Congress.

The Department is very pleased that so many persons took the time to testify or to submit written comments and would like to take this opportunity to express its appreciation for their comments and suggestions. The commenters represented an extensive cross-section of perspectives and provided a great variety of opinions and recommendations. Especially gratifying were the number of students and parents who commented. These groups are, after all, the constituency that the Department considers program "customers," and it is these groups the Department is seeking to serve better.

Comment Breakdown

The following number of commenters addressed some aspect of the four basic questions: I. 796; II. 703; III. 752; IV. 1,464. Though comments varied greatly in content, the following significant themes emerged: (1) The need to improve school meals in order to improve the health of children; (2) the need for school meals to reflect current nutrition recommendations, specifically reductions in fat and saturated fat as recommended in the Dietary Guidelines;

(3) the importance of an integrated nutrition education program that involves students, parents, teachers, and school food service personnel; (4) the need to revise current commodity programs to provide schools with more nutritious foods; and (5) the need to incorporate nutritional improvements while at the same time improving the appeal of meals offered to ensure that nutritious meals are consumed.

The Department also notes that many commenters raised distinct issues within the four stated questions. For example, many commenters cited the need for vegetarian alternatives; others argued for inclusion of fast food companies in the NSLP, and several specific commodity issues were raised. Therefore, the Department has included an analysis of several of these issues in this preamble. Following are the more prevalent issues raised by the over 2,300 commenters and the number of commenters who addressed them:

(1) Fat levels in school meals: 1,048;

(2) The need for more fruits and vegetables: 829;

(3) The importance of nutrition education: 794;

(4) Concerns about milk and dairy products including the statutory requirement for whole milk and recommendations for a beverage substitute: 687;

(5) The Department's Food Distribution Program and commodities: 493;

(6) The costs and operational difficulties of implementing the Dietary Guidelines: 448;

(7) The need for whole grains in school meals: 387;

(8) Fast foods and fast food companies (both for and against availability in schools): 385;

(9) Vegetarian alternatives for school meals: 263;

(10) Sodium levels in school meals: 213;

(11) The importance of breakfast: 200.

Readers should note that while all comments were taken into consideration, this preamble does not generally discuss individual comments. The preamble does, however, address the common themes which emerged and responds to specific individual comments when they raised significant issues.

Health Consequences Comments

Close to 800 commenters addressed some issue relevant to health consequences and diet. The majority of commenters were from the public and the medical communities. Generally speaking, all of the commenters focused on the link between diet and disease, specifically, cardiovascular disease, obesity, and cancer. The majority of these commenters cited the high incidence of cardiovascular disease in the United States, both among children and adults, and the need to improve the diets of young children in order to prevent the development of heart disease in adulthood.

Many commenters wrote in support of the positions taken by a number of major medical associations. These commenters focused on the importance of improving the diets of children, given the strong evidence that heart disease begins early in life, and emphasized the need to provide foods rich in fiber and complex carbohydrates for the possible prevention of some cancers.

A number of commenters addressed the potential link between diet and learning and behavioral difficulties. These comments ranged from general observations regarding improper nutrition and lack of concentration, to specific concerns addressing functional disabilities, behavioral disturbances, fatigue, and cognitive disabilities.

Commenters also pointed out that nutritional issues are especially vital for under-privileged and ethnic populations. Specifically, commenters cited the poor nutritional intake among low income children and certain minority populations. One commenter indicated that these populations, who are most at risk, do not appear to associate nutritional risk factors with leading causes of death. Commenters also expressed concern over the high incidence of major diseases among low-income, minority populations—specifically, the higher incidence of heart disease and hypertension among African-Americans, obesity among Hispanics and Native Americans, and diabetes among Native Americans.

Finally, a large number of commenters addressed the growing incidence of obesity among children, and the threat this poses to future health. A number of commenters expressed concern over the lack of physical activity in schools as a factor leading to the increase of obesity among school children. Several indicated the need to integrate exercise with other components of good health including school meals. In addition, the unique needs of children with special health problems, the need for proper diet in the prevention of osteoporosis, and the escalating cost of health care and the role of diet as a preventative measure were identified as important concerns.

Dietary Guidelines for Americans' Comments

Over 700 commenters, many from the public and from the school food service community, addressed the issue of school meals meeting nutritional guidelines, the majority of which overwhelmingly agreed that meals should comply with the Dietary Guidelines, especially the recommended limits on fat and saturated fat. Most commenters agreed with the need for school meals to meet the Dietary Guidelines; however, several commenters indicated that compliance with the Dietary Guidelines should be voluntary. With respect to the current meal patterns, many school food service commenters indicated that they could not meet the Dietary Guidelines within the meal pattern requirements, and others indicated that the current meal pattern requirements make it difficult to provide multi-cultural meals to children.

Many commenters supported the implementation of Nutrient Standard Menu Planning (NSMP), a menu planning system that is based on the analysis of nutrients. Commenters believed this system would provide increased flexibility in meal planning as well as consistent analysis of nutrients. Commenters also suggested that this NSMP approach can assist in providing more culturally diverse meals. It must be noted that some commenters expressed concern that some smaller schools may not have or be able to afford the technical capability needed to conduct the analysis. Some commenters also suggested that the Department or State agencies should develop menus that meet the Dietary Guidelines. These menus can be used by smaller and school districts with fewer resources, which may initially have difficulty implementing NSMP.

Nutrition Education Comments

Close to 800 commenters pointed to the need for nutrition education for parents, teachers, children, food service staff, and school administrators. Many commenters came from the nutrition and food service arenas as well as the general public. Commenters supported the idea that nutrition education should be included in comprehensive health education curriculums and should begin at an early age. Commenters also indicated the need for nutrition education to be reinforced by healthful meals in the cafeteria. Commenters pointed to the need for a national nutrition media campaign. Many school food service commenters expressed their desire for national minimum

professional standards which food service personnel would be expected to meet. In addition, a significant number of commenters urged health promotion as a component of health care. Finally, many commenters supported the need for increased funding for the Department's Nutrition Education and Training (NET) program, 7 CFR Part 227.

Taste and Plate Waste Comments

Many commenters from a wide range of commenter categories were quite critical of the current quality of school meals, noting that lack of appeal leads to increased plate waste. Some cautioned, however, that drastic changes in the kinds of food served may drive children away from school meals. These commenters generally supported the need to make meals both appealing to children and nutritious. A number of commenters also cautioned that the increased amount of certain foods that may be necessary to provide a nutritious diet may result in more plate waste if children do not find the meals to be appetizing. Several commenters supported the need to involve culinary institutes and chefs in meal preparation as a way to improve taste and presentation.

Fat in Meals Comments

Nearly one out of two commenters discussed fat in school meals, with most of these commenters coming from the general public and the medical community. The large majority of commenters who addressed the issue of fat content cited the need to lower fat and saturated fat levels in school lunches. Some of the comments were general statements such as "need more low fat foods," while others made specific recommendations detailing the levels of fat and saturated fat that school meals should meet.

A number of medical, public health, and school food service related organizations addressed this issue, all of which were in support of lowering the fat content of meals. A number of commenters recommended that the fat content of meals be set at between 10 to 20 percent of total calories—lower than the current Dietary Guidelines recommendation of 30 percent of calories from fat.

A number of food service workers and directors cautioned that increasing portion sizes of certain foods and serving more expensive fresh produce to meet a 30 percent limit on calories from fat may result in higher costs. Some commenters also expressed concern that lowering fat may result in decreased calories critical for growing children. Several commenters advised that low fat meals need to be appealing so children will consume them.

Several industry representatives indicated that industry is responsive to the need to lower fat and is already making a number of changes to provide more low fat products. A number of commenters, including food service staff, parents and members of the general public made specific recommendations on how to lower fat in school meals, such as trimming or draining fat from meat, eliminating added fats from vegetables, and serving soups more often.

Moreover, many commenters, primarily students and the general public, suggested that the fat content in school meals could be reduced by offering more vegetarian meals, eliminating the whole milk requirement, revising the commodity system to encourage more purchases of low fat items such as fruits and vegetables, and reducing the amount of fast food items and processed foods in school meals.

Meat and Meat Related Comments

The Department received over 200 comments related to meat products, with most comments coming from students, parents and the general public. Many commenters indicated that the current serving size for the meat/meat alternate component is too large and recommended that schools cut down on the amount of meat served. Commenters also indicated that more poultry and fish should be offered. Some commenters recommended that tofu and isolated soy proteins, as well as yogurt, be added to the list of allowable meat alternatives. (The Department wishes to call attention to the fact that isolated soy proteins are currently permitted with some limitations.) On the other hand, several industry representatives cautioned against reducing the amount of meat too much due to its nutritional contributions, specifically, essential amino acids, iron, zinc, and vitamin B6. They also observed that children are familiar with meat and will consume it more readily than some alternative protein sources.

Menu Selection and Variety Comments

The Department received over 250 comments in support of offering more vegetarian meals. Commenters supported the low fat nature of vegetarian meals and their contribution to a healthful diet. Others addressed the need to expose children to more vegetarian foods and foods from diverse cultures at an early age. Some commenters provided specific examples of non-meat items, such as tofu and other plant-based sources, that could be used in school meals, while others simply indicated a general need for more meat-free alternatives. Students as well as school food service personnel indicated the need to offer vegetarian choices as students are requesting them more.

The Department received over 800 comments in support of the use of more fruits, vegetables, or grain products. Commenters gave specific recommendations regarding preparation methods and serving ideas, including offering salad bars more frequently, increasing the variety of fruits and vegetables, and serving more whole grain items. Others recommended the use of more grain and bean products, citing their nutritional benefit as well as low cost. Many school food service commenters expressed concern over serving more and a wider variety of fruits and vegetables as children may not be familiar with them and, therefore, may not consume them.

Breakfast Comments

About 200 commenters, primarily from the medical, school food service, and education communities, addressed breakfast meal issues with a number of these commenters supporting the importance of breakfast to the health of children. A number of food service personnel indicated their success with the SBP and desire to increase participation. Others, while supporting the SBP, expressed concern with the nutritional quality of breakfasts currently offered.

Financial, Paperwork, and Other Operational Obstacles Comments

Over 250 commenters addressed financial and paperwork obstacles, with many of these comments coming from food service (local and State) professionals, the general public, and the nutrition community. A number of commenters indicated that the need to avoid operating at a deficit has prevented food service staff from providing more nutritious meals. Commenters also complained that the amount of paperwork required to administer the feeding programs is excessive and that the review system is cumbersome and inflexible. Specifically, commenters stressed the need to focus more on nutrition and less on meal-by-meal accountability, income verification, and review requirements.

Many commenters expressed concern over the cost of producing meals under the current meal pattern system. Commenters indicated that schools already find it difficult to provide meals within current resources and

maintained that any further nutritional requirements placed on schools would result in additional financial hardship. Commenters specifically noted obstacles such as the increased cost of providing more foods such as fresh fruits and vegetables, low fat and low sodium ingredients, and the increased portion sizes needed to meet the nutrition standards without exceeding the 30% fat limitation. On the other hand, some parents and students indicated that they would be willing to pay extra for more nutritious meals.

A number of commenters indicated that the school meal periods are not adequate, thereby forcing students to throw food away, consume it too quickly, or bring meals from home to prevent waiting in the lunch line. Others expressed concern that more nutritious meals would require larger portions or extra food items that children may not be able to consume during short lunch periods.

Partnerships and Coordination Comments

A number of commenters expressed the need for the Department to establish partnerships with other Federal agencies such as DOEd, DHHS, the Centers for Disease Control and Prevention, as well as with industry representatives, State agencies, school boards, nutrition professionals, extension programs, parents, teachers, and especially students. Commenters also addressed the need for Federal efforts to support, not hamper, local efforts. Commenters indicated that the Department should use its resources and purchasing power to promote change and improve meal quality.

Commodity Comments

The Department received close to 500 comments on various aspects connected with the donation of commodities to schools. The majority of these commenters were from the general public as well as the school food service and industry arenas. Over 250 commenters indicated that a more healthful variety of USDA commodities should be made available to States. The majority encouraged the Department to reduce the amount of fat, cholesterol, and/or sodium in the commodities. These and a number of closely related comments are perhaps best characterized by the opinion of over 50 commenters that the commodities provided to the NSLP should comply with the Dietary Guidelines.

The Department also notes that over 100 commenters addressed the Department's September 1993 announcement of the Fresh Fruit and Vegetable initiative. Most of the comments were supportive of the initiative. Twenty-five commenters stressed the need to use the funds available to schools for direct food purchases as effectively as possible.

Miscellaneous Comments

Some commenters indicated the need to upgrade school kitchens to allow for the storage and preparation of more nutritious meals. In line with this objective, some commenters urged reauthorization of Federal funding for food service equipment. Commenters also pointed to the need for schools to disclose nutrition information so that students can make informed choices and parents and the community would have a basis by which to assess progress. A number of commenters cautioned against instituting changes too rapidly and encouraged the Department to take gradual steps. Others recommended that the Department market successful programs to serve as models. Several commenters recommended that the Department allow for a reimbursable snack to be served as a way to supply the extra foods that may be required to meet nutritional standards.

Other Comments Not Addressed in This Proposal

Finally, the Department wishes to call attention to several issues raised by commenters that are not germane to this proposal, either because of statutory constraints or because they address areas in which the Department believes State agencies and school food authorities need flexibility.

Milk and Dairy Products

The Department received over 600 comments regarding milk and dairy products, with most comments coming from the general public, parents and the school food service community. The majority of commenters recommended that schools not be required to offer whole milk, with a large number of these comments coming from the food service community. Commenters' reasons for eliminating the whole milk requirement included the high fat content, the perceived conflict with the Dietary Guidelines and its higher cost. Many commenters also recommended that non-dairy alternatives be offered in place of milk, as dairy products are high in fat, cholesterol, and protein; contain little iron and fiber; and, commenters claimed, are not tolerated well by many children. Commenters also recommended that more skim, one percent, and two percent milk be offered.

A few commenters supported maintaining the whole milk requirement, on the grounds that children may not consume low fat alternatives and eliminating the requirement would be costly to the Federal dairy program. Others, while not supporting the whole milk requirement, did caution against reducing or eliminating dairy products, as they provide necessary calcium for growing children.

The Department wishes to call attention to the fact that the requirements that fluid milk be available as a beverage and that whole milk be available as an option for the NSLP, are required by section 9(a)(2) of the NSLA, 42 U.S.C. 1758(a)(2). Therefore, the Department cannot deviate from these provisions by regulatory action.

Free Meals to All Children

Over 140 commenters, primarily from the school food service community, advocated a program in which meals would be served free of charge to all children, regardless of their families' economic status. Such a program would eliminate the income eligibility requirements, and all children would receive meals free of charge, regardless of their family's income. Many indicated that such a program would reduce paperwork, increase time for necessary nutrition-related activities, and reduce the stigma associated with participation.

Again, however, such a revision would require specific statutory authority in light of the requirement of section 9(b)(1)(A) of the NSLA 42 U.S.C. 1758(b)(1)(A), that school meals be provided at no cost only to those children from households with incomes of less than 130% of the Federal Income Poverty Guidelines. The Department also notes that such a program, implemented fully in all schools, would increase the cost of NSLP by $7 billion if fully implemented in School Year 1996. About one-half of this increase would be spent on higher reimbursement for meals currently reimbursed at the fully paid and reduced price rates. In other words, about $3.5 billion of the additional funding would be spent even before reaching any more children.

Fast Foods, Competitive Foods, Other Foods

Several commenters were concerned with the increase of fast food companies, fast food-like items and competitive foods of low nutritional value that are sold in schools. Others felt that, since fast foods are popular,

their use should be increased. The Department is not proposing any specific provisions on fast foods or competitive foods at this time. However, it should be noted that, under this proposal, meals claimed for reimbursement which include such foods will be required to comply with established nutritional standards over one week. Further, school food authorities would be required to continue to observe the restrictions currently in the regulations prohibiting the sale of foods of minimal nutritional value in competition with the NSLP and SBP.

Several commenters recommended that certain kinds of foods—principally milk, meat and processed foods—be eliminated entirely from program meals. These recommendations were based on the assumption that some foods are good for people and some are intrinsically bad. However, the Department does not share this view. The Department continues to believe that it is important to obtain essential nutrients from a variety of foods. The Department also emphasizes that foods, particularly those high in fat, must be eaten in moderation, but there are no plans to prohibit any foods from school meals other than the foods of minimal nutritional value currently enumerated in appendix B of part 210 for the NSLP and § 220.12 for the SBP.

Minimum Professional Standards

Some commenters suggested that the Department establish minimum professional standards for local food service workers. The Department is aware that efforts are being made to address this issue. For example, the American School Food Service Association has developed a program to certify food service workers. However, given the wide range of variances in needs and resources among the 20,000 school food authorities and 92,000 schools operating under the NSLP, as well as varying State requirements, the Department does not believe it is feasible to propose uniform national standards. Nevertheless, the Department does intend to continue to provide technical assistance and guidance to both State agencies and local school food authorities on ways to improve food service operations.

Cash in Lieu of Commodities/ Commodity Letter of Credit

Under section 18(b) of the NSLA, 42 U.S.C. 1769(b), Congress established the Cash in Lieu of Commodities (CASH) and Commodity Letter of Credit (CLOC) demonstration projects as a means of examining alternatives to the current commodity distribution system for schools. Under CASH, schools receive their per-meal commodity support entitlement (currently $.14) in the form of a direct cash payment. CLOC provides commodity support through a Letter of Credit which must be used to purchase specific commodities that mirror the Department's commodity purchases. Fifty-nine school districts participate in the CASH/CLOC demonstration. The current project authorization expires at the end of Fiscal Year 1994.

Several commenters supported CASH/CLOC, while a small number opposed it. Others implicitly favored the current commodity distribution system if more healthful commodities can be provided. These commenters would support alternatives only in the event that the current commodity system cannot be strengthened and improved. The Department intends to continue and expand efforts already underway to improve the commodity program. Moreover, the Department does not have the statutory authority to address the CASH/CLOC issue through the rulemaking process.

Guiding Principles and Framework for Action

Improving the nutritional standards of school meals is our national health responsibility. There is no question that diet is linked to health and that chronic disease often begins in childhood. Since eating habits are firmly established by age 12, it is essential that dietary patterns be formed early. What children eat helps determine not only how healthy they are as children, but how healthy they will be as adults.

Updating our nutrition standards and streamlining the administration of school meals programs reinforces President Clinton's priorities for health care reform and government reinvention. Five principles are at the core of our vision and grow out of our analysis of public comments and the participation of those who hold a stake in a healthy future for our children. These principles are:

Healthy children: Our goal is to provide our nation's children with access to school meal programs that promote their health, prevent disease, and meet the Dietary Guidelines for Americans.

Customer appeal: We understand that if food doesn't look good or taste good, children will not eat it. We must involve students, parents, teachers, and the food and agriculture community in any change through a national nutrition education campaign, using the media that children and parents understand and speaking in the language that they speak.

Flexibility: We have to reduce the burden of paperwork, streamline reporting systems, recognize regional and economic differences and offer schools different approaches to designing menus that meet the Dietary Guidelines. To do this, we must use technology more effectively.

Investing in people: We must provide schools and school food service directors with the training and technical assistance they need to bring about nutrition changes in the school meals programs and build the nutrition skills of our nation's children, and thereby improve their health.

Building partnerships: To meet our national health responsibility to American children and to increase cost effectiveness, we must forge partnerships throughout the public and private sectors. This includes continuing collaborative efforts with our federal partners at the Departments of Education and Health and Human Services and building bridges to consumer and industry groups.

Guided by these five principles, USDA constructed a comprehensive, integrated framework for action:

I. *Eating for Health: Meeting the Dietary Guidelines.* School meal nutrition standards will be updated and expanded to include the Dietary Guidelines for Americans with standards for fat and saturated fat as well as required nutrients. The current meal planning system which requires that certain types of foods be served in certain quantities will be replaced by a more flexible system that allows schools to concentrate on serving a variety of foods in amounts that are suitable for children.

II. *Making Food Choices: Nutrition Education, Training and Technical Assistance.* It is not enough to change the food on the plate. We must also provide the knowledge that enables children to make choices that lead to a nutritious diet and improved health. It also is vital that local meal providers receive training on how to improve meal quality. This dual initiative to educate children and assist meal providers offers many opportunities to influence both what foods are offered by schools and what foods are eaten by children.

III. *Maximizing Resources: Getting the Best Value.* By marshalling all available resources and strengthening partnerships with our state and local cooperators, we will stretch food dollars and cut costs while improving the nutritional profile of commodities. We will enhance access to locally grown commodities and better use regional

agricultural resources. And we will provide assistance, training and the power of federal purchases to help school administrators manage school meals programs in a more cost-effective manner.

IV. *Managing for the Future: Streamlined Administration.* It is necessary to reduce paperwork and administrative burdens of local administrators. We will streamline procedures and emphasize administrative flexibility to free state and local food program managers to concentrate on nutrition.

The Framework for Action

The regulatory proposals that follow are intended to support the Department's goal of promoting the long term health of children through updating nutrition standards to include the Dietary Guidelines. In addition, several of the proposals reflect the Administration's desire to streamline administration of government programs through increasing State and local flexibility and making better use of advanced technology.

It is important to recognize, however, that these regulatory proposals are but one part of the Department's overall plan for improving the quality of school meals. The Guiding Principles and Framework for Action described above grew out of public comment and the recognition that it is not enough just to change the food served to children on their plates. What is required is a much broader approach that includes significant administrative actions initiated by the Executive Branch.

For example, the Department is committed to investing in people—both the State and local professionals who operate the program and the children who participate in it. This investment will take the form of nutrition education to build the skills necessary to make healthful food choices, training for food service workers and technical assistance. The Department has already committed existing funds toward the development of improved recipes for school meal service, a computerized data bank of standard nutritional values for foods served in the school meals program, and a demonstration project on the use of Nutrient Standard Menu Planning. On the nutrition education front, the Department has already announced a strategy that includes challenge grants to localities to develop community-based, comprehensive approaches to nutrition education and a nutrition publication directed at grade school children. The Department is also assisting local school food service professionals in working with chefs, farmers and others to harness all of their unique skills to make school meals appealing and healthful, and to educate children about food and cooking.

Looking to the future, the Administration's budget proposal for Fiscal Year 1995 contains a request for $18.4 million in additional funds to support nutrition education and technical assistance. Plans for these funds include extensive training for local school meal providers on how to plan and prepare nutritious and appealing meals as well as launching a national media campaign directed at building children's skills at making wise food choices for life-long health.

All these initiatives are being undertaken with the support of USDA's Federal partners at DHHS and DOE. This collaboration extends to addressing issues of common concern such as reducing redundant paperwork requirements, integrating nutrition education into school curriculum and exploring ways to integrate the school meals program more fully into the school environment and into school-based health initiatives. Within the Department, there are also plans to strengthen ties with the Food Service Management Institute and, indeed, with private organizations so that as many resources and as much creativity as possible can be brought to bear on this important issue of improving children's health through sound nutrition.

Efficient and effective government requires that the use of the finite resources available to administer the programs be maximized. Therefore, part of the Department's Framework for Action is to maximize resources wherever possible. One of the important avenues to pursue in this regard is effective use of the USDA commodity program. The Department recognizes that commodity foods are a significant component of the meals that are served to children and, therefore, need to be as nutritious as possible. A wide variety of foods ranging from grain products to fruits and vegetables to meat, poultry and fish are already being offered. The Department plans to continue to offer this wide array of foods. Improvement is always possible, however, and the Department intends to intensify its review of purchase specifications to assure that products are as low in fat and sodium as possible while still maintaining palatability for consumers.

In addition, the USDA agencies that are key partners in delivering commodities are working with one another, as well as with industry, to modify labels on commodities that go to the schools to include nutrition information, and to develop new products, like low-fat cheeses, that will provide the schools with more flexibility to meet the Dietary Guidelines. This latter effort will have a salutary effect not only on the commodity program, but could also prove useful in providing schools with a larger array of healthful products to choose from when they make their local purchases.

Because schools do purchase significant amounts of food independent of the commodity program, the Department is also considering various other strategies for improving the quality and effectiveness of those purchases. For example, a pilot test is planned for School Year 1994 with the Department of Defense to procure produce for the school meal programs. Through this project, schools can obtain a much wider variety of fresh produce than USDA can provide directly. The Department is also working to facilitate interaction among schools, State Departments' of Agriculture, small resource farmers and farmers' markets. This has great potential for improving the quality of the foods used by those schools that are close to particular growing areas as well as providing important new markets for small farmers.

In summary, the Department is committed to improving the quality of school meals and the health of the nation's children through a variety of approaches. There is complete recognition that success can only be achieved over time and through the efforts of the Federal government working in concert with State and local administering agencies, industry, the Congress, a variety of private organizations and the ultimate beneficiaries of the school meals programs—children and their parents.

Proposed Regulatory Changes

Expanding and Updating Nutrition Requirements

The Department's mission continues to be to carry out the declared policy of Congress to "safeguard the health and well-being of the Nation's children." In order to meet this goal, school meals must change to reflect the scientific consensus that is articulated in the Dietary Guidelines. Therefore, the Department believes that current nutrition standards must be expanded to incorporate the Dietary Guidelines in the NSLP and SBP regulations and is proposing to amend §§ 210.10 and 220.8 to require that school meals meet the applicable recommendations of the Dietary Guidelines including the quantified standards established for fat

and saturated fat. Proposed regulations would also require schools to make an effort to reduce sodium and cholesterol, increase dietary fiber and serve a variety of foods.

A more comprehensive discussion of implementation occurs later in this preamble, including the time frames that would be followed for the shift to the updated nutrition standards.

While the proposed regulations would include the basic provision that school meals meet nutrition standards over a one week menu cycle, the proposed revision would also require meals to provide a level of nutrients for specified age groups rather than meet minimum amounts of specific food items for each age group as is currently required. Sections 210.10 and 220.8, therefore, would incorporate nutrition standards for various age/grade groups based on the RDA for the following nutrients: Protein, vitamin A, vitamin C, iron, and calcium as well as the energy allowances for calories. Sections 210.10 and 220.8 would also set the maximum levels of calories from fat and saturated fat at 30 percent and 10 percent of calories, respectively.

Although RDA have been established for more nutrients than indicated above, the Department has chosen to monitor only those listed because these are key nutrients that promote growth and development which are consistent with those required in the Nutrition Labeling and Education Act of 1990 (Pub. L. 101–535). The proposal would also require schools to decrease the levels of sodium and cholesterol and increase the amount of dietary fiber in school meals. The Department is not proposing specific levels for these components, since numeric targets are not established by the current Dietary Guidelines. However, progress in this area could be assessed through a variety of ways including gradual reductions in sodium, and if necessary, cholesterol levels, and increased use of vegetables, fruits and grain products.

The Department wishes to note that the Dietary Guidelines are designed for persons aged two and over. The Department will maintain current meal patterns for children in the zero to eleven months and one to two year age groups. For children who are two years old, schools will have the option of using the minimum calorie and nutrient requirements for school meals for children ages three-six or developing a separate set of nutrient and calorie levels for this age group. Finally, because compliance with the Dietary Guidelines will not be required until School Year 1998–1999, which begins July 1, 1998, the current meal patterns and quantities will be retained temporarily and will be redesignated § 210.10a for the NSLP and § 220.8a for the SBP. This proposal does not apply to infant meal patterns and meal supplements; therefore, the appropriate sections of the redesignated § 210.10a and § 220.8a will continue to be followed by schools serving infants and meal supplements.

New Approaches to Menu Planning: Nutrient Standard Menu Planning and Assisted Nutrient Standard Menu Planning

Schools must currently meet a meal pattern which specifies minimum amounts (by age group) of the five food items which must be offered in order to receive reimbursement for meals. An alternate approach that provides an excellent tool for improving the nutritional quality of school meals is Nutrient Standard Menu Planning (NSMP). Under NSMP, the menu is developed through the nutrient analysis of all foods offered over a school week to ensure that meals meet specific nutrition standards for key nutrients, and meet recommended levels of fat and saturated fat. Other dietary components that will be analyzed are cholesterol, sodium and dietary fiber. However, the Department recognizes that some school food authorities may not have the computer capability or the degree of access to technical support necessary to independently conduct NSMP. In these circumstances, the Department is proposing to allow school food authorities to use a modified form of NSMP entitled Assisted Nutrient Standard Menu Planning (ANSMP). Use of ANSMP would allow development and analysis of menus by other entities while still applying the essentials of NSMP. (A more complete discussion of ANSMP may be found later in this preamble.)

Under NSMP, the menu planner is expected to use effective techniques to provide menus that meet the updated nutrition standards. All menu items (i.e., any single food or combination of food) or other foods offered as part of the reimbursable meal will be counted toward meeting the nutrition standards. An exception to this is foods of minimal nutritional value, as provided for in § 210.11(a)(2) or § 220.12(b), which are not offered as part of a menu item in a reimbursable meal. A definition of "menu item" is proposed to be added to § 210.2 and § 220.2 to expand upon the current definitions of food item and food component that are used in various sections of the regulations concerned with point of service meal counts. The definition would also specify that one menu item offered must be an entree and one must be fluid milk. Further, as discussed later in this preamble, the Department is proposing that the entree must be selected as part of a reimbursable lunch.

Menu items will be analyzed based on production levels to more accurately reflect the overall nutritional composition of the menu. Menus will be planned, analyzed for nutrient content and adjusted as needed to ensure that production and selection trends are considered and nutrition standards are met. A discussion of NSMP software programs and the National Nutrient Database for Child Nutrition Programs is provided later in this preamble.

The purpose of NSMP and ANSMP is two-fold: To provide a flexible way to plan menus using certain nutrient levels, not on limited food items and amounts, and to measure how well meals are meeting nutrition standards. The Department is proposing to adopt NSMP and ANSMP by amending § 210.10(k) and (l) of the regulations to incorporate NSMP and ANSMP for the NSLP and § 220.8(j) and (k) for the SBP.

While school meals will be expected to comply with the updated nutrition standards and to be planned through NSMP or ANSMP, the Department wishes to emphasize that compliance monitoring would stress technical assistance to enable the school to achieve the standards. While all meals offered during a menu cycle that fail to meet the established nutrition standards could technically be subject to an overclaim, the regulations will require State agencies to establish claims only when school food authorities refuse, not simply fail, to take corrective action. It is the Department's intent that every effort be made to provide nutritious meals to children rather than taking punitive actions which could undermine this initiative. Further discussion on this point may be found later in this preamble in the section on monitoring.

Nutrition Disclosure

Since information on the nutritional composition of the menu is readily available as a result of NSMP/ANSMP, the Department is proposing to amend § 210.10(n) to encourage school food authorities to make public disclosure of the nutrients contained in their meals. Many school food authorities, recognizing the benefits of nutrition disclosure, already make this information available in the classroom, on menus or by notifying local media. These benefits include: (1) An increased awareness on the part of students and parents on the nutritional quality of

school meals; (2) depending on how the information is disclosed, an enhanced ability for students and parents to make healthful choices, and; (3) increased support for the school meal programs through recognition of the improved quality of school meals.

The Department recognizes the differing needs of school food authorities, and, therefore, is not proposing to mandate nutrition disclosure. The Department believes this information should be readily available to students and parents without their having to request it. In providing this information, school food authorities would take into account local factors such as nutrition analysis capabilities and student/parent requests. For example, the school may disclose information either: (1) Developed through the weekly nutrient analysis of meals; (2) based on sample meals offered each day, or; (3) provided along with food item(s) offered in the cafeteria.

The Department also wishes to emphasize that school food authorities that make this disclosure would not experience an additional administrative burden. The information being disclosed is a product of NSMP/ANSMP, and the school food authority can determine, for itself, the most efficient means of disclosure.

Although nutrition disclosure will not be required, the Department recognizes that many school food authorities are already providing this information to students and parents, and strongly encourages others to make public such information. The Department would also like to solicit comments regarding nutrition disclosure, particularly effective nutrition disclosure approaches; which nutrition information to disclose; and disclosure's value as a tool to help children choose nutritious meals.

Assisted Nutrient Standard Menu Planning

As stated above, the Department recognizes that some school food authorities may not have the resources or capacity to independently conduct NSMP. For these school food authorities, the optional method of ANSMP is an alternative approach to NSMP which is proposed in § 210.10(l) for the NSLP and § 220.8(k) for the SBP. School food authorities would draw on the expertise of others to provide menu cycles, adjusted for local needs and preferences. The provided menu would be analyzed to ensure that it meets the required nutrition standards. The menu analysis must be consistent with the local preferences, production records, preparation techniques and food procurement specifications. The provided menu cycles could be developed in a variety of ways—by States, consortiums of school food authorities, by consultants or even by the Federal government.

To ensure consistency with the nutrient analysis of the provided menu, the following components must be standardized: Recipes, food product specifications, and preparation techniques. To accurately reflect the nutrient analysis of the menu as offered, the provided menu must be analyzed and adjusted to the quantities of food prepared and served.

In addition, the school, in conjunction with the entity providing the menu cycle, must periodically review their application of ANSMP to ensure the suitability of the selected menu cycle and the accuracy with which it is being managed. (i.e., Are the prescribed procurement specifications and preparation techniques being followed and are on-going production adjustments made to reflect student choices, thereby resulting in reanalysis of the menu?) It is also possible that standard menus, recipes and procurement specifications could be provided by the Federal government, then adjusted and reanalyzed at the State or local level as necessary. The Department is most interested in receiving comments regarding the usefulness of this approach.

Reimbursable Meals

Schools currently receive reimbursement for each meal served to children that meets the requirements of the lunch or breakfast meal pattern and, if applicable, the offer versus serve option. Basically, the required components (meat/meat alternate, two or more servings of a vegetable and/or fruit, bread/bread alternate and milk) must be offered and a minimum number of items must be selected. In order to determine if the meal chosen by the child is reimbursable, the cashier observes, at the point of service, if the proper number of components are taken.

Under NSMP and ANSMP, a meal will be reimbursable if at least three menu items (one must be an entree and one fluid milk) are being offered, and if at least three menu items are selected. For reimbursable lunches, one of the menu items selected must be an entree. If the school participates in offer versus serve, a meal will be reimbursable if at least three menu items are offered and two menu items are selected. Again, for reimbursable lunches, one of these two menu items must be an entree. For the purpose of point of service counts, this proposal will not change the basic concept of a reimbursable meal. Cashiers will continue to determine if the proper number of menu items was selected and, for the lunch service, that one of the menu items is an entree.

The reason for requiring that one of the selected items for lunch be an entree stems from the Department's concern that the school lunches children consume provide an adequate amount of calories and other essential nutrients. Traditionally, the most significant nutrition contribution in a school lunch comes from the entree. Therefore, this proposal is being offered as a way of assuring that children (particularly those children that participate in offer versus serve) select and, hopefully, consume the most nutritious lunch possible.

The Department recognizes that this proposal deviates from current requirements which do not stipulate that the child must select an entree for lunch. The Department would be concerned if commenters believe this restriction inhibits the flexibility that this proposed rule was designed to promote. For example, if children were inhibited from selecting lunches that were consistent with ethnic or vegetarian preferences, or if plate waste was a potential by-product. Therefore, the Department is particularly interested in receiving comments on and alternatives to this proposed requirement, including comments on whether the minimum number of menu items, both in terms of the standard meal and the offer versus serve option, is adequate even with requiring selection of an entree for lunch.

The Department is not proposing to extend the requirement that a reimbursable meal contain an entree to the SBP. This decision was made due to the nature of the breakfast meal and the possible confusion that may result by trying to define an "entree" for the breakfast program.

Point of Service

While implementation of the updated nutrition standards affects the content of meals, it will not affect basic counting methodology. Cashiers will continue to take counts at the point of service on the basis of the number of menu items selected. Consequently, food service personnel will be able to recognize individual reimbursable meals, as they will not differ substantially from current practice.

In fact, under NSMP/ANSMP, point of service identification of a reimbursable meal may be easier as cashiers would no longer need to determine which of the required components discussed above

have been meet by a particular food item, such as a pot pie, which contains a number of different ingredients. Under NSMP/ANSMP, a pot pie would be the entree which is simply a required one menu item for claiming purposes.

Preparation for Implementation of NSMP and ANSMP

The Department is currently sponsoring a demonstration project to evaluate the optimum use of NSMP as a way for school meals to meet the Dietary Guidelines while ensuring that students also receive needed nutrients and calories. One of the main objectives of this demonstration is to assist the Department in identifying the technical assistance necessary to most efficiently and effectively implement NSMP. This approach shifts the focus from the traditional specifics of a meal pattern to meals containing a combination of foods that meet the nutritional needs of school-age children, by age group, over a school week. Under NSMP and ANSMP, school food authorities will have more flexibility in deciding what other foods will be offered as long as the nutrition standards are met.

The Flexibility of NSMP and ANSMP

The proposed menu development and analysis system has a number of advantages over the current meal pattern, and the Department believes the proposed change to adopt NSMP and ANSMP will greatly assist local school food authorities with implementation of the proposed nutrition standards. With NSMP and ANSMP, there is greater flexibility in food selections and portion sizes because meals are not limited to specific types of foods in specified portions. Further, menus with cultural or other special preferences will be easier to design.

NSMP and ANSMP would also eliminate the need for cumbersome and often confusing food crediting decisions such as whether taco chips or just taco pieces could be considered as a bread alternate or whether yogurt can be allowed as part of a reimbursable meal. The complex Child Nutrition labeling program, which requires the Department to determine how commercial products are credited as food components under the meal pattern, would be substantially reduced in scope or perhaps even eliminated entirely. More nutrient dense items could be added to menus under NSMP, and the nutritional contributions of all foods offered to the child can be recognized. The Department also wishes to emphasize that all nutrients offered to the child are counted in the analysis, including those in foods such as yogurt and desserts which do not presently count toward a reimbursable meal. Of course, the most important aspect of both NSMP and ANSMP is that school food authorities will have an accurate, practical on-going means of determining if the nutrition standards are being met.

Fortification

This proposal does not require school food authorities to distinguish between naturally occurring nutrients and those that are added through fortification. However, the Department is committed to the principle that the preferred source of adequate nutrition is a meal comprised of a variety of conventional foods, as recommended in the Dietary Guidelines, rather than one containing formulated fortified foods.

The Department has been unable to develop a practical method for regulating or monitoring fortification. For example, it is virtually impossible to calculate the amounts of nutrients added to food items and those naturally occurring, especially for food items with numerous ingredients. Although a comparison could be made between a fortified item and a similar item that had no added nutrients, there may not be an identical product on which to base the comparison.

The Department believes the standards as outlined under NSMP that meals contain adequate calories and that at least three menu items be offered, as well as the higher expense of engineered foods, will inhibit excessive reliance on highly fortified foods.

The Department welcomes commenters to address the use of fortified foods in school meal programs, particularly whether there are practical ways to control over-use of fortification, the degree to which this should be a concern, and potential impacts on the character of school meals.

It should be noted that if NSMP/ANSMP is implemented on a nationwide basis, the current regulatory requirements on the use of alternate foods would no longer be necessary. During the interim and where the meal patterns are still in use, these regulations would remain in force.

Operational Aspects of NSMP and ANSMP

National Nutrient Database for the Child Nutrition Programs

In order to conduct nutrient analysis, data on the nutrients contained in a wide range of foods must be available. To meet this need, the Department has developed a centralized National Nutrient Database to allow for accurate nutrient analysis of the menus and recipes used in the NSLP and SBP. The National Nutrient Database contains information on the nutritional composition of: (1) Commodities supplied through the Department; (2) standard reference food items which are used in the SBP and NSLP; (3) Quantity Recipes for School Food Service developed by the Department, and; (4) convenience, processed and pre-prepared foods from food manufacturers. The Department is working closely with the food industry to obtain nutrient analysis of many common food products used by schools for inclusion in the database.

The implementation of NSMP, as opposed to ANSMP, is dependent upon the school or school food authority's ability to analyze the nutrient content of foods. Therefore, the Department is proposing to require that the National Nutrient Database be incorporated into all school food service software systems used for menu and recipe analysis under NSMP. Under ANSMP, the database would be used by the entity providing assistance with nutrition analysis. The Department is making the database available free of charge to participating school food authorities and to computer software companies to develop school food service software programs. The database will be regularly maintained and updated to ensure that the information is as accurate and current as possible. School food authorities would be expected to incorporate these updates into their own software as they are made available. It should be noted that a preliminary version of the Department's database is now available. Information on how to obtain it can be secured from the Department's Child Nutrition Database Hotline at (301) 436–3536.

School Food Service Software Systems

The computer software industry has many nutrient analysis software programs on the market. Few of these, however, are specific to the school programs and do not contain the types of foods, descriptions, weights and measurements used in these programs. Moreover, the results of nutrient analysis can vary dramatically depending on which software package is being used. Nutrient analysis must be based on standardized specifications to ensure accuracy. Therefore, the Department has also developed software specifications for NSMP. The overall objective of any software system used for this purpose is to adapt advanced data automation technology to simplify completion of the mathematical and analytical tasks associated with NSMP. The software specifications include menu planning, nutritional analysis of

menus and recipes, and data management reports presented in a comprehensive, simplified and user-friendly manner. To ensure that school food authorities are using a software package which meets the Department's specifications, school food authorities will be required to use a software system that has been evaluated by FNS and, as submitted, been determined to meet the minimum requirements established by FNS. However, such review does not constitute endorsement by FNS or USDA. This proposed requirement is found in § 210.10(k)(1)(ii) for the NSLP and § 220.8(j)(1)(ii) for the SBP.

Use of Weighted Averages

Some food items are more popular than others and, thus, will be selected by school children more frequently. To accurately perform an assessment of the nutritional composition of reimbursable meals offered, nutrient analysis must be based on production levels of foods offered, as production levels are an indication of foods actually selected. For example, a menu item which is chosen frequently (and therefore more portions are prepared) will contribute more nutrients to the meal than a menu item chosen less frequently.

The calculation method for computing a weighted nutritional analysis will require the school food authority to enter the following information into the selected software program the menu item; portion size; projected servings of each menu item; and the projected number of reimbursable meals each day for the school week. It should be noted that the software specifications discussed above are designed to easily perform weighting calculations. This provision is proposed in § 210.10 (k)(2) and § 210.10 (k)(4) for the NSLP and § 220.8 (j)(2) and (j)(4).

Definition of School Week

A new definition would be added for "school week" to indicate that, for NSMP and ANSMP, a minimum of three days and a maximum of seven days must be included. This is because the nutrition analysis is proposed to be an average of the reimbursable meals served over the course of a week. To ensure common understanding of the terms NSMP and ANSMP, a proposed definition would be added to § 210.2 and § 220.2 explaining the term "school week."

Transition to NSMP and ANSMP

The Department recognizes that school food authorities will need technical assistance in order to implement these changes efficiently. The Department is conducting NSMP demonstration projects in several school food authorities, and the ongoing experiences gained from these will be shared as part of the overall assistance to school food authorities to phase in NSMP and ANSMP.

The Department also plans to provide extensive training and technical assistance to State and local agencies as they prepare to implement NSMP and ANSMP. As noted earlier in this preamble, the Department has requested specific funding in the Administration's Fiscal Year 1995 budget for this purpose as well as to fund other technical assistance and nutrition education activities. Other projects to support the move towards updated nutrition standards are already being undertaken within existing resources, including modification of more than fifty recipes to include more fruits, vegetables, and grain products and to decrease fat levels, and collaboration with the National Food Service Management Institute. Finally, the Department is committed to working with State agencies to target Nutrition Education and Training (NET) resources more intensely toward implementation of the Dietary Guidelines.

This proposed regulation would require school food authorities to adopt the updated nutrition standards and NSMP or ANSMP no later than July 1, 1998, the start of School Year 1998–99. However, school food authorities are encouraged to begin working towards full implementation of the updated nutrition standards as soon as practicable after publication of a final rule or to even use NSMP, ANSMP, or nutrient-based menu analysis in conjunction with the current meal patterns prior to the effective date.

State agencies would need to determine when school food authorities are ready to begin NSMP or ANSMP and would, of course, provide training and technical assistance to help school food authorities whenever they begin implementing this procedure. In determining when to begin NSMP in a particular school or school food authority, States should evaluate their capabilities both in terms of computer technology and availability of other technical resources. States will also need to evaluate implementation on an on-going basis to determine if any adjustments are needed and to provide support when start-up difficulties occur. The Department is not establishing a specific procedure for determining the readiness of school food authorities to phase in NSMP or ANSMP. Rather, the Department believes State agencies are in the best position to determine if a school food authority is ready to begin the shift to NSMP or ANSMP and will be able to respond to the wide range of situations that may occur and to concentrate on achieving the goal. This approach frees State agencies from assuring that a particular process is followed and allows them the flexibility to invest their time and efforts as they judge best.

Monitoring Compliance With Updated Nutrition Standards

The Department also proposes to modify the monitoring requirements to include compliance with the updated nutrition standards. Currently, states monitor compliance with meal pattern components and quantities on a per-meal basis. On the day of a review, the lunch service is observed to ensure that all required food items are offered and, if applicable, that children accept the minimum number of components stipulated both under the standard meal service and the offer versus serve option. Meal services that offer fewer than the five required food items are disallowed for Federal reimbursement, as are meals for which the child has not taken the minimum number of items under the offer versus serve option. States also examine menus and production records for the review period to ensure that all components were available, and that sufficient quantities were offered. Thus, a direct correlation exists between the meal service offered and the meals taken on a given day and the allowable reimbursement for those meals.

Under NSMP and ANSMP, Federal reimbursement will continue to be predicated upon similar factors. As noted earlier in this preamble, under NSMP and ANSMP, schools will continue to offer a minimum number of menu items, and children must accept a minimum number of items. Meals which do not meet these requirements will not be eligible for reimbursement. However, to allow school food authorities adequate time to move towards full implementation of NSMP or ANSMP, school food authorities that implement prior to School Year 1998–1999 will be exempt from Coordinated Review Effort (CRE) Performance Standard 2 on reimbursable meals containing the required food items/components in § 210.18(g)(2) if they are scheduled for an administrative review prior to School Year 1998–1999.

Under this proposal, in addition to meeting the minimums for the number of menu items, the reimbursable meals offered over a school week must also collectively meet the updated nutrition standards established. To determine

compliance with the nutrition standards, State agencies will need to closely examine school food authority's nutrient analysis in the course of a review. While this is a much more precise examination than in past practice, it continues the concept of ensuring that the entire food service, not just an individual meal, conforms to program requirements. State agencies must also observe the meal service to determine if meals claimed for reimbursement contain the appropriate number and type of menu items. The Department is proposing to amend § 210.19, Additional Responsibilities, to outline review requirements for nutrition standards. The Department is proposing to add the compliance requirements for the nutrition standards to this section rather than to § 210.18, Administrative Reviews, in order to allow for operational experience and corrective action prior to any imposition of fiscal action.

State Agency Responsibilities

The following summarizes the State agency's responsibilities under the Department's proposal for general program management, including taking fiscal action against school food authorities that consistently refuse to meet program requirements. While State agencies would probably combine a determination of how the nutrition standards and NSMP/ANSMP are being met with the cyclical administrative review, the Department is also proposing to provide State agencies with flexibility to conduct these important evaluations at other times such as during technical assistance visits or even as a separate, special assessment. However, assessments of compliance with the nutrition standards must be conducted no less frequently than administrative reviews.

As proposed by the Department, State agencies would assess the nutrient analyses for the last completed school week. The purpose would be to determine if the school food authority is applying the correct methodology and is properly conducting the NSMP or ANSMP based on the actual menu cycle including any substitutions. The State agency would also review the menus and production records to determine if they correspond to the information used to conduct NSMP or ANSMP.

Corrective Action

If it is indicated that the school food authority is not conducting NSMP accurately or properly applying ANSMP, if the school week's meals, as offered, do not comply with nutrition standards, or if the meal observation identified a significant number of meals that did not meet the definition of a reimbursable meal, the school food authority would be required to take appropriate corrective action to achieve compliance. However, at this time, no claim would be established if the failure to comply was not intentional. (Intentional violations are discussed later in this preamble.)

Pursuant to section 16(b) of the CNA, 42 U.S.C. 1785(b), the Secretary of Agriculture is given authority to settle, adjust or waive any claims under both the NSLA or the CNA if to do so would serve the purposes of either Act. The Department recognizes that the transition to NSMP and ANSMP will not in every instance be completed without problems and unforeseen circumstances to be surmounted. The Department expects State agencies to act quickly to rectify any problems found and to monitor any corrective action undertaken. In the interests of facilitating the transition to NSMP/ANSMP, the Secretary is proposing to exercise his authority to settle, adjust and waive claims by not requiring State agencies to disallow payment or collect overpayments resulting from meals which do not meet the nutrition standards of the regulations as long as State agencies are satisfied that such deviations from the nutrition standards were not intentional and that the school food authority is working towards successful completion of a acceptable corrective action plan in a timely manner.

The Department stresses that this proposal does not establish specific steps or time frames for corrective action. State agencies, as a result of their evaluation of the school food authority, are in the best position to establish corrective action goals and time frames, working in partnership with local school food authorities. The Department believes that State agencies and school food authorities need flexibility in developing a corrective action plan and is, therefore, providing such flexibility in this proposal. Further, in recognition of the fact that timely and effective corrective action is in the best interest of all, the Department intends to incorporate review of this area into its management evaluation activities at the State level.

The Department would like to once again emphasize that, under this proposal, compliance with the updated nutrition standards is of paramount importance. First, corrective action will be required if a meal service does not meet the nutrition standards. The State agency cannot overlook these shortcomings and must ensure that the meal service is improved as stipulated in the corrective action plan. Secondly, the State will be required to monitor the school's corrective action efforts. In most cases, monitoring would include reviewing production records, menus and computer analyses submitted by the school food authority and providing any support indicated by such a review. When a school food authority refuses to make a good faith effort to comply with the terms of the corrective action plan, the State agency would be required to establish a claim.

Exception to Claim Establishment

Under this proposal, State agencies would require corrective action for meals not meeting the nutrition standards, but would receive reimbursement for those meals. This procedure represents a significant means of easing the transition to and operation of the updated nutrition standards. Section 8 of the NSLA, 42 U.S.C. 1757, and section 4(b)(1)(D) of the CNA, 42 U.S.C. 1773 (b)(1)(D), clearly provide that reimbursement for meals served is available only for those meals that meet Program requirements. Further, section 12(g) of the NSLA, 42 U.S.C. 1760(g), continues to provide for Federal criminal penalties for certain intentional Program violations under either the NSLA or the CNA. The Department is concerned that the corrective action provision not be construed by State agencies or school food authorities as an invitation to relax efforts to comply with the nutritional or administrative review requirements of §§ 210.10, 210.10a, 210.18 and 210.19. The institution of corrective action would not be a sufficient remedy by itself in an instance in which a State agency determined that school officials had intentionally failed to meet the nutrition standards required by NSMP. In these situations, while the State agency would initiate corrective action, it must also disallow claims for reimbursement for the substandard meals and, in very severe cases, consider referring the matter to the Department for criminal prosecution.

While continued refusal to take corrective action could result in loss of Federal funding, this provision is not intended to be punitive when school food authorities are acting in good faith to comply with the nutrition standards. The Department is far more concerned about correcting these situations than it is with pursuing fiscal action. The Department's foremost goal is to ensure that children are provided with the most nutritious meals possible. Consequently, the emphasis in this process is on corrective action and technical

assistance. If school food authorities implement appropriate corrective action and make satisfactory progress toward compliance, no fiscal action would be required.

Streamlined Administration

The Department is also proposing to streamline program administration by allowing State agencies and school food authorities flexibility in three important areas. The first provision would extend the Coordinated Review Effort (CRE) review cycle from 4 to 5 years. The Department's experience with CRE indicates that a one-year extension in the cycle would not adversely affect accountability, but it would result in a 20 percent decrease in the number of reviews currently conducted in any given year. While the exact reduction in burden would vary from State to State, the Department expects this decrease would provide the States with additional flexibility to enable them to continue to improve school meals. Section 210.18(c) is proposed to be amended to include this change.

The second provision eliminates the regulatory requirement for a specific type of edit check on daily meal counts contained in § 210.8(a)(2) for schools where the most recent CRE review did not identify meal counting and claiming problems. Currently, the edit check provision requires that each school food authority compare each school's daily meal count with data such as the number of children eligible for free, reduced price or paid meals multiplied by an attendance factor. This check is intended to ensure that monthly claims for reimbursement are based on reasonable and accurate counts of meals offered on any day of operation to eligible children.

The Department believes, however, that school food authorities that have demonstrated, through the CRE review, the accuracy of their meal counts and claims should be provided an optional approach to specific edit checks. This proposal would establish a system whereby these school food authorities could develop and implement their own systems of internal controls designed to ensure the accuracy of claims for reimbursement. This system would then be submitted to the State agency for review. If the State agency's review determined that the proposed method constituted an accurate internal control, no further action would be required, and the school food authority's own proposed internal controls would remain in effect. However, if the State agency concluded that the suggested system of internal controls was inadequate, the school food authority would be required to modify its procedures accordingly. In addition, if during the course of a CRE review or other oversight activity of the school food authority, it is determined that the internal controls were ineffective, the specific, regulatory edit check would replace their system until a future regularly scheduled CRE review indicates there are no meal count problems.

This proposal would virtually eliminate the requirement for a specific edit check for school food authorities with accurate meal counts and claims measured by the CRE review and replace it with a more flexible procedure to allow these school food authorities to design and implement a system that is streamlined for their particular circumstances. However, this proposal also maintains the necessary specificity of an edit check for school food authorities found to have meal counting and claiming violations. Further it provides for State agency oversight of accountability procedures and a ready mechanism, if needed, to substitute a Federally-defined procedure to ensure accurate claims for reimbursement. The Department believes that program integrity must be maintained by requiring specific criteria when review results indicate problems or failure of the school food authority's alternative system. Section 210.8(a)(2) and (a)(3) would be modified to reflect these proposed changes.

The Department is especially interested in receiving comments on this provision. Commenters should address the flexibility this proposed provision allows well-managed school food authorities and any implementation issues this poses. In addition, the Department would be interested in receiving alternative proposals that would accomplish the desired balance between local flexibility and sound accountability.

The third area that the Department is addressing to reduce paperwork at the school food authority level is the requirement in § 210.15(b)(4) that distinct records be maintained to document the nonprofit status of the school food service. These records are the accounts which any enterprise needs to maintain in the normal course of conducting business (i.e., receipts, costs, etc.). Therefore, since these kinds of records are a necessary part of a school food authority's own accountability system and, in many cases, are required by State laws, the Department does not consider it necessary for the program regulations to mandate this recordkeeping requirement. It is important to emphasize that the school food authority would still have to be operated on a nonprofit basis. This proposal is only amending the requirements for documentation of nonprofitability. This proposal would amend § 210.14(c) and § 210.15(b) to include this change. In the event that a question or dispute arises in connection with whether a nonprofit school food service has been properly operated, the burden of proof still be upon the school food authority to demonstrate that the school food service is being operated on a nonprofit basis.

Length of Meal Periods

As noted above, many commenters expressed concern that children be given sufficient time in which to eat, particularly if larger portion sizes are to be served. The Department also recognizes the need to balance the time for academics with the time to receive and eat school meals, especially lunch. Although the Department has no authority in this area, school food service directors are strongly encouraged to work with other school officials to ensure that adequate meal service times and facilities are provided. Likewise, the Department will continue to work with DOEd to solicit support in the education community to ensure that educators and school administrators understand the importance of students having adequate time to eat.

To indicate its concern in this area, the Department is proposing, in § 210.10(i), to recommend that school food authorities make every effort to provide adequate meal service times and periods to ensure that students can effectively participate in the school lunch program.

Changes to the School Breakfast Program Nutritional Requirements

In order to facilitate uniform implementation, the Department is also proposing to amend the nutritional requirements of the SBP to parallel the changes made to the nutritional requirements of the NSLP. The current § 220.8 would be redesignated as § 220.8a to retain the requirements that would be in effect until implementation of the updated nutrition standards on July 1, 1998, while § 220.8 would contain provisions on nutrition standards, NSMP and ANSMP for the SBP.

The major differences for the SBP are that fewer calories are required and one-fourth of the RDA are to be met. A new guide would be incorporated into § 220.8 to indicate the nutrition standards required for the SBP. In addition, separate analyses for SBP and

NSLP would be required to meet the different nutrition standards for each program. As previously discussed, a reimbursable meal under the SBP will not be required to contain an entree.

Effective Dates

As discussed earlier, this proposal requires school food authorities to serve meals through the use of NSMP or ANSMP and be in compliance with updated nutrition standards by School Year 1998–1999 which begins on July 1, 1998. The Department believes this schedule provides sufficient time to enable States to develop appropriate technical assistance and guidance materials, to allow local food service staff to become familiar with the updated requirements and to make appropriate changes in meals. There would be no mandate for school food authorities to implement the required changes prior to July 1, 1998. In the interest of promoting children's long-term health through diet, the Department encourages State agencies to work with school food authorities to implement as soon as possible and, in fact, as discussed earlier, expects State agencies to approve plans for early implementation. The Department considers that early implementation will also provide both State agencies and school food authorities with valuable experience before mandatory implementation.

To encourage early implementation, compliance activities described above will not take effect before School Year 1998–1999. In the interim period, reviews and oversight activities that focus on the food service portion of program operations will provide excellent opportunities for technical assistance and for State agencies to assess preparation for full implementation. All other changes in this rule, including the paperwork reductions and streamlined administration methods, could be implemented 30 days after final publication of the final rule.

List of Subjects

7 CFR Part 210

Children, Commodity School Program, Food assistance programs, Grants programs—social programs, National School Lunch Program, Nutrition, Reporting and recordkeeping requirements, Surplus agricultural commodities.

7 CFR Part 220

Children, Food assistance programs, Grant programs—social programs, Nutrition, Reporting and recordkeeping requirements, School Breakfast Program.

Accordingly, 7 CFR parts 210 and 220 are proposed to be amended as follows:

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

1. The authority citation for 7 CFR part 210 is revised to read as follows:

Authority: 42 U.S.C. 1751–1760, 1779.

2. In § 210.2:

a. The definition of "*Food component*" is amended by adding the words "under § 210.10a" at the end of the sentence;

b. The definition of "*Food item*" is amended by adding the words "under § 210.10a" at the end of the sentence;

c. The definition of "*Lunch*" is revised;

d. A new definition of "*Menu item*" is added in alphabetical order;

e. A new definition of "*Nutrient Standard Menu Planning/Assisted Nutrient Standard Menu Planning*" is added in alphabetical order;

f. The definition of "*Reimbursement*" is amended by adding the words "or § 210.10a, whichever is applicable," after "§ 210.10"; and

g. A new definition of "*School Week*" is added in alphabetical order.

The revision and additions read as follows:

§ 210.2 Definitions.

* * * * *

Lunch means a meal which meets the nutrient and calorie levels designated in § 210.10 or the school lunch pattern for specified age/grade groups as designated in § 210.10a.

Menu item means, under Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning, any single food or combination of foods. All menu items or foods offered as part of the reimbursable meal may be considered as contributing towards meeting the nutrition standards provided in § 210.10(a), except for those foods that are considered as foods of minimal nutritional value as provided for in § 210.11(a)(2) which are not offered as part of a menu item in a reimbursable meal. For the purposes of a reimbursable lunch, a minimum of three menu items must be offered, one of which must be an entree (a combination of foods or a single food item that is offered as the main course) and one must be fluid milk. For the purposes of a reimbursable lunch, one of the selected menu items must be an entree. Under the offer versus serve option, three menu items must be offered and an entree and one other menu item must be selected.

* * * * *

Nutrient Standard Menu Planning/Assisted Nutrient Standard Menu Planning means a way to develop meals which is based on the analysis of nutrients which would require school lunches, when averaged over a school week, to meet specific levels for a set of key nutrients and calories rather than a specific set of food categories. Analysis of the menu items and foods shall be based on averages that will be weighted by production quantities as offered to the students. Such analysis is normally done by a school or a school food authority. However, for the purposes of Assisted Nutrient Standard Menu Planning, menu planning and analysis are completed by other entities and shall incorporate the production quantities needed to accommodate the specific service requirements of a particular school or school food authority.

* * * * *

School week means the period of time used as the basis for determining nutrient levels of the menu and for conducting Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning for lunches. The period shall be a minimum of three days and a maximum of seven days. Weeks in which school lunches are offered less than three times shall be combined with either the previous or the coming week.

* * * * *

§ 210.4 [Amended]

3. In § 210.4, paragraph (b)(3) introductory text is amended by removing the words "§ 210.10(j)(1) of this part" and adding in their place the words "§ 210.10a(j)(1)".

§ 210.7 [Amended]

4. In § 210.7:

a. Paragraph (c)(1)(v) is amended by removing the reference to "§ 210.10(b) of this part" and adding in its place the words "§ 210.10(a) or § 210.10a(b), whichever is applicable,"; and

b. Paragraph (d) is amended by removing the reference to "§ 210.10(j)(1) of this part" and adding in its place the reference "§ 210.10a(j)(1)".

5. In § 210.8:

a. The third sentence of paragraph (a)(2) is removed and new paragraphs (a)(2)(i) and (a)(2)(ii) are added;

b. Paragraph (a)(3) is revised;

c. The first sentence of paragraph (a)(4) is amended by removing the words "review process described in paragraphs (a)(2) and (a)(3) of this section" and adding in their place the

words "the internal controls used by schools in accordance with paragraph (a)(2)(i) of this section or the claims review process used by schools in accordance with paragraphs (a)(2)(ii) and (a)(3) of this section"; and

d. The first sentence of paragraph (b)(2)(i) is amended by removing the reference to "paragraph (a)(2)" and adding in its place a reference to "paragraph (a)(3)" and by adding at the end of the sentence the words "or the internal controls used by schools in accordance with paragraph (a)(2)(i) of this section".

The revision and additions reads as follows:

210.8 Claims for reimbursement.

(a) *Internal controls.* * * *

(2) *School food authority claims review process.* * * *

(i) Any school food authority that was found by its most recent administrative review conducted in accordance with § 210.18, to have *no* meal counting and claiming violations may:

(A) Develop internal control procedures that ensure accurate meal counts. The school food authority shall submit any internal controls developed in accordance with this paragraph to the State agency for approval and, in the absence of specific disapproval from the State agency, shall implement such internal controls. The State agency shall establish procedures to promptly notify school food authorities of any modifications needed to their proposed internal controls or of denial of unacceptable submissions. If the State agency disapproves the proposed internal controls of any school food authority, it reserves the right to require the school food authority to comply with the provisions of paragraph (a)(3) of this section; or

(B) Comply with the requirements of paragraph (a)(3) of this section.

(ii) Any school food authority that was identified in the most recent administrative review conducted in accordance with § 210.18, or in any other oversight activity, as having meal counting and claiming violations shall comply with the requirements in paragraph (a)(3) of this section.

(3) *Edit checks.* (i) The following procedure shall be followed for school food authorities identified in paragraph (a)(2)(ii) of this section, by other school food authorities at State agency option, or, at their own option, by school food authorities identified in paragraph (a)(2)(i) of this section: The school food authority shall compare each school's daily counts of free, reduced price and paid lunches against the product of the number of children in that school currently eligible for free, reduced price and paid lunches, respectively, times an attendance factor.

(ii) School food authorities that are identified in subsequent administrative reviews conducted in accordance with § 210.18 as not having meal counting and claiming violations and that are correctly complying with the procedures in paragraph (a)(3)(i) of this section have the option of developing internal controls in accordance with paragraph (a)(2)(i) of this section.

* * * * *

§ 210.9 [Amended]

6. In § 210.9:

a. Paragraph (b)(5) is amended by adding the words "or § 210.10a, whichever is applicable" at the end of the paragraph before the semicolon;

b. Paragraph (c) introductory text is amended by removing the reference to "§ 210.10(j)(1) of this part" and adding in its place the reference "§ 210.10a(j)(1)"; and

c. Paragraph (c)(1) is amended by removing the reference to "§ 210.10" and adding in its place the reference "§ 210.10a".

§ 210.10 [Redesignated as § 210.10a]

7. Section 210.10 is redesignated as § 210.10a.

8. A new section 210.10 is added to read as follows:

§ 210.10 Nutrition standards for lunches and menu planning systems.

(a) *Nutrition standards for reimbursable lunches.* School food authorities shall ensure that participating schools provide nutritious and well-balanced meals to children based on the nutrition standards provided in this section or, if applicable, for very young children and meal supplements, the appropriate provisions of § 210.10a. For the purposes of this section, the nutrition standards are:

(1) Provision of one-third of the Recommended Dietary Allowances (RDA) of protein, calcium, iron, vitamin A and vitamin C to the applicable age groups in accordance with the *Minimum Nutrient Levels for School Lunches* in paragraph (e)(4)(i) of this section;

(2) Provision of the lunchtime energy allowances for children based on the four age groups provided for in the *Minimum Nutrient Levels for School Lunches* in paragraph (e)(4) of this section;

(3) The applicable 1990 Dietary Guidelines for Americans which are:

(i) Eat a variety of foods;

(ii) Limit total fat to 30 percent of calories;

(iii) Limit saturated fat to less than 10 percent of calories;

(iv) Choose a diet low in cholesterol;

(v) Choose a diet with plenty of vegetables, fruits, and grain products; and

(vi) Use salt and sodium in moderation; and

(4) The following measures of compliance with the 1990 Dietary Guidelines for Americans:

(i) A limit on the percent of calories from total fat to 30 percent based on the actual number of calories offered;

(ii) A limit on the percent of calories from saturated fat to less than 10 percent based on the actual number of calories offered;

(iii) A reduction of the levels of sodium and cholesterol; and

(iv) An increase in the level of dietary fiber.

(b) *General requirements for school lunches.* (1) In order to qualify for reimbursement, lunches, as offered by participating schools, shall, at a minimum, meet the nutrition standards provided in paragraph (a) of this section when averaged over each school week. Except as otherwise provided herein, school food authorities shall ensure that sufficient quantities menu items and foods are planned and produced to meet, at a minimum, the nutrition standards in paragraph (a) of this section.

(2) School food authorities shall ensure that each lunch is priced as a unit and that lunches are planned and produced on the basis of participation trends, with the objective of providing one reimbursable lunch per child per day. Any excess lunches that are produced may be offered, but shall not be claimed for general or special cash assistance provided under § 210.4.

(c) *Requirements for meals served to infants and very young children (birth to 24 months of age).* Meals for infants from birth to 2 years of age shall meet the requirements in § 210.10a (a), (c), (d) and (h).

(d) *Specific nutrient levels for children age 2.* Schools with children age 2 who participate in the program shall ensure that the nutrition standards in paragraph (a) of this section are met except that, such schools have the option of either using the RDA and calorie levels for children ages 3–6 in the table, *Minimum Nutrient Levels for School Lunches*, in paragraph (e)(4)(i) of this section, or developing separate nutrient levels for this age group. The methodology for determining such levels will be available in menu planning guidance material provided by FNS.

(e) *Requirements for meals for children ages 3–17*—(1) *General.* In order to receive reimbursement, school food authorities shall ensure that participating schools offer lunches which meet the nutrition standards provided in paragraph (a) of this section to children age three and over.

(2) *Nutrient levels.* The nutrients of reimbursable lunches shall, as offered and as averaged over each school week, meet the requirements in the table, *Minimum Nutrient Levels for School Lunches,* in paragraph (e)(4)(i) of this section for children of the appropriate age group.

(3) *Records.* Production, menu and nutritional analysis records shall be maintained by schools to demonstrate that lunches meet, when averaged over each school week, the nutrition standards provided in paragraph (a) of this section and the nutrient levels for children of each age group in the table *Minimum Nutrient Levels for School Lunches* in paragraph (e)(4)(i) of this section.

(4) *Specific nutrient levels for children ages 3–17.* (i) Schools that are able to offer meals to children based on nutrient levels reflecting one of the four age levels in the table in this paragraph should do so. Schools that cannot offer meals to children on the basis of the age levels in the table in this paragraph shall, under Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning, adjust the established levels following guidance provided by FNS, or, if only one age is outside the established level, use the levels provided in the table for the majority of children. For example, a school has grades one through five, but if some first graders are six, the levels for Group II would be used as the majority of students are in this age group. Schools shall ensure that lunches are offered with the objective of providing the per lunch minimums for each age level as specified in the following table:

MINIMUM NUTRIENT LEVELS FOR SCHOOL LUNCHES

Nutrients and energy allowances	Group I ages 3–6 years	Group II ages 7–10 years	Group III ages 11–13 years	Group IV ages 14–17 years
Energy allowance/Calories	558	667	783	846
Total Fat (as a percent of actual total food energy)	(1)	(1)	(1)	(1)
Total Saturated Fat (as a percent of actual total food energy)	(2)	(2)	(2)	(2)
RDA for protein (g)	7.3	9.3	15.0	16.7
RDA for calcium (mg)	267	267	400	400
RDA for iron (mg)	3.3	3.3	4.5	4.5
RDA for vitamin A (RE)	158	233	300	300
RDA for vitamin C (mg)	14.6	15.0	16.7	19.2

[1] Less than or equal to 30% of actual calories offered.
[2] Less than 10% of actual calories offered.

(ii) A reimbursable lunch shall include a minimum of three menu items as defined in § 210.2; one menu item shall be an entree and one shall be fluid milk as a beverage. An entree may be a combination of foods or a single food item that is offered as the main course. All menu items or foods offered as part of the reimbursable meal may be considered as contributing towards meeting the nutrition standards in paragraph (a) of this section, except for those foods that are considered foods of minimal nutritional value as provided for in § 210.11(a)(2) which are not offered as part of a menu item in a reimbursable meal. Reimbursable lunches, as offered, shall meet the established nutrition standards in paragraph (a) of this section when averaged over a school week.

(f) *Milk requirement for children ages 2–17.* Schools shall comply with the requirements for offering milk as provided for in § 210.10a(d)(1).

(g) *Offer versus serve.* Each participating school shall offer its students at least three menu items as required by paragraph (e)(4)(ii) of this section. Under offer versus serve, senior high students are required to take at least two of the three menu items offered; one menu item selected must be an entree. At the discretion of the school food authority, students below the senior high level may also participate in offer versus serve. The price of a reimbursable lunch shall not be affected if a student declines a menu item or accepts smaller portions. State educational agencies shall define "senior high."

(h) *Choice.* To provide variety and to encourage consumption and participation, schools should, whenever possible, offer a selection of menu items, foods and types of milk from which children may make choices. When a school offers a selection of more than one type of lunch or when it offers a variety of menu items, foods and milk for choice as a reimbursable lunch, the school shall offer all children the same selection regardless of whether the children are eligible for free or reduced price lunches or pay the school food authority's designated full price. The school may establish different unit prices for each type of lunch offered provided that the benefits made available to children eligible for free or reduced price lunches are not affected.

(i) *Lunch period.* At or about mid-day schools shall offer lunches which meet the requirements of this section during a period designated as the lunch period by the school food authority. Such lunch periods shall occur between 10 a.m. and 2 p.m., unless otherwise exempted by FNS. With state approval, schools that serve children 1–5 years old are encouraged to divide the service of the meal into two distinct service periods. Such schools may divide the quantities and/or menu items or foods offered between these service periods in any combination that they choose. Schools are also encouraged to provide an adequate number of lunch periods of sufficient length to ensure that all students have an opportunity to be served and have ample time to consume their meals.

(j) *Exceptions.* Lunches claimed for reimbursement shall meet the school lunch requirements specified in this section. However, lunches offered which accommodate the exceptions and variations authorized under § 210.10a(i) are also reimbursable.

(k) *Nutrient Standard Menu Planning for children age 2–17.* In order to assure that school lunches meet the nutrition standards provided in paragraph (a) of this section, nutrient analysis shall be conducted on all menu items or foods offered as part of the reimbursable meal, except for those foods that are considered as foods of minimal

nutritional value as provided for in § 210.11(a)(2) which are not offered as part of a menu item in a reimbursable meal. Such analysis shall be over the course of each school week. The school food authority shall either independently conduct Nutrient Standard Menu Planning or shall request that the State agency allow Assisted Nutrient Standard Menu Planning.

(l) *The National Nutrient Database and software specifications.* (i) Nutrient analysis shall be based on information provided in the National Nutrient Database for Child Nutrition Programs. This database shall be incorporated into software used to conduct nutrient analysis. Upon request, FNS will provide information about the database to software companies that wish to develop school food service software systems.

(ii) Any software used to conduct nutrient analysis shall be evaluated by FNS and, as submitted, been determined to meet the minimum requirements established by FNS. However, such review does not constitute endorsement by FNS or USDA. Such software shall provide the capability to perform all functions required after the basic data has been entered including calculation of weighted averages as required by paragraph (k)(2) of this section.

(2) *Determination of weighted averages.* (i) Menu items and foods offered as part of a reimbursable meal shall be analyzed based on portion sizes and projected serving amounts and shall be weighted based on their proportionate contribution to the meals. Therefore, menu items or foods more frequently selected will contribute more nutrients than menu items or foods which are less frequently selected. Such weighting shall be done in accordance with guidance issued by FNS as well as that provided by the software used.

(ii) An analysis of all menu items and foods offered in the menu over each school week shall be computed for calories and for each of the following nutrients: protein; vitamin A; vitamin C; iron; calcium; total fat; saturated fat; and sodium. The analysis shall also include the dietary components of cholesterol and dietary fiber.

(3) *Comparing average daily levels.* Once the appropriate procedures of paragraph (k)(2) of this section have been completed, the results shall be compared to the appropriate age group level for each nutrient and for calories in the table, *Minimum Nutrient Levels for School Lunch*, in paragraph (e)(4)(i) of this section. In addition, comparisons shall be made to the nutrition standards provided in paragraph (a) of this section in order to determine the degree of conformity.

(4) *Adjustments based on students' selections.* The results obtained under paragraph (k)(2) of this section shall be used to adjust future menu cycles to accurately reflect production and student selections. Menus may require further analysis and comparison, depending on the results obtained in paragraph (k)(3) of this section when production and selection patterns change. The school food authority may need to consider modifications to the menu items and foods offered based on student selections as well as modifications to recipes and other specifications to ensure that the nutrition standards provided in paragraph (a) of this section are met.

(5) *Standardized recipes.* Under Nutrient Standard Menu Planning, standardized recipes shall be developed and followed. A standardized recipe is one that was tested to provide an established yield and quantity through the use of ingredients that remain constant in both measurement and preparation methods. USDA/FNS standardized recipes are included in the National Nutrient Database for the Child Nutrition Programs. In addition, local standardized recipes used by school food authorities shall be analyzed for their calories, nutrients and dietary components and added to the local database by that school food authority in accordance with paragraph (k)(1)(ii) of this section.

(6) *Processed foods.* Unless already included in the National Nutrient Database, the calorie amounts, nutrients and dietary components, in accordance with paragraph (k)(3) of this section, of purchased processed foods and menu items used by the school food authority shall be obtained by the school food authority or State agency and incorporated into the database at the local level in accordance with FNS guidance.

(7) *Substitutions.* If the need for serving a substitute food(s) or menu item(s) occurs at least two weeks prior to serving the planned menu, the revised menu shall be reanalyzed based on the changes. If the need for serving a substitute food(s) or menu item(s) occurs two weeks or less prior to serving the planned menu, no reanalysis is required. However, to the extent possible, substitutions should be made using similar foods.

(l) *Assisted Nutrient Standard Menu Planning.* (1) For school food authorities without the capability to conduct Nutrient Standard Menu Planning, as provided in paragraph (k) of this section, menu cycles developed by other sources may be used. Such sources may include but are not limited to the State agency, other school food authorities, consultants, or food service management companies.

(2) Assisted Nutrient Standard Menu Planning shall establish menu cycles that have been developed in accordance with paragraphs (k)(1) through (k)(6) of this section as well as local food preferences and local food service operations. These menu cycles shall incorporate the nutrition standards in paragraph (a) of this section and the *Minimum Nutrient Levels for School Lunches* in paragraph (e)(4)(i) of this section. In addition to the menu cycle, recipes, food product specifications and preparation techniques shall also be developed and provided by the entity furnishing Assisted Nutrient Standard Menu Planning to ensure that the menu items and foods offered conform to the nutrient analysis determinations of the menu cycle.

(3) If a school food authority requests Assisted Nutrient Standard Menu Planning, the State agency shall determine if it is warranted. At the inception of any approved use of Assisted Nutrient Standard Menu Planning, the State agency shall approve the initial menu cycle, recipes, and other specifications to determine that all required elements for correct nutrient analysis are incorporated. The State agency shall also, upon request, provide assistance with implementation of the chosen system.

(4) After initial service under the Assisted Nutrient Standard Menu Planning menu cycle, the nutrient analysis shall be reassessed in accordance with paragraph (k)(2) of this section and appropriate adjustments made.

(5) Under Assisted Nutrient Standard Menu Planning, the school food authority retains final responsibility for ensuring that all nutrition standards established in paragraph (a) of this section are met.

(m) *Compliance with the nutrition standards.* If the analysis conducted in accordance with paragraphs (k) or (l) of this section shows that the menus offered are not meeting the nutrition standards in paragraph (a) of this section, actions, including technical assistance and training, shall be taken by the State agency, school food authority, or school, as appropriate, to ensure that the lunches offered to children comply with the nutrition standards established by paragraph (a) of this section.

(n) *Nutrition disclosure.* School food authorities are encouraged to make information available indicating efforts

to meet the nutrition standards in paragraph (a) of this section, such as publicizing the results of the nutrient analysis of the school week menu cycle.

(o) *Supplemental food.* Eligible schools operating after school care programs may be reimbursed for one meal supplement offered to an eligible child (as defined in § 210.2) per day. Meal supplements shall conform to the provisions set forth in § 210.10a(j).

(p) *Implementation of the nutrition standards and Nutrient Standard Menu Planning/Assisted Nutrient Standard Menu Planning.* (1) No later than School Year 1998–99, school food authorities shall ensure that lunches offered to children ages 2 and above by participating schools meet the nutrition standards provided in paragraph (a) of this section.

(2) Further, no later than School Year 1998–99, school food authorities shall ensure that Nutrient Standard Menu Planning, or Assisted Nutrient Standard Menu Planning, where applicable, is applied to lunches offered by participating schools.

(3) Schools and/or school food authorities may begin to implement any or all of the provisions of this section before School Year 1998–99 with prior approval of the State agency. In these situations, State agencies shall evaluate the ability of school food authorities to begin Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning and provide start-up training and facilitate initial implementation. However, school food authorities shall not be subject to the provisions of § 210.19(a) for failure to comply with the nutrition standards established by paragraph (a) of this section or Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning established by paragraphs (k) and (l) of this section until School Year 1998–99. In addition, school food authorities that implement Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning prior to School Year 1998–99 shall be exempt from § 210.18(g)(2) until required implementation in School Year 1998–99.

(4) State agencies shall monitor implementation of Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning at the school food authority level in order to ensure proper compliance. Such monitoring shall include the State agency observation of the meal service to determine if meals claimed for reimbursement contain the appropriate number and type of menu items. FNS may review State agency evaluation criteria and monitoring procedures as part of any management evaluation review conducted during the implementation period.

(5) Beginning with School Year 1998–99, State agencies shall monitor compliance by school food authorities with the nutrition standards in paragraph (a) of this section in accordance with the requirements of § 210.19(a).

9. In the newly redesignated § 210.10a:

a. The section heading is revised; and

b. The table in paragraph (c) is amended by revising the "Milk" description under "Food Components and Food Items".

The revisions read as follows:

§ 210.10a Lunch components and quantities for the meal pattern, lunches for very young children and meal supplements.

* * * * *

(c) *Minimum required lunch quantities.* * * *

School Lunch Pattern-per-Lunch Minimums

Food Components and Food Items	
Milk (as a beverage):	
Fluid whole milk and fluid unflavored lowfat milk must be offered; (Flavored fluid milk, skim milk or buttermilk optional)	

* * * * *

10. In 210.14, paragraph (c) is revised to read as follows:

§§ 210.14 Resource management.

* * * * *

(c) *Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section.

* * * * *

11. In 210.15:

a. Paragraph (b)(2) is revised.

b. Paragraph (b)(3) is amended by removing the reference to "210.10(b) of this part" and adding in its place the words "§ 210.10(a) or § 210.10a(b), whichever is applicable"; and

c. Paragraph (b)(4) is removed and paragraph (b)(5) is redesignated as paragraph (b)(4).

The revision reads as follows:

§ 210.15 Reporting and recordkeeping.

* * * * *

(b) *Recordkeeping summary.* * * *

(2) Production and menu records as required under § 210.10a and production, menu and nutrition analysis records as required under § 210.10, whichever is applicable.

* * * * *

12. In 210.16:

a. Paragraph (b)(1) is amended by adding the words "developed in accordance with the provisions of § 210.10 or § 210.10a, whichever is applicable," after the words "21-day cycle menu" whenever they appear; and

b. The first sentence of paragraph (c)(3) is revised to read as follows:

§ 210.16 Food service management companies.

* * * * *

(c) * * *

(3) No payment is to be made for meals that are spoiled or unwholesome at time of delivery, do not meet detailed specifications as developed by the school food authority for each food component/menu item specified in § 210.10 or 210.10a, whichever is applicable, or do not otherwise meet the requirements of the contract. * * *

* * * * *

§ 210.18 [Amended]

13. In 210.18:

a. Paragraph (c) introductory text is amended by removing the number "4" in the phrase "4-year review cycle" wherever it appears and adding in its place the number "5";

b. The first sentence of paragraph (c)(1) is amended by removing the number "4" in the phrase "4-year review cycle" and adding in its place the number "5" and by removing the number "5" in the phrase "every 5 years" and adding in its place the number "6";

c. Paragraph (c)(2) is amended by removing the number "4" in the phrase "4-year cycle" and adding in its place the number "5";

d. Paragraph (c)(3) is amended by removing the number "5" in the phrase "5-year review interval" and adding the number "6" in its place;

e. Paragraph (d)(3) is amended by removing the reference to "210.19(a)(4)" and adding in its place a reference to "210.19(a)(5)"; and

f. Paragraph (h)(2) is amended by removing the reference "§ 210.10" and adding in its place a reference to "§ 210.10a".

14. In 210.19:

a. Paragraphs (a)(1) through (a)(5) are redesignated as paragraphs (a)(2) through (a)(6), respectively, and a new paragraph (a)(1) is added;

b. Newly redesignated paragraph (a)(2) is revised;

c. The last sentence in newly redesignated paragraph (a)(3) is revised;

d. The number "4" in the second sentence of newly redesignated paragraph (a)(6) is removed and the number "5" is added in its place;

e. The second sentence of paragraph (c) introductory text is revised;

f. A new sentence is added at the end of paragraph (c)(1);

g. The reference to "§ 210.10" in paragraph (c)(6)(i) is removed and a reference to "§ 210.10a" is added in its place; and

h. The word "or" is removed at the end of paragraph (c)(6)(i), the period at the end of paragraph (c)(6)(ii) is removed and "; or" is added in its place, and a new paragraph (c)(6)(iii) is added.

The additions and revisions read as follows:

§ 210.19 Additional responsibilities.

(a) *General Program management.*

* * *

(1) *Compliance with nutrition standards.* At a minimum, beginning with School Year 1998–99, school food authorities shall meet the nutrition standards established in § 210.10(a) for reimbursable meals.

(i) Beginning with School Year 1998–99, State agencies shall evaluate compliance with the established nutrition standards over a school week. At a minimum, these evaluations shall be conducted once every 5 years and may be conducted at the same time a school food authority is scheduled for an administrative review in accordance with § 210.18. State agencies may also conduct these evaluations in conjunction with technical assistance visits, other reviews, or separately. The State agency shall assess the nutrient analysis for the last completed school week to determine if the school food authority is applying the methodology provided in § 210.10 (k) or (l), as appropriate. Part of this assessment shall be an independent review of menus and production records to determine if they correspond to the analysis conducted by the school food authority and if the menu, as offered, over a school week, corresponds to the nutrition standards set forth in § 210.10(a).

(ii) If the menu for the school week fails to meet any of the nutrition standards set forth in § 210.10(a), the school food authority shall develop, with the assistance and concurrence of the State agency, a corrective action plan designed to rectify those deficiencies. The State agency shall monitor the school food authority's execution of the plan to ensure that the terms of the corrective action plan are met.

(iii) If a school food authority fails to meet the terms of the corrective action plan, the State agency shall determine if the school food authority is working towards compliance in good faith and, if so, may renegotiate the corrective action plan, if warranted. However, if the school food authority has not been acting in good faith to meet the terms of the corrective action plan and refuses to renegotiate the plan, the State agency shall determine if a disallowance of reimbursement funds as authorized under paragraph (c) of this section is warranted.

(2) *Assurance of compliance for finances.* Each State agency shall ensure that school food authorities comply with the requirements to account for all revenues and expenditures of their nonprofit school food service. School food authorities shall meet the requirements for the allowability of nonprofit school food service expenditures in accordance with this part and, as applicable, 7 CFR part 3015. The State agency shall ensure compliance with the requirements to limit net cash resources and shall provide for approval of net cash resources in excess of three months' average expenditures. Each State agency shall monitor, through review or audit or by other means, the net cash resources of the nonprofit school food service in each school food authority participating in the Program. In the event that net cash resources exceed 3 months' average expenditures for the school food authority's nonprofit school food service or such other amount as may be approved in accordance with this paragraph, the State agency may require the school food authority to reduce the price children are charged for lunches, improve food quality or take other action designed to improve the nonprofit school food service. In the absence of any such action, the State agency shall make adjustments in the rate of reimbursement under the Program.

(3) *Improved management practices.* * * * If a substantial number of children who routinely and over a period of time do not favorably accept a particular menu item; return foods; or choose less than all food items/components or foods and menu items as authorized under § 210.10(e)(4)(ii) or § 210.10a(e), poor acceptance of certain menus may be indicated.

* * * * *

(c) *Fiscal action.* * * * State agencies shall take fiscal action against school food authorities for Claims for Reimbursement that are not properly payable under this part including, if warranted, the disallowance of funds for failure to take corrective action in accordance with paragraph (a)(1) of this section. * * *

(1) *Definition.* * * * Fiscal action also includes disallowance of funds for failure to take corrective action in accordance with paragraph (a)(1) of this section.

* * * * *

(6) *Exceptions.* * * *

(iii) When any review or audit reveals that a school food authority's failure to meet the nutrition standards of § 210.10 is unintentional and the school food authority is meeting the requirements of a corrective plan developed and agreed to under paragraph (a)(1)(ii) of this section.

* * * * *

Appendix A to Part 210 [Amended]

15. In Appendix A to part 210, Alternate Foods for Meals, under Enriched Macaroni Products with Fortified Protein, the first sentence of paragraph 1(a) is amended by removing the reference to "§ 210.10" and adding in its place a reference to "§ 210.10a".

16. In Appendix A, Alternate Foods for Meals, under Cheese Alternate Products,

a. Introductory paragraph 1 is amended by removing the reference to "§ 210.10" and adding in its place a reference to "§ 210.10a"; and

b. Paragraph 1(d) is amended by removing the reference to "§ 210.10" and adding in its place a reference to "§ 210.10a".

17. In Appendix A, Alternate Foods for Meals, under Vegetable Protein Products:

a. Introductory paragraph 1 is amended by removing the reference to "210.10" and adding in its place a reference to "210.10a";

b. The second sentence of paragraph 1(d) is amended by removing the reference to "210.10" and adding in its place a reference to "210.10a";

c. The first sentence of paragraph 1(e) is amended by removing the reference to "210.10" and adding in its place a reference to "210.10a"; and

d. The first sentence of paragraph 3 is amended by removing the reference to "§ 210.10" and adding in its place a reference to "§ 210.10a".

18. In Appendix C to Part 210, Child Nutrition Labeling Program:

a. Paragraph 2(a) is amended by removing the reference to "210.10" and adding in its place a reference to "210.10a";

b. The first sentence of paragraph 3(c)(2) is amended by removing the reference to "210.10" and adding in its

place a reference to "210.10a" and by removing the reference to "220.8" and adding in its place a reference to "220.8a"; and

c. The second sentence of paragraph 6 is amended by removing the reference to "210.10" and adding in its place a reference to "210.10a" and by removing the reference to "220.8" and adding in its place a reference to "220.8a".

PART 220—SCHOOL BREAKFAST PROGRAM

1. The authority citation is revised to read as follows:

Authority: 42 U.S.C. 1773, 1779, unless otherwise noted.

2. In 220.2:

a. Paragraph (b) is amended by adding the words "or § 220.8a, whichever is applicable," after the reference to "§ 220.8";

c. Paragraph (m), previously reserved, is added;

d. A new paragraph (p–1) is added;

e. Paragraph (t) is amended by adding the words "or § 220.8a, whichever is applicable," after the reference to "§ 220.8"; and

f. A new paragraph (w–1) is added.

The additions read as follows:

§ 220.2 Definitions.

* * * * *

(m) *Menu item* means, under Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning, any single food or combination of foods. All menu items or foods offered as part of the reimbursable meal may be considered as contributing towards meeting the nutrition standards provided in § 220.8(b), except for those foods that are considered as foods of minimal nutritional value as provided for in § 220.2(i–1) which are not offered as part of a menu item in a reimbursable meal. For the purposes of a reimbursable meal, a minimum of three menu items must be offered, one of which must be an entree (a combination of foods or a single food item that is offered as the main course) and one must be fluid milk.

* * * * *

(p–1) *Nutrient Standard Menu Planning/Assisted Nutrient Standard Menu Planning* means a way to develop meals based on the analysis of nutrients which would require school breakfasts, when averaged over a school week, to meet specific levels for a set of key nutrients and calories rather than a specific set of food categories. Analysis of the menu items and foods shall be based on averages that will be weighted by production quantities as offered to the students. Such analysis is normally done by a school or a school food authority. However, for the purposes of Assisted Nutrient Standard Menu Planning, menu planning and analysis is completed by other entities and shall incorporate the production quantities needed to accommodate the specific service requirements of a particular school or school food authority.

* * * * *

(w–1) *School week* means the period of time used as the basis for determining nutrient levels of the menu and for conducting Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning for breakfasts. The period week shall be a minimum of three days and a maximum of seven days. Weeks in which breakfasts are offered less than three times shall be combined with either the previous or the coming week.

* * * * *

§ 220.7 [Amended]

3. In 220.7, paragraph (e)(2) is amended by adding the words "or § 220.8a, whichever is applicable," after the reference to "§ 220.8".

§ 220.8 [Redesignated as § 220.8A]

4. Section 220.8 is redesignated as § 220.8a and a new § 220.8 is added to read as follows:

§ 220.8 Nutrition standards for breakfast and menu planning systems.

(a) *Breakfasts for very young children.* Meals for infants and very young children (ages birth to 24 months) who are participating in the Program shall meet the requirements in § 220.8a(a), (b) and (c).

(b) *Nutrition standards for breakfasts for children age 2 and over.* School food authorities shall ensure that participating schools provide nutritious and well-balanced breakfasts to children age 2 and over based on the nutrition standards provided in this section. For the purposes of this section, the nutrition standards are:

(1) Provision of one-fourth of the Recommended Dietary Allowances (RDA) of protein, calcium, iron, vitamin A and vitamin C to the applicable age groups in accordance with the *Minimum Nutrient Levels for School Breakfasts* in paragraph (e)(1) of this section;

(2) Provision of the breakfast energy allowances for children in accordance with the age groups in the *Minimum Nutrient Levels for School Breakfasts* in paragraph (e)(1) of this section;

(3) The applicable 1990 Dietary Guidelines for Americans which are:

(i) Eat a variety of foods;

(ii) Limit total fat to 30 percent of calories;

(iii) Limit saturated fat to less than 10 percent of calories;

(iv) Choose a diet low in cholesterol;

(v) Choose a diet with plenty of vegetables, fruits, and grain products; and

(vi) Use salt and sodium in moderation; and

(4) The following measures of compliance with the 1990 Dietary Guidelines for Americans:

(i) A limit on the percent of calories from total fat to 30 percent based on the actual number of calories offered;

(ii) A limit on the percent of calories from saturated fat to less than 10 percent based on the actual number of calories offered;

(iii) A reduction of the levels of sodium and cholesterol; and

(iv) An increase in the level of dietary fiber.

(c) *General requirements for school breakfasts for children age 2 and over.* (1) In order to qualify for reimbursement, breakfasts, as offered by participating schools, shall, at a minimum, meet the nutrition standards in paragraph (b) of this section when averaged over each school week.

(2) School food authorities shall ensure that each breakfast is priced as a unit. Except as otherwise provided herein, school food authorities shall ensure that sufficient quantities of menu items and foods are planned and produced so that breakfasts meet, at a minimum, the nutrition standards in paragraph (b) of this section.

(3) School food authorities shall ensure that breakfasts are planned and produced on the basis of participation trends, with the objective of providing one reimbursable breakfast per child per day. Any excess breakfasts that are produced may be offered, but shall not be claimed for reimbursement under § 220.9.

(d) *Nutritional criteria for breakfasts for children age 2 and over.* In order to receive reimbursement, school food authorities shall ensure that participating schools provide breakfasts to children age two and over in accordance with the nutrition standards in paragraph (b) of this section.

(1) The nutrients of breakfasts shall, when averaged over each school week, meet the requirements in the table *Minimum Nutrient Levels for School Breakfasts*, in paragraph (e)(1) of this section for children of each age group.

(2) Production, menu and nutritional analysis records shall be maintained by schools to demonstrate that breakfasts as offered meet the nutrition standards provided in paragraph (b) of this section and the nutrient levels for children of each age group in the table, *Minimum*

Nutrient Levels for School Breakfasts, in paragraph (e)(1) of this section.

(3) Schools with children age 2 who participate in the program shall ensure that the nutrition standards in paragraph (b) of this section are met except that, such schools have the option of either using the RDA and calorie levels for children ages 3–6 in the table, *Minimum Nutrient Levels for School Breakfasts,* in paragraph (e)(1) of this section or developing separate requirements for this age group. The methodology for determining such levels will be available in menu planning guidance material provided by FNS.

(e) *Requirements for meals for children ages 3–17.* (1) Schools that are able to offer meals to children based on nutrient levels reflecting one of the four age level in the table in this paragraph should do so. Schools that cannot offer meals to children on the basis of age levels in the table in this paragraph shall, under Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning, adjust the established levels following guidance by FNS or, if only one age is outside the established level, use the level provided for the majority of children. Schools shall ensure that breakfasts are offered with the objective of providing the per breakfast minimums for each age level as specified in the following table:

MINIMUM NUTRIENT LEVELS FOR SCHOOL BREAKFASTS

Nutrients and Energy Allowances	Group I ages 3–6 years	Group II ages 7–10 years	Group III ages 11–13 years	Group IV ages 14–17 years
Energy allowances/calories	419	500	588	625
Total fat (as a percent of actual total food energy)	(1)	(1)	(1)	(1)
Total saturated fat (as a percent of actual total food energy)	(2)	(2)	(2)	(2)
RDA for protein (g)	5.50	7.00	11.25	12.50
RDA for calcium (mg)	200	200	300	300
RDA for iron (mg)	2.5	2.5	3.4	3.4
RDA for vitamin A (RE)	119	175	225	225
RDA for vitamin C (mg)	11.00	11.25	12.50	14.40

[1] Less than or equal to 30% of actual calories offered.
[2] Less than 10% of actual calories offered.

(2) A reimbursable breakfast shall include a minimum of three menu items as defined in § 220.2(m), one of which shall be fluid milk as a beverage, offered on cereal, or a combination of both. All menu items or foods offered as part of the reimbursable meal may be considered as contributing towards meeting the nutrition standards, except for those foods that are considered foods of minimal nutritional value as provided for in § 210.2(i–1) which are not offered as part of a menu item in a reimbursable meal. Breakfasts, as offered, shall independently meet the established nutrient standards when averaged over a school week.

(f) *Milk requirement for children ages 2–17.* A serving of milk as a beverage or on cereal or used in part for each purpose shall be a menu item for school breakfasts. Schools shall comply with the minimum required serving sizes for milk in § 220.8a(a)(2) and with the other requirements for milk in § 220.8a(d) and § 220.8a(g).

(g) *Offer versus serve.* Each participating school shall offer its students at least three menu items as required by paragraph (e)(2) of this section. Under offer versus serve, senior high students are required to take at least two of the three menu items. At the discretion of the school food authority, students below the senior high level may also participate in offer versus serve. The price of a reimbursable breakfast shall not be affected if a student declines menu items or accepts smaller portions. State educational agencies shall define "senior high."

(h) *Choice.* To provide variety and to encourage consumption and participation, schools should, whenever possible, provide a selection of foods and types of milk from which children may make choices. When a school offers a selection of more than one type of breakfast or when it offers a variety of foods and milk for choice as a reimbursable breakfast, the school shall offer all children the same selection regardless of whether the children are eligible for free or reduced price breakfasts or pay the school food authority designated full price. The school may establish different unit prices for each type of breakfast offered provided that the benefits made available to children eligible for free or reduced price breakfasts are not affected.

(i) *Substitutions.* Schools shall make substitutions for students who are considered to have disabilities under 7 CFR part 15b in accordance with § 220.8a(f).

(j) *Nutrient Standard Menu Planning/ Assisted Nutrient Standard Menu Planning for children age 2–17.* In order to assure that school breakfasts meet the nutritional standards provided in paragraph (b) of this section, nutrient analysis shall be conducted on all foods offered as part of a reimbursable meal. Such analysis shall be over the course of each school week. The school food authority shall either independently conduct Nutrient Standard Menu Planning or shall request that the State agency allow Assisted Nutrient Standard Menu Planning.

(1) *The National Nutrient Database and software specifications.* (i) Nutrient analysis shall be based on information provided in the National Nutrient Database for Child Nutrition Programs. This database shall be incorporated into software used to conduct nutrient analysis. Upon request, FNS will provide information about the database to software companies that wish to develop school food service software systems.

(ii) Any software used to conduct nutrient analysis shall be evaluated and, as submitted, been determined to meet the minimum requirements established by FNS. However, such review does not constitute endorsement by FNS or USDA. Such software shall provide the capability to perform all functions required after the basic data has been entered including calculation of weighted averages as required by (j)(2) of this section.

(2) *Determination of weighted averages.* (i) Foods offered as part of a reimbursable meal shall be analyzed based on menu items, portion sizes, and projected serving amounts and shall be weighted based on their proportionate contribution to the meals. Therefore, foods more frequently selected will contribute more nutrients than foods which are less frequently selected. Such weighting shall be done in accordance

with guidance issued by FNS as well as that provided by the software used.

(ii) An analysis of all menu items and foods offered in the menu over each school week shall be computed for calories and for each of the following nutrients: Protein; vitamin A; vitamin C; iron; calcium; total fat; saturated fat; and sodium. The analysis shall also include the dietary components of cholesterol and dietary fiber.

(3) *Comparing average daily levels.* Once the procedures of paragraph (j)(2) of this section have been completed, the results shall be compared to the appropriate age group level for each nutrient and for calories in the table, *Minimum Nutrient Levels for School Breakfasts,* in paragraph (e)(1) of this section. In addition, comparisons shall be made to the nutrition standards provided in paragraph (b) of this section in order to determine the degree of conformity.

(4) *Adjustments based on students' selections.* The results obtained under paragraph (j)(2) of this section shall be used to adjust future menu cycles to accurately reflect production and student selections. Menus will require further analysis and comparison, depending on the results obtained in paragraph (j)(2) of this section when production and selection patterns change. The school food authority may need to consider modifications to the menu items and foods offered based on student selections as well as modifications to recipes and other specifications to ensure that the nutrition standards in paragraph (b) of this section are met.

(5) *Standardized recipes.* Under Nutrient Standard Menu Planning, standardized recipes shall be developed and followed. A standardized recipe is one that was tested to provide an established yield and quantity through the use of ingredients that remain constant in both measurement and preparation methods. USDA/FNS standardized recipes are included in the National Nutrient Database for the Child Nutrition Programs. In addition, local standardized recipes used by school food authorities shall be analyzed for their calories, nutrients and dietary components and added to the local database by that school food authority.

(6) *Processed foods.* Unless already included in the National Nutrient Database, the calorie amounts, nutrients and dietary components, in accordance with paragraph (j)(2)(ii) of this section, of purchased processed foods and menu items used by the school food authority shall be obtained by the school food authority or State agency and incorporated into the database at the local level in accordance with FNS guidance.

(7) *Substitutions.* If the need for serving a substitute food(s) or menu item(s) occurs at least two weeks prior to serving the planned menu, the revised menu shall be reanalyzed based on the changes. If the need for serving a substitute food(s) or menu item(s) occurs two weeks or less prior to serving the planned menu, no reanalysis is required. However, to the extent possible, substitutions should be made using similar foods.

(k) *Assisted Nutrient Standard Menu Planning.* (1) For school food authorities without the capability to conduct Nutrient Standard Menu Planning, as provided in paragraph (j) of this section, menu cycles developed by other sources may be used. Such sources may include but are not limited to the State agency, other school food authorities, consultants, or food service management companies.

(2) Assisted Nutrient Standard Menu Planning shall establish menu cycles that have been developed in accordance with paragraphs (j)(1) through (j)(6) of this section as well as local food preferences and local food service operations. These menu cycles shall incorporate the nutrition standards in paragraph (b) of this section and the Minimum Nutrient Levels for School Breakfasts in paragraph (e)(1) of this section. In addition to the menu cycle, recipes, food product specifications and preparation techniques shall also be developed and provided by the entity furnishing Assisted Nutrient Standard Menu Planning to ensure that the menu items and foods offered conform to the nutrient analysis determinations of the menu cycle.

(3) If a school food authority requests Assisted Nutrient Standard Menu Planning, the State agency shall determine if it is warranted. At the inception of any approved use of Assisted Nutrient Standard Menu Planning, the State agency shall approve the initial menu cycle, recipes, and other specifications to determine that all required elements for correct nutrient standards and analysis are incorporated. The State agency shall also, upon request, provide assistance with implementation of the chosen system.

(4) After the initial service, the nutrient analysis shall be reassessed in accordance with paragraph (j)(2) of this section and appropriate adjustments made.

(5) Under Assisted Nutrient Standard Menu Planning, the school food authority retains final responsibility for ensuring that all nutrient standards established in paragraph (b) of this section are met.

(l) *Compliance with the nutrition standards.* If the analysis conducted in accordance with paragraphs (j) and (k) of this section shows that the menus offered are not in compliance with the nutrition standards established in paragraph (b) of this section, actions, including technical assistance and training, shall be taken by the State agency, school food authority, or school, as appropriate, to ensure that the breakfasts offered to children comply with the established nutrition standards.

(m) *Nutrition disclosure.* School food authorities are encouraged to make information available indicating efforts to meet the nutrition standards in paragraph (b) of this section, such as publicizing the results of the nutrient analysis of the school week menu cycle.

(n) *Implementation of nutrition standards and Nutrient Standard Menu Planning/Assisted Nutrient Standard Menu Planning.* (1) At a minimum, the provisions of this section requiring compliance with the nutrition standards in paragraph (b) of this section shall be implemented no later than the beginning of School Year 1998–99. However, schools and/or school food authorities may begin to implement any or all of the provisions in this section with prior approval of the State agency.

(2) Prior to School Year 1998–99, State agencies shall require school food authorities/schools to implement Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning for the School Breakfast Program at the same time it is implemented for the National School Lunch Program and in accordance with the terms of § 210.10(o) of this chapter.

5. The section heading of newly redesignated § 220.8a is revised to read as follows:

§ 220.8a Breakfast components and quantities for the meal pattern and for very young children.

* * * * *

§ 220.9 [Amended]

6. In § 220.9, the first sentence of paragraph (a) is amended by adding the words "or 220.8a, whichever is applicable," after the reference to "§ 220.8".

§ 220.14 [Amended]

7. In § 220.14, paragraph (h) is amended by removing the reference to "§ 220.8 (a)(1)" and adding in its place a reference to "§ 220.8a(a)(1)".

Appendix A to Part 220 [Amended]

8. In Appendix A to part 220, Alternate Foods for Meals, under

Formulated Grain-Fruit Products, paragraph 1(a) is amended by removing the reference to "§ 220.8" and adding in its place a reference to "§ 220.8a".

Appendix C to Part 220 [Amended]

9. In Appendix C to part 220, Child Nutrition (CN) Labeling Program:

a. Paragraph 2(a) is amended by removing the reference to "210.10" and replacing it with a reference to "210.10a";

b. The first sentence of paragraph 3(c)(2) is amended by removing the reference to "210.10" and adding in its place a reference to "210.10a" and by removing the reference to "220.8" and adding in its place a reference to "220.8a"; and

c. The second sentence of paragraph 6 is amended by removing the reference to "210.10" and adding in its place a reference to "210.10a" and by removing the reference to "220.8" and adding in its place a reference to "220.8a".

Dated: June 6, 1994.

Ellen Haas,

Assistant Secretary for Food and Consumer Services.

Regulatory Cost/Benefit Assessment

1. *Title:* National School Lunch and School Breakfast Program: Nutrition Objectives for School Meals.

2. *Background:* This rule proposes to amend the regulations outlining the nutrition standards for the National School Lunch and School Breakfast Programs. Specifically, this proposal would update the current nutrition standards to incorporate the Dietary Guidelines for Americans, which reflect medical and scientific consensus on proper nutrition as a vital element in disease prevention and long term health promotion.[1] This proposal would also adopt meal planning based on analysis of key nutrients (Nutrient Standard Menu Planning or Assisted Nutrient Standard Menu Planning) in lieu of the current meal pattern. These changes would be implemented no later than July 1, 1998. In recognition of the importance of reinventing and streamlining government programs, this proposal would also reduce various burdens associated with the school meal programs and would modify the review requirements for the National School Lunch Program to ensure adequate oversight of the proposed updated nutrition standards.

3. *Statutory Authority:* National School Lunch Act (42 U.S.C. 1751–1760, 1779) and Child Nutrition Act of 1966 (42 U.S.C. 1773, 1779).

4. *Cost/Benefit Assessment of Economic and Other Effects:*

a. Costs To Produce a Meal:

A nationally representative sample included in the School Lunch and Breakfast Cost Study found an average food cost of $0.72 for school meals prepared under the current meal pattern, rounded to the nearest whole cent. Cost data from this study were used to estimate the cost of two weeks of sample menus developed under the requirements for Nutrient Standard Menu Planning in the proposed rule. The analysis found an average food cost of $0.72 per meal when rounded to the nearest whole cent[2]. These sample menus were developed for elementary and high school students using foods and recipes common to the National School Lunch Program (NSLP). When planning the sample menus, milk was constrained to provide eight fluid ounces with each meal, to include milks of various fat levels and a mix of flavored and unflavored milk. Additional weeks of menus could have been developed at similar cost, but analysis of two weeks of sample menus was deemed sufficient to demonstrate that nutrient targets could be met at current food cost. It would also have been possible to have further reduced the cost of the sample menus, for example by substituting lower cost items or using smaller portions of relatively expensive items such as yogurt and fish sticks. The lower end of the cost range of sample menus was about 28 percent below the two week average food cost. The sample menus were developed using foods and recipes already in common use in NSLP, such as those from "Quantity Recipes for School Food Service"[3]. They did not reflect the potential savings which may be realized when market forces stimulate development of new lower fat foods and recipes. Increased demand for foods lower in fat, saturated fat, sodium and cholesterol are expected to increase availability of these foods in the future. Such new foods and recipes should provide greater flexibility to NSLP menu planners, and may facilitate further moderation of meal cost and food components such as sodium and cholesterol where appropriate.

The sample menus include ingredients that are fresh and those that are processed into more convenient, labor saving forms, such as frozen. Examples of processed foods used in the sample menus include popular food items, pizza and chicken nuggets. Although these items were used less often than currently offered, by using foods and recipes common to the NSLP, the sample menus look similar to meals currently offered to students. By their preexisting use in NSLP, school food service personnel have already demonstrated that these food items can be prepared in the time available to prepare current school lunches, and similarly indicate that the staff with the skills needed to prepare these foods are already available. In addition, the equipment needed for food storage and preparation is either already available, or schools operating under the present rules have demonstrated that such equipment can be obtained within the existing reimbursement rates. Therefore, even though the costs of labor, equipment, and administration were not specifically analyzed, the manner in which the sample menus were developed provides confidence that non-food costs of the NSMP sample menus are expected to be similar to those already experienced in NSLP operation. FNS will continue to explore cost impacts. The evaluation of the Nutrient Standard Menu Planning Demonstration will examine the reported costs of school food service operations associated with implementing NSMP. This evaluation will examine total meal production costs and will analyze separate components (food, labor, other costs).

By definition, the average results reported above mean that some school districts would be expected to experience food costs for the sample menus that vary considerably from those reported above. This is not different from the current situation because there is already a wide range of food costs due to factors such as economies of size, geographic variation in delivery and labor costs, and local market conditions.

b. Market Effects

To estimate market effects a mathematical model was developed to incorporate information on the kinds, amounts, nutrient content, and costs of foods served in schools lunches. The model uses all of this information and seeks a solution which minimizes the changes in current amounts of foods served in NSLP meals and also meets the nutrition objectives set forth in the Dietary Guidelines and adds no additional costs to food purchases. The model constrains food offerings and recipes to those actually used in schools. However, the meal pattern is allowed to deviate from the current regulations regarding food groups and portion sizes as long as it meets at least one-third the RDA for all nutrients. In keeping with the principles of the Dietary Guidelines, the meals are also

*Footnotes appear at end of docket.

restricted to no more than 30 percent of calories from total fat and less than 10 percent of calories from saturated fat.

The model can be specified to allow the amounts of all foods to vary, which permits substitution between high and low-fat beef as well as across other food groups such as pork, poultry, vegetables, and fruits. There are a vast number of possible scenarios which can be explored through this model, and the three discussed below have been selected as most useful in understanding the impacts of the proposed rule. In several of these scenarios the model is constrained to maintain the amounts or types of foods. In all three scenarios the volume of beverage milk is held constant at current consumption levels. This was done because milk will remain a required item under the proposed nutrition based menu planning system. The model minimizes the changes in the quantity of each item served and satisfies the nutrition and cost goals.

The model includes the following constraints for all scenarios: Food ingredient cost at average cost for NSLP meals; calories (⅓ of average energy allowance listed in the RDA report); total fat (not more than 30 percent of calories); saturated fat (less than 10 percent of calories); carbohydrate (not less than 50 percent of calories); cholesterol (not more than 100 mg); ⅓ of RDA level for the following select nutrients: protein, vitamins (vitamins A, B6, B12 and C, niacin, riboflavin, thiamin, folate), and minerals (calcium, iron, magnesium, phosphorus, and zinc); and milk (total volume and mix by fat content held constant at current levels). As described in greater detail below, scenario one is the basic model using these constraints, scenario two constrains all chicken to have the nutrient profile of low-fat chicken, and scenario three constrains the model to retain current levels for major commodity groups. The estimated changes in food items are then aggregated to national estimates based on the total number of school lunches served in FY–1993. Subsequently, the impact of these changes on agricultural markets are estimated using commodity market models developed by economists in the Economic Research Service.

Data

The study is based on the most recently available data on quantity and frequency of foods actually served in NSLP meals, detailed nutrient content of those foods, estimated food ingredient costs, and Recommended Dietary Allowances for micronutrients and Dietary Guidelines recommendations for fat and saturated fat.

Data on actual foods served in the NSLP were obtained from the 1993 USDA School Nutrition Dietary Assessment (SNDA) study conducted by Mathematica Policy Research for FNS. The study included a survey of about 3550 students in grades 1 through 12 in 545 schools throughout the country. The students reported detailed information on the kinds and amounts of foods and beverages they consumed during a 24-hour period. The impact analysis uses only the portion of the data on foods served to children as part of credited school lunches. It includes plate waste but excluded a la carte items, such as desserts, purchased in addition to the school lunch. The SNDA survey contained detailed information on over 600 food items served in the school lunch program. These items were aggregated into over 50 food groups based on the primary ingredient and the percent of calories from fat. For example, there were two beef categories: high-fat and low-fat beef; two poultry categories; etc.

Food items costs are estimated from ingredient cost data obtained in the 1993 School Lunch and Breakfast Cost Study conducted by Abt for FNS and recipes for school lunch items. The recipes were necessary for two reasons: Aggregation of ingredient costs to costs of food served, and for estimating the change in usage of the various agricultural commodities.

With respect to the agricultural economy, the amount of most foods served in NSLP meals is a small part of the total U.S. supply of agricultural commodities. For example, USDA and school district purchases of beef products account for less than two percent of the U. S. beef supply. Therefore, even the anticipated changes in the amounts of different foods served in the meals are expected to have minimal or no change in farm level prices.

Three alternative scenarios were examined to gauge market effects with alternative specific recommendations which could be implemented into the meals. All three scenarios meet dietary recommendations and the milk requirement with no change from the current per meal average food cost. Table 1 shows the total U.S. market in millions of pounds for various groups of commodities and the corresponding current school market size.

The three scenarios illustrate a range of market effects that could occur under alternative implementation assumptions. The first and third options demonstrate the range of market impacts associated with either minimizing the change in current food offerings or minimizing the change in commodity markets. The second scenario was designed to show how the results could change if lower fat preparation techniques were followed in only one of the commodity groups. Although chicken is used in this example, other commodities, such as beef or pork, might show similar changes if substitutions were made between high and low fat alternatives. Additional information on the constraints on the model imposed in each of the three scenarios is described in more detail below.

The three scenarios estimate impacts using current market prices for foods available and in use by schools. To the extent that products are reformulated to provide additional lower-fat products or lower-fat products become more widely available and affordable, the market impacts would change. The scenarios do not assume any product innovations. Similarly, food preparation techniques will play an important role in how the proposal would be implemented. Using lower fat preparation techniques would enable schools to continue to use foods at current levels because fat added during preparation would be reduced.

No single set of assumptions can adequately describe impacts under the proposed regulation. Schools have tremendous flexibility under nutrient standard menu planning to meet the dietary guidelines using the methods most appropriate to their circumstances. Schools can alter the mix of foods served within and among commodity groups. Changes in food preparation techniques could produce significant improvements in the nutritional profile of meals without any changes in the types of foods served. The model and the three scenarios examined show that changes in food preparation techniques for one commodity group can alter the results for other commodity groups. This occurs because the nutrient and cost targets are fixed. Nutritional improvement for one commodity group, such as a reduction in fat, both leaves more flexibility for other commodity groups to provide that food component within the established target, and, in the case of reduction of fat, required additional calories from some source to meet the calorie target.

The first scenario, "Minimum change in current offerings", established the amounts of foods from each of 52 groups required to meet the dietary, cost, and milk requirements with as little deviation as possible from the current eating choices of the children. It also required the consumption of low-fat,

medium-fat and whole milk to stay at the same levels as current consumption. The 52 groups include separate groups for high and low fat versions of food items and dishes. This scenario allows for substitutions among these and other groups.

The second scenario, using poultry as the example, shows how the results change if lower fat preparation techniques were used in one food category while holding food preparation techniques in other categories constant. High-fat poultry preparation techniques (such as chicken nuggets) were entirely replaced with lower fat techniques (such as baked or broiled chicken parts). As noted previously, other commodities might show similar changes if substitutions were made between high and low fat alternatives.

For the third scenario, the analysis model was modified to present a "No change in commodity markets" scenario where food commodity groups were restricted to their current level of use in the NSLP (with the exception of butter). The consumption of the various foods served were allowed to fluctuate within the commodity groups. For example, beef could be consumed alone or in a mixture such as lasagna, but the total level of beef served was required to be the same as is currently being served. In general, this adaptation required that low-fat foods be chosen within food groups. Notable exceptions included serving high-fat chicken and potatoes, probably due to the need to obtain sufficient calories. Also, the cost became more of a constraining factor in this scenario. Many of the higher fat or costly foods were eliminated from the solution. Some of the changes included:

- Serving milk containing less than 17 percent of kilocalories from fat (skim and one-percent);
- Serving beef in mixtures such as chili rather than as roasts, steaks, or hamburger patties;
- Serving low-fat pork products such as ham instead of ribs or bacon;
- Serving more meal mixtures such as chili and fewer grain mixtures such as pizza; and
- Serving more fruits and less fruit juices.

This analysis shows that the impact of the school lunch proposed rule on the major commodity markets and related farm programs would be minimal. Commodity prices, producer marketings and receipts, and farm program outlays under any of the scenarios would not vary significantly from the levels projected in the USDA 10-year Baseline Projections.

The proposed rule's limited impact reflects several factors including:

- The share of commodities used in the school lunch program is typically quite small compared to total U.S. disappearance. Hence changes in school lunch offerings have to be very large before they affect the commercial market.
- For the first scenario, changes in school lunch menus were designed both to meet the nutritional guidelines and to minimize changes in children's food choices. While this was done to reflect children's taste/preference, it has a moderating effect on changes in the commodity composition of school lunches as well as a minimum change in food service offerings.
- The second and third scenarios demonstrate that there is considerable potential for substitutions within food groups (e.g., shifting from conventional to healthier products in the same food group) and for changing food preparation techniques to improve nutritional value (e.g., shifting from fried to roasted chicken). The modified menus took advantage of these options. Changes in food preparation techniques and use of healthier products in the same food group would minimize agricultural impacts.

Individual commodity market impacts of scenarios one and two are described in greater detail below. These should be interpreted with the understanding that scenario three shows that it is possible to achieve the dietary, food cost and milk requirements with no change in commodity markets other than butter. The information presented reflects estimates of market impacts under full implementation of the proposed regulation.

Dairy Impacts

The impacts of the proposed rule differ across the fluid milk, butter, and cheese components of the dairy sector. The modified menus hold milk offerings constant but reduce cheese and eliminate butter. Hence, the major impacts would be in the processed product markets rather than the fluid market.

School lunch use of butter is eliminated in the three scenarios; the modified menus would annually displace 50–55 million pounds of butter in a 1.0 billion pound U.S. market. The dairy program activity expected under the baseline projections would keep the impact of this decline on producer prices, incomes, and government farm programs minimal. Virtually all of the displaced butter is donated by the Commodity Credit Corporation (CCC) from stocks acquired as part of its price support operations; purchases occur at the levels needed to support manufacturing milk prices at legislated levels and minimize stock holding. The school lunch volume is small enough compared to total CCC purchases and other disposal programs that the butter in question would continue to be acquired under the proposed rule but be donated to other institutions or sold concessionally or donated abroad. Hence, butter impacts would ultimately be minimal.

The impact of the proposed rule on the cheese market could be more pronounced but still limited. This is because the volume differences in the use of cheese between the baseline and the scenarios one and two is larger and most of the cheese used in the school lunch program is bought on the open market rather than donated from CCC stocks. But the annual 80–90 million pound decline in cheese disappearance associated with these scenarios would account for less than a 1 percent drop in U.S. cheese disappearance. This would lower farm milk prices 7 to 8 cents per hundredweight causing a decline in production and lower farm revenues from milk by $150-$200 million annually (from a 1990–93 base of $19.5 billion). CCC dairy program costs would increase by an estimated $20 to $25 million annually. Hence, even for cheese, the impacts on the dairy sector and the budget would be relatively small. As scenario two demonstrates for chicken, a more pronounced shift towards use of lower fat cheese or other lower fat items in schools could further moderate these impacts. Under scenario 3 there would be no reduction in cheese.

Meat Sector Impacts: Broilers and Turkeys

The impact of the proposed school lunch rule on the broiler market is expected to be modest under the first and second scenarios. Broiler offerings in the school lunch program would decline 120 million pounds under the first scenario and increase 38 million pounds under the second. The current school lunch use of 245 million pounds is a small share of the total U.S. market of 19.9 billion pounds. Hence, a 120 million pound reduction would lower broiler prices 1.8 percent and reduce farm revenues by 1.2 percent. The second scenario uses chicken as an example of how a large shift towards low-fat preparation (e.g., from fried to broiled) could moderate shifts in commodity usage. If purchases are increased by 38 million pounds as provided for under the second scenario, broiler prices would increase 0.4 percent and revenues rise by 0.2

percent. There are no direct government programs for the industry.

The impact of the proposed rule on the turkey market is expected to be modest under scenarios 1 and 2. Total use of turkey meat would decline 52 million pounds under one scenario and increase 16 million pounds under the other. The current school lunch use of 105 million pounds is a small share of the total U.S. market of 4.6 billion pounds. Hence, turkey prices would decrease 2 percent under the first scenario and increase 0.5 percent under the second. Producer revenues decrease by $36 million under the first scenario and increase $4 million under the second scenario—less than 0.01 percent in either case. There are no direct government programs for the turkey industry. Again, under scenario 3 there would be no change in either broilers or turkey.

Meat Sector Impacts: Beef and Pork

The impact of the proposed rule on the beef market is expected to be minimal under the first and second scenarios. School lunch offerings of beef would decline 100–126 million pounds from 485 million pounds currently, in a total U.S. market of 24 billion pounds. This school lunch decline would reduce the farm level market price for beef by less than 1 percent and result in a 0.5 percent reduction in beef producers' revenues. A slightly larger reduction (126 million pounds) in beef offerings under the second scenario would result in approximately the same reduction in wholesale beef prices and farm revenues. There are no direct government programs related to the beef industry; hence, the changes likely under the proposed rule have no direct federal budget implications. As scenario two demonstrates for chicken, a more pronounced shift towards the use of lower-fat beef, lower-fat beef preparation, or other lower-fat items in schools could further moderate impacts. Under scenario 3 there would be no impact at all.

The impact of the proposed school lunch rule on the pork market is also expected to be minimal under the first and second scenarios. This is because much of the pork already in use in the school lunch program is lean pork such as ham. Total use of pork in the school lunch program would increase 16 million pounds or remain the same in the first and second scenarios. The school lunch program's current use of 280 million pounds represents a small fraction of the total U.S. market of 17.3 billion pounds. Hence, the 16 million pound increase would boost prices a minimal 0.2 percent. Farm revenues would increase $11 million or 0.1 percent of their existing revenues. There are no government support programs directly associated with the pork industry and hence no budget implications.

Fruit, Vegetable, and Potato Market Impacts

The impacts of the proposed rule on the fruit, vegetable, and potato markets would be small under the first and second scenarios. Schools use these products in a variety of forms, including fresh, frozen, canned, and as components of commercially processed mixtures. Total usage of fruits in the school lunch program would increase 718 million pounds under the first scenario and over 1.1 billion pounds under the second. Both represent less than 2 percent of the 61.1 billion pound U.S. fruit market. Under scenario one, prices would increase 0.1 percent and farm revenues increase 1.2 percent or $124 million in a $10.2 billion market. Impacts under the second scenario are slightly larger, with prices up 0.2 percent and revenues up $200 million.

Use of vegetables in the program would increase 89 million pounds under the first scenario and 35 million pounds under the second in a 71 billion pound U.S. market. Under the first and second scenarios, price increases would be negligible and farm revenue gains would be $5–12 million or less than 0.1 percent of industry revenues. Use of potatoes in the program would decline 298 million pounds under the first and second scenarios in response to fewer french fry offerings. These reductions are expected to have a little or no impact on the 34 billion pound U.S. potato market. Reduced potato usage would result in 0.1 percent decline in potato prices and a comparable $20 million reduction in farm revenues. The School Nutrition Dietary Assessment Study found that potatoes are often fried or prepared with a significant amount of added fat. The sample menus developed for the food cost analysis show that lower-fat potato dishes can be readily used under nutrient standard menu planning. As with chicken in scenario two, a more pronounced shift towards use of lower-fat potato preparation or other lower-fat items by schools could further moderate the impacts on the potato market.

Field Crop Impacts

The major impact of the proposed rule on the field crop markets would be in the wheat market. Menu changes would increase the wheat used in various forms in the school lunch program from 16.5 million bushels currently to 28–30 million bushels, under the first two scenarios, in a total U.S. market of 2.5 billion bushels. While the difference between scenarios is insignificant, an increase in wheat demand of 10 to 15 million bushels could spark a small adjustment in the market. After offsetting changes in production, feed use and exports are taken into account, the net increase in total use would be roughly 5 million bushels and generate a 2 cent per bushel higher farm price. This would reduce deficiency payments by about $35 million (from a 1990–93 base of $1.9 billion) and would increase farmers' market receipts by about $45 million (from a 1990–93 base of $7.3 billion), more than offsetting the lost deficiency payments.

Rice use would increase roughly 1 million hundred weight under the first and second scenarios in a national market of 180 million hundred weight. This would generate less than a 1 percent change in the farm price of rice, a $7–9 million increase in market revenues, and an offsetting $6–8 million reduction in government payments.

The proposed rule could also reduce use of oilseeds and related products. Changes in menu items as well as preparation techniques would decrease use of vegetable oils for frying and salad dressings.

But the decreases would be too small to measurably affect prices; moreover, with government support for oilseeds limited to a loan program with rates set well below forecast market prices, there would be no budget implications.

Peanut Impacts

In the agricultural impact models developed for this analysis, peanuts are part of a group including legumes and nuts. This group shows some increases under the first and second scenarios, although the direct impact on peanuts is less clear. Even if the findings for the group as a whole are assumed to similarly impact peanuts, the impacts of the proposed rule on the peanut market would be small under the first and second scenarios. Under the first and second scenarios, total usage of peanuts in the school lunch program would increase about 6 million pounds from its current school lunch base of about 44 million pounds. This increase represents less than 0.3 percent of the total U.S. peanut market of 2 billion pounds. Farm prices of peanuts are expected to rise about 0.1 percent and farm revenues increase about $1.0 million. There would be no impact on the government cost of the peanut program.

TABLE 1.—ANNUAL QUANTITY IMPACTS FOR MAJOR AGRICULTURAL MARKETS

[In millions of pounds]

Commodity group	1993 market size		Scenario		
	U.S. total farm-level disappearance	School lunches	One: Minimum change within current offerings	Two: Lower fat chicken preparation	Three: No change in commodity markets
Butter	1,007	55	0	0	0
Cheese	6,633	135	53	47	135
Broilers	19,855	245	125	283	245
Turkey	4,591	105	53	121	105
Beef	24,040	485	385	359	485
Pork	17,268	280	296	280	280
Fruits and juices	61,055	1,097	1,815	2,234	1,097
Vegetables	71,018	1,218	1,307	1,253	1,218
Potatoes	34,079	674	376	372	674
Peanuts	2,050	44	50	50	44
Rice (million cwt)	180	1.3	2.3	2.2	1.3
Wheat (million bu)	2,500	16	30	28	16

The three scenarios illustrate that minimizing the change in current offerings creates market impacts that would not occur if lower-fat substitutions are offered or the mix of commodities within category is allowed to change. They also emphasize that school menus would have to change in order to avoid any impacts in the commodity market.

TABLE 2.—FARM PRICE, REVENUE, AND PROGRAM IMPACTS FOR MAJOR AGRICULTURAL MARKETS

Commodity	Total farm receipts (in billions of dollars)	Scenario								
		One: Minimum change in current offerings			Two: Lower fat chicken preparation			Three: No change in commodity markets		
		Prices (percent)	Revenues (in millions of dollars)	Farm program costs (in millions of dollars)	Prices (percent)	Revenues (in millions of dollars)	Farm program costs (in millions of dollars)	Prices (percent)	Revenues (in millions of dollars)	Farm program costs (in millions of dollars)
Cheese (milk equivalent)	[1] 19.4	−0.6	−166	23	−0.6	−178	25	0.0	0	0
Butter (milk equivalent)	[1] 19.4	0.0	0	0	0.0	0	0	0.0	0	0
Broilers	11.0	−1.8	−134	0	0.4	19	0	0.0	0	0
Turkey	2.9	−2.1	−36	0	0.5	4	0	0.0	0	0
Beef	28.3	−0.9	−143	0	−0.9	−103	0	0.0	0	0
Pork	10.7	0.2	11	0	0.0	0	0	0.0	0	0
Fruits	10.2	0.1	124	0	0.2	200	0	0.0	0	0
Vegetables	9.4	0.0	12	0	0.0	5	0	0.0	0	0
Potatoes	2.0	−0.1	−20	0	−0.1	−20	0	0.0	0	0
Peanuts	1.0	0.1	1	0	0.1	1	0	0.0	0	0
Rice	1.3	0.6	9	−8	0.5	7	−6	0.0	0	0
Wheat	7.3	0.7	45	−35	0.7	45	−35	0.0	0	0

[1] Total farm receipts from milk.

USDA Commodities

USDA for a number of years has made adjustments to improve the nutritional content of commodities provided, however, the basic types and quantities of foods offered to schools have not changed significantly. The analysis conducted indicates that schools can provide meals that meet the dietary guidelines without significant changes in the types of food provided and the Department can continue to make improvements to the commodities provided without diminishing agricultural market support to farmers. In total, USDA commodities account for less than one-sixth of all foods used by schools; the overall average is 16.4 percent. Although there is some variation among schools in the amount of USDA commodities they receive, USDA commodities make up between 10 and 25 percent of the food used for the vast majority (96 percent) of the school food authorities.

The market analysis for scenario one and the sample menus developed for the NSMP food cost analysis reflect an expected shift toward increased use of vegetables, fruits and grains. Such a shift is consistent with the Dietary Guidelines for Americans and the Food Guide Pyramid.[4] This shift can occur without causing significant impacts in overall food markets, however, or in the amounts and types of food USDA provides to schools, with the exception of butter.

USDA continues to make improvements that reduce the proportion of calories from fat in donated commodities: Reducing fat levels in ground beef; acquiring lower-fat cheeses and salad dressings; and providing foods in lower-fat forms

(chicken vs. chicken nuggets). Because USDA provides a significant proportion of a small number of foods schools use (cheese—45 percent; beef—30 percent; turkey—70 percent; chicken—29 percent) efforts to lower the percentage of calories from fat for these commodities can have a substantial impact on the overall nutrient profile of foods used in the program. Even if there are some shifts in the types of foods that schools serve, there is likely to be little change in the overall amount of USDA acquisitions of cheese, beef and poultry because the Department's purchasing power would provide the best leverage for securing lower-fat versions of these products at the lowest price.

c. Benefits

No near-term cost savings due to health improvement from the nutritional update are projected. However, longer term savings in health care costs and years of life may result. The Continuing Survey of Food Intake by Individuals, 1989–91 found that school-age children have average daily intakes of 33.7 to 34.7 percent of calories from fat, and 12.6 to 13.3 percent of calories from saturated fat, depending upon the age-sex group. The Dietary Guidelines for Americans recommends limiting total fat intake to not more than 30 percent of total calories, and limiting saturated fat intake to less than 10 percent of total calories. The School Nutrition Dietary Assessment Study (SNDA) found the average daily consumption by NSLP participants on school days to be 35 percent of calories from fat and 13 percent of calories from saturated fat, compared to 33 percent of calories from fat and 12 percent of calories from saturated fat for non-participants.[5] SNDA also found that students consume fat and saturated fat from school meals at about the same levels as those offered to them. SNDA found schools offering NSLP meals which averaged 38 percent of calories from fat and 15 percent of calories from saturated fat, and participants consumed NSLP meals with 37 percent of calories from fat and 14 percent of calories from saturated fat. Implementation of the proposed rule would reduce the fat levels at school meals to the Dietary Guidelines levels. Using these figures along with the average percent of school-age children receiving a USDA meal (51%) and the average number of school days per year (182), we estimate that, on average, the proposed rule will achieve about 12 percent of the change needed to reach the Dietary Guidelines levels for percent of calories from fat and saturated fat for all U.S. children ages 5 to 18 years. Since school meal participation rates are higher for low-income children than for higher income children, the health benefits will be concentrated in the population at greatest risk of nutrition-related chronic diseases—those with low income. Healthy People 2000: The National Health Promotion and Disease Prevention Objectives reports that low income is a special risk factor for both heart disease and cancer.[6]

The long term savings in health care costs and increase in years of life could result to the extent that lower intakes of fat, saturated fat, cholesterol, and sodium, and increased intakes of grains, fruits and low-fat vegetables either throughout the school years or over a more extended period of time could reduce the risk of diet-related chronic diseases such as heart disease, stroke, cancer, and atherosclerosis. These diseases accounted for almost 65 percent of all deaths in the U.S. in 1991.[7] McGinnis and Foege, in an analysis of actual causes of death in the U.S., reported about 300,000 deaths per year, 14 percent of the total deaths, as the lower bound estimate for deaths related to diet and activity patterns.[8] These factors cannot be readily separated due to their interdependence in determining obesity.

The savings in years of life and the value associated with a population reduction of fat, saturated fat and cholesterol has been estimated for the U.S. adult population. These estimates were incorporated into the regulatory impact analysis for the food labeling regulatory proposal published on November 27, 1991, the Food and Drug Administration (FDA).[9] While no comparable estimates are currently available for dietary changes by school-age children, it is useful to consider the magnitude of effects expected from the proposed changes in the school meal programs with that projected for food labeling.

The study by the Research Triangle Institute (RTI) developed for the food labeling proposal estimated the following changes in fat, saturated fat and cholesterol for male and women due to the labeling changes:[10]

TABLE 3.—AVERAGE DAILY ESTIMATED CHANGES IN FAT, SATURATED FAT AND CHOLESTEROL FOR THE U.S. ADULT POPULATION DUE TO FDA FOOD LABELING CHANGES

	Men	Women	Average
Changes in fat intake:			
Grams	−1.49	−0.67	−1.08
Percent	−1.4%	−1.1%	−1.25%
Changes in saturated fat intake:			
Grams	−0.48	−0.16	−0.31
Percent	−1.3%	−0.7%	−1.0%
Changes in cholesterol intake			
Milligrams	−0.42	−0.26	−0.34
Percent	−0.1%	−0.1%	−0.1%

Adapted from Food and Drug Administration regulatory impact analysis statement for the proposed food labeling regulations, FEDERAL REGISTER, November 27, 1991. Average assumes equal numbers of men and women.

RTI and FDA then used the changes for men and women in a computer model developed by Dr. Warren Browner to estimate the effects on years of life over a period of 20 years. The increased years of life estimates were then used to estimate a value for the added years of life. These changes were found to result in an estimated 20-year reduction of 35,179 cases of cancer, and a reduction of 4,028 cases of coronary heart disease. As a result they estimated avoiding 12,902 deaths and increasing life-years by 80,930.

FDA used two different approaches to estimating the total value of the food labeling changes, a remaining years of life approach and a mean value approach (see November 27, 1991 **Federal Register**, pages 60871–0872, for a more detailed description). They also estimated totals using two different dollar values for consumer willingness to pay for risk reduction—a conservative

estimate of $1.5 million and a higher estimate of $3.0 million. The value of the benefits from increased life-years was estimated to be $3.6 billion (discounted at 5 percent over a 20 year period). When benefits were valued based upon the number of early deaths prevented and the higher willingness to pay figure of $3.0 million, the estimate (similarly discounted) increased to $21 billion. In January 6, 1993, when publishing the final food labeling rule with a comment analysis, FDA updated their 20-year value estimates to between $4.4 billion and $26.5 billion.[11]

USDA agrees with FDA that for government policy evaluation, society's willingness to pay for risk reduction is an appropriate concept to use in evaluating the impact of government actions which will reduce risks. The FDA estimates of $1.5 million and $3.0 million used in their analysis are quite conservative. Economists have three decades of experience in estimating the value of reducing the risk of fatalities using labor market data. Fisher, Chestnut and Violette (1989) evaluated the merits of these studies of the extra wages that would have to be paid for accepting a higher risk of fatality on the job; concluded that the results from the studies without obvious design flaws were reasonable consistent; and reported that the studies implied a value-per-statistical-life of $1.6 million to $8.5 million (in 1986 dollars).[12] This range of value-per-statistical-life becomes $2 million to $10.4 million in 1993 dollars (updated using the change in Bureau of Labor Statistics' average weekly earnings paid to nonagriculture nonsupervisory workers).

Viscusi (1993) also surveyed risks of death and concluded that "the most reasonable estimates of the value of life are clustered in the $3 million to $7 million range" (p. 1942). However, he cautions that these estimates may be low, because the populations of exposed workers in these studies generally have lower incomes than individuals being protected by government risk regulations.[13] (The positive income elasticity for risk reduction means that higher values for lifesaving should be used when evaluating many risk reduction programs, such as airline safety programs). Fisher, Chestnut, and Violette also caution that to the individual's valuation of the risk reduction should be added the value loved ones and altruistic others also would be "willing to pay for reducing the fatality risk for those exposed to it" (p. 97).

The values for risk reduction may be greater when risks are involuntarily assumed than when the risks are voluntarily chosen. This is relevant to the school lunch situation where a limited array of choices are offered in the lunch program. Thus, the higher estimates may be most appropriate for evaluating the school lunch programs' healthier diet and its contribution to reducing risk per-statistical-life.

In comparison to the dietary changes predicted by FDA for food labeling, the improvements in fat and saturated fat estimated for the school meal program proposed regulation are substantial. The School Nutrition Dietary Assessment Study found that dietary intake from NSLP lunches provides 37 percent of calories from fat and 14 percent of calories from saturated fat. Reducing these lunchtime intakes to the Dietary Guidelines levels proposed in the regulation would reduce an NSLP participant's intake by 5.9 grams of fat and 3.4 grams of saturated fat on each day school lunch is eaten. Allowing for 182 school days per year and the percent of total U.S. children age 5 through 18 years who receive a meal on any school day (51%), it is estimated that the average daily reduction across all school-aged youth would be 1.5 grams fat and 0.86 grams saturated fat.

These estimates are significantly above those estimated for the FDA food labeling changes for fat and saturated fat. For cholesterol, school meals already provide a moderate intake and no further reduction will be required by the proposed regulation. To further compare the aggregate effect to that estimated for the food labeling regulations, consider the situation where the adult population reduces fat by 1.5 grams, reduces saturated fat by 0.86 grams, and does not reduce dietary cholesterol intake. This is necessary because there are no commonly accepted equations to relate changes in children's intakes of fat, saturated fat, and cholesterol to chronic disease reduction. The Browner model assumes that the relative risk of cancer is a function of total fat. The reduction of 1.5 grams of fat is about 39 percent greater than the reduction of 1.08 grams average for males and females estimated for FDA's food labeling, so a larger reduction in cancer incidence and deaths would be expected. For coronary heart disease, the Browner model assumes that all change is mediated through changes in serum cholesterol, which is affected by total fat, the type of fat, and dietary cholesterol. FDA used the following equation from Hegsted (1986) to estimate the change in serum cholesterol:

Change in serum cholesterol in milligrams per deciliter (mg/dl) = $2.16S - 1.65P + 0.097C$

Where

S = change in percentage of total calories represented by saturated fat,

P = change in percentage of total calories represented by polyunsaturated fat, and

C = change in dietary cholesterol measured in milligrams per 1000 kilocalories.

The Hegsted equation shows that the greatest effect on serum cholesterol is due to saturated fat, and that changes in dietary cholesterol only play a small part.[14]

The NSLP changes result in an average reduction in saturated fat of 0.86 grams, which is 2.77 times the reduction of 0.31 grams estimated for FDA's food labeling. Since the estimated change in polyunsaturated fat levels is only slightly greater for food labeling than for the proposed regulation, the overall estimated change in serum cholesterol for the adult example based upon changes at the levels which are proposed for school lunch would be considerably greater than that projected for labeling, driven by the large decline in saturated fat.

In summary, if the reductions in fat and saturated fat intake instituted during the school years are continued into adulthood, the increase in life-years and the value in dollars based upon willingness to pay would be of a magnitude similar to or exceeding that estimated for the food labeling changes, which were $4.4 to $26.5 billion over 20 years. However, the lag time to realize this level of benefits over a 20 year period might be greater since FDA's estimates apply to the U.S. adult population and the proposed rule on school meals will begin to have effect with those children in school at the time of implementation.

The fat and saturated fat reductions estimated to accompany the proposed regulation assume that: (1) Students do not replace school meal fat and saturated fat reductions by increasing fat intake at other times of the day or on non-school days, (2) that the dietary improvements at USDA school meals do not result in similar improvements at other meals or on non-school days and (3) that the improvements by program participants do not result in changes by non-program participants. If students did replace fat and saturated fat at other eating occasions, a smaller health benefit would result. If improvements on school days serve as a positive models which, when combined with

nutrition education, result in improvements to non-USDA school meal, a larger improvement would result. The findings from the Menu Modification Demonstrations indicate that the daily fat intakes of NSLP participants would decline if their fat intakes at lunch were lower, but the effect on non-school meals is less clear.[15] Four sites at geographically dispersed locations (Chattanooga, TN; Denver, CO; Princeton City, OH; and San Bernadino, CA) received grants to test reduction in the fat content of NSLP meals. Dietary intakes of fifth grade NSLP participants at lunch and over 24 hours were collected both at baseline and after the reduction of fat in the NSLP meals. The demonstration found that the percent of calories from fat over 24 hours declined either significantly or marginally at all sites for both boys and girls. In addition, the reduction of intake in grams of total fat over 24 hours was greater than or equal to the reduction at the NSLP meal at three of the four sites. At the fourth site (Princeton City), despite an NSLP reduction in fat, 24-hour calories and grams of fat increased. At the San Bernardino site, which achieved the largest reduction in fat at the NSLP meals, the reduction of grams of fat over 24 hours was significantly greater than the NSLP reduction. On balance, the results of this demonstration indicate that when fat at the NSLP meal is reduced, students usually do not replace these calories by increasing fat intake at other eating occasions. While there is some indication that an accompanying reduction in fat at other eating occasions may be more common than an increase in fat at other eating occasions, findings are mixed and therefore not robust enough to influence benefit projections. Accordingly, the analysis in this section assumes that changes in NSLP fat levels do not affect fat intake at other occasions.

The fat and saturated fat reductions discussed in the impact analysis above relate only to the lunch meal. The proposed regulation will also reduce fat and saturated fat in school breakfasts, from 28 to 25 percent of total calories from fat, and from 11 to 10 percent of total calories from saturated fat. This will increase the overall reduction in average fat and saturated fat for the student population, but to a lesser extent than NSLP due to the smaller reductions and because fewer students participate in the School Breakfast Program.

The food labeling regulations are not expected to reduce U.S. fat and saturated fat levels by the full amount needed to achieve the Dietary Guidelines. This indicates that there will be room for the fat and saturated fat reductions which would result from the proposed rule to generate health improvement.

d. Effects on Participation

It is anticipated that the rule will have minimal effect on NSLP participation because implementation of the rule is not expected to increase meal prices or decrease meal acceptability. On a typical day, 25 million children participate in the National School Lunch Program. About 14 million of these meals are served to children receiving free or reduced price lunches. USDA has analyzed both the impact of meeting the dietary guidelines on meal price and meal acceptability and the implications for program participation.

Lunch price is an important factor in determining the level of participation among these students, with students participating at higher rates in schools with lower prices. Research indicates that price increases can cause substantial decreases in student participation. A key factor in maintaining participation among paid students while implementing the dietary guidelines is minimizing the meal cost. Food cost analysis demonstrated that nutritional targets can be reached within current food cost constraints. Minimizing cost impacts removes upward pressure on student fees which would result in decreased student participation.

USDA's efforts to test the effect of reducing fat and sodium and increasing the nutritional quality of meals has shown that improvements can be made without affecting participation. Although the SNDA study found that schools that served meals with a low proportion of calories from fat (less than 32 percent) had lower than average program participation, this information needs to be viewed in the larger context of efforts specifically designed to examine improvements in school meals.

The Department sponsored demonstration projects in five school food authorities from school year 1989–90 to 1991–92 to evaluate the extent to which menus planned to meet the NSLP meal pattern could be modified to better reflect the dietary guidelines.[16] Through the Menu Modification Demonstration Project, USDA examined the process involved in modifying school meals, including the impact on program participation. The demonstration found that fat could be decreased significantly without decreasing program participation. The percentage decrease in grams of fat ranged from 12 to 31 percent in the four sites. In all schools, average daily participation remained stable or increased slightly. In addition, the improvements were made with relatively minor changes in the types of foods offered. Although the districts were not able to make comparable improvements in the percentage of calories from fat, because overall calories decreased, the results demonstrate that fat can be cut without losing participation.

California is operating a State-wide demonstration of nutrient standard menu planning. The State reported that the nutrient-based system they implemented did not result in any decreases in gross meal participation between 1990 and 1992.

SNDA did find lower student participation in very low-fat schools, however, the study also indicated that it is possible to reduce the average fat content of lunches offered to well below the national average of 38 percent of food energy without adversely affecting participation in the NSLP. Participation rates were similar in schools whose lunches provide a moderate percentage of food energy from fat (32 percent to 35 percent) and in those whose meals provide a high or very high percentage of food energy from fat. It is important to note that the SNDA finding of low participation among low-fat schools is not based on experience with schools altering the nutrient content of food but rather on a point-in-time cross-sectional observation of schools with low-fat meals. The study did not collect information on how the schools implemented low-fat meals and what consequences these would have had on participation.

USDA recognizes that significant efforts must be undertaken to ensure that participation is maintained as meals are improved. If a meal does not taste good or look good then children will not eat it. The proposed regulation recognizes that food changes alone will not bring schools meals in line with the dietary guidelines. The results of SNDA and the two demonstrations suggest that reductions in calories from fat must be accompanied by nutrition education and promotional activities to maintain student participation. Gradual implementation of the Dietary Guidelines in school meals will allow for incremental changes in food offerings, minimizing the impact on current participation in the school meal programs. School food service is a nonprofit business that must meet student preferences to stay viable. This requires maintenance of participation by meeting food preferences, and accomplishing nutritional improvements through changes to

recipes, food preparation techniques and purchasing specifications that are consistent with these preferences.

e. Implementation Costs

Initial implementation costs faced by schools will vary depending on existing capabilities and resources within districts and will take many forms. Local, State and Federal resources are available for implementation. USDA has already initiated a number of improvements: Updated and improved recipes for schools, a computerized data bank of standard nutritional values of meals served and a demonstration project on NSMP. The demonstration will incur much of the developmental cost of the basic system framework and identify cost effective strategies for implementation. The Department has announced the availability of nutrition education cooperative agreements to develop comprehensive community-based approaches to nutrition education and is working on a national publication directed at grade school children. The Department is assisting school food service professionals in working with chefs, farmers and others to make school meals appealing and healthful.

The President's FY 1995 budget contains a request of over $20 million to support extensive training for school meal providers on how to plan and prepare nutritious and appealing meals as well as launching a national media campaign directed at building children's skills at making wise food choices for life.

States receive over $90 million annually from the Federal level in State Administrative Expense (SAE) funds for program oversight. A portion of these resources are available to assist in implementation. In addition, the proposed regulation would reduce the level of State resources devoted to local school food authority reviews, which is described in more detail below.

At the local level, implementing nutrient standard menu planning will require computer capabilities. Many schools currently make extensive use of computers for management activities and have the facilities and capabilities to undertake nutrient standard menu planning. One of the goals of the initiative is to use the technology more effectively.

A study of school food authorities in the mid-Atlantic region found that 60 percent of SFAs employ computers for some functions.[17] Over one-fourth of these districts had comprehensive systems that allowed them to do menu management and nutritional evaluations. The menu modification demonstrations found that the lack of appropriate computer software limited the feasibility of monitoring the nutritional quality of menus. More recently developed software has greatly enhanced the ability to perform these analyses, which will now be supported by a USDA developed data base. Schools with microcomputers should be able to use this software.

Schools without sufficient computer capability or necessary access to technical assistance may opt for Assisted Nutrient Standard Menu Planning, which will allow development and analysis of menus by other entities, such as State agencies, consortiums of school districts, consultants or the Federal government, while still applying the essentials of NSMP.

The per meal reimbursement provided to schools was designed to cover both the food and administrative costs (labor and operations) of providing meals to students and can be used to acquire computer hardware and software. Enhanced computing abilities offer significant improvements in other areas of food service management beyond nutrient standard menu planning. The potential for additional improvements in food service operations beyond menu planning, for example, inventory control, should help offset the cost of acquiring this capability for NSMP.

The cost analysis found that the nutrient requirements of NSMP can be met at about the current cost of food in the National School Lunch Program. Because the foods used in the sample menus were drawn from what is currently being served, USDA does not anticipate the need for significant changes in meal preparation practices that would affect the cost to prepare meals. The administrative cost of conducting NSMP should be about the same as current operations once the system is fully implemented in a school. An evaluation of costs in the California nutrient standard demonstration reported that most schools experienced slight cost changes that ranged from 4 percent savings to 1.5 percent increased costs and concluded that most districts can expect to experience very little change in overall food service costs when implementing a nutrient-based system.[18]

f. Other Significant Effects

The Food and Nutrition Service believes that implementation of nutrient-based menus will require extensive training and technical assistance, especially at the school food authority level. In addition, the acquisition of computers (for schools that do not already have them) or contracting for computer or assistance with the revised menu planning system may involve some local level expenditures during the implementation period. While implementation will require a dedicated effort on the part of our agency, the state agencies and local school food authorities, the ongoing operation and maintenance of nutrient-based menu planning will be indistinguishable from the current meal pattern based system in terms of efforts.

To provide for the resources needed for implementation, the regulation proposes a twenty per cent reduction in state monitoring requirements. This reduction will enhance the level of resources available to focus on training and technical assistance efforts. Many school food authorities will no longer have the requirement for specific edit checks to review claims submitted for reimbursable meals. Rather, these school food authorities will have flexibility to develop their own internal controls for such review. This provision is largely intended to streamline program administration, but will also provide some relief from program management burdens.

Other Regulatory Changes

The regulation proposes to streamline some existing administrative procedures of State agencies and school districts. This will permit States and school districts to implement NSMP and focus on the nutritional needs of children. At the State level the school food authority review cycle will be extended from four to five years, reducing by 20 percent the resources devoted to this effort. While this will extend the time period between formal reviews, most districts are currently visited more frequently than the current four year cycle. The States will continue to have a significant presence at the local level. Although the focus of attention will be on implementing NSMP there should be no perceived reduction in State oversight.

5. *Reason for Selection of Proposed Alternative:* The overriding purpose behind this rule is to serve more nutritious and healthful meals to school children while maintaining access to the meal programs for needy children and enhancing the flexibility of local schools to administer the programs.

The nutrient targets selected are derived from the Dietary Guidelines for Americans and the Recommended Dietary Allowances (RDAs).[19] The Dietary Guidelines for Americans encompass the Federal government policy on nutrition. They are developed in consideration of scientific sources such as The Surgeon General's Report

on Nutrition and Health [20] and the National Academy of Sciences reports Diet and Health: Implications for Reducing Chronic Disease Risk [21] and Recommended Dietary Allowances. They are based upon the recommendations of an expert committee, the Dietary Guidelines Advisory Committee, specifically appointed to assist in developing Dietary Guidelines for use across Federal government. There are no alternative policy documents with official sanction by the government departments responsible for domestic nutrition which could provide alternative dietary targets for the general population. Other government publications in this area, such as "Building for the Future: Nutrition Guidance for the Child Nutrition Programs" [22] are based upon the Dietary Guidelines.

6. *Public Comments:* The Department also considered extensive oral testimony presented at four public hearings and meetings as well as written comments submitted in response to a notice published in the **Federal Register** on September 13, 1993. A summary of the comments is included in the preamble to the proposed rule.

7. *References:*

Footnotes

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[FR Doc. 94–14092 Filed 6–8–94; 8:45 am]

BILLING CODE 3410–30–P

federal register

Friday
June 10, 1994

Part V

Department of the Interior

Fish and Wildlife Service

50 CFR Part 17

Endangered and Threatened Wildlife and Plants; 12-Month Petition Finding on the Bull Trout; Final Rule

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

Endangered and Threatened Wildlife and Plants; 12-Month Petition Finding on the Bull Trout

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of petition finding.

SUMMARY: The Fish and Wildlife Service (Service) announces a 12-month finding on a petition to list the bull trout (*Salvelinus confluentus*) pursuant to the Endangered Species Act of 1973, as amended (Act). The Service finds that listing bull trout throughout its range is not warranted at this time due to unavailable or insufficient data regarding the threats to and status and population trends of the species within Alaska and Canada. Sufficient information is available, however, to support a warranted finding to list bull trout within the conterminous United States. The Service, therefore, finds that listing a distinct vertebrate population segment of bull trout residing in the conterminous United States is warranted, but precluded due to other higher priority listing actions. The Service continues to seek data and comments from the public on the status and threats to this species.

DATES: The finding reported in this document was made on June 6, 1994. Comments and information may be submitted until further notice.

ADDRESSES: Comments and materials concerning this petition may be sent to the Field Supervisor, U.S. Fish and Wildlife Service, 3704 Griffin Lane SE, suite 102, Olympia, Washington 98501. The petition, finding, supporting data, comments, and materials received will be available for public inspection, by appointment, during normal business hours at the above address.

FOR FURTHER INFORMATION CONTACT: David C. Frederick, Field Supervisor (see **ADDRESSES** section), at 206/753–9440.

SUPPLEMENTARY INFORMATION:

Background

Section 4(b)(3)(B) of the Endangered Species Act, as amended (16 U.S.C. 1531 *et seq.*), requires that for any petition to list a species as endangered or threatened that presents substantial scientific or commercial information, a finding must be made within 12 months of the date of receipt of the petition on whether the petitioned action is (a) not warranted, (b) warranted, or (c) warranted but precluded from immediate proposal by other pending proposals to list, delist, or reclassify species. Such 12-month findings are to be published promptly in the **Federal Register**. If the finding is warranted but precluded, the Service will, within 12 months of such finding, reevaluate the issue and again make one of the three findings described above with regard to the petition.

The bull trout was designated as a category 2 candidate for listing in the conterminous United States in the September 18, 1985, Animal Notice of Review (50 FR 37958). Category 2 species are species for which the Service has some evidence of vulnerability but for which substantial information is not currently available to support a proposal to list the species as endangered or threatened.

On October 30, 1992, the Service received a petition to list the bull trout as an endangered species throughout its range from the following conservation organizations in Montana: Alliance for the Wild Rockies, Inc., Friends of the Wild Swan, and Swan View Coalition. The petitioners also requested that critical habitat be designated for the bull trout concurrently with the listing. They further requested an emergency listing and concurrent critical habitat designation for bull trout populations in select aquatic ecosystems where the biological information indicates that the species is in imminent threat of extinction.

A 90-day petition finding, published May 17, 1993 (58 FR 28849), determined that the petitioners had provided substantial information indicating that listing of the species may be warranted. The Service initiated a rangewide status review of the species concurrent with publication of the 90-day finding. The period of the Service's status review was extended due to insufficient staff.

The Service has carefully assessed the best scientific and commercial information available regarding the present and future threats facing the bull trout. The species historically was widely distributed throughout the major rivers and tributaries of the Pacific Northwest, including seven States (Alaska, Montana, Idaho, Washington, Oregon, Nevada, and California) and two Canadian Provinces (Alberta and British Columbia). The species has been extirpated from most of the large mainstem rivers in which it historically occurred. The majority of remaining individuals exist within headwater streams. These fragmented and isolated populations are subject to local extirpation.

The species is threatened with extinction within the conterminous United States as a result of aquatic habitat degradation due to forest management practices, roadbuilding, dams, water diversions, mining, and grazing, as well as from isolation, competition and hybridization with non-native fishes, and overharvest. Even populations occurring in wilderness areas, where land use impacts are minimal, are threatened by non-native species and by isolation from other populations such that stochastic events might, in time, result in extirpation.

Different amounts of scientific and commercial data are available on the different populations of bull trout throughout its range. There is little information available regarding the existence or status of bull trout in Alaska. Sufficient monitoring data to document the possible declining population trend in Canada is not currently available in Service files. As a result of the Service's status review for this species, the Service finds that listing bull trout throughout its range is not warranted at this time due to unavailable or insufficient data regarding the threats to and status and population trends of the species within Alaska and Canada.

Sufficient information on the biological vulnerability and threats to the species is, however, available to support a warranted finding to list bull trout within the conterminous United States. The Service has identified a national interest in preserving species in the conterminous United States, even though they also occur in Canada and Alaska. Examples of cases where the Service has used an international boundary to define a distinct vertebrate population segment include: Grizzly bear, bald eagle, marbled murrelet, and woodland caribou.

On September 21, 1983 (48 FR 43098), the Service published a system for prioritizing species for listing. This system results in a listing priority number from 1 to 12 (with number 1 as the most threatened). Because of limited staff and funding, the Service must give priority to the listing of species with a listing priority of 1 through 6. Given the moderate, yet imminent threats facing bull trout residing in the conterminous United States, the Service assigns the listing priority number of 9 to this distinct vertebrate population segment.

Section 4(b)(3)(B)(iii) of the Act provides that petitioned actions may be found to be warranted, but precluded by other listing actions when it is found that the Service is making expeditious progress in proposing and listing

species of plants and animals that are imminently and highly threatened.

For the current fiscal year that began on October 1, 1994, the Service is making expeditious progress to propose and list (within the six conterminous States where bull trout reside), at least 80 plant and animal taxa with listing priority numbers between 2 and 8. The Service, therefore, finds that listing the distinct vertebrate population segment of bull trout residing in the conterminous United States is warranted, but precluded due to other higher priority listing actions. Such species are placed in category 1 of the candidate species list.

More detailed information regarding the above decisions may be obtained from the Service's Olympia office (see **ADDRESSES** above).

References Cited

A complete list of references used in the preparation of this finding is available, upon request, from the Olympia State Office (see **ADDRESSES** section).

Authors

The primary authors of this notice are Carolyn Scafidi (see **ADDRESSES** section); Ron Rhew, Oregon State Office, 2600 SE 98th Avenue, suite 100, Portland, Oregon 97266; Lori Nordstrom, Helena Field Office, P.O. Box 10023, Helena, Montana 59626–0023; Wade Fredenberg, Creston Fish and Wildlife Center, 780 Hatchery Road, Kalispell, Montana 59901; and Bob Hallock, Northern Idaho Office, 11103 East Montgomery Drive, suite 2, Spokane, Washington 99206.

Authority

The authority for this action is the Endangered Species Act of 1973, as amended (16 U.S.C. 1531–1544).

Dated: June 6, 1994.

Mollie H. Beattie,

Director, Fish and Wildlife Service.

[FR Doc. 94–14112 Filed 6–7–94; 2:52 pm]

BILLING CODE 4310–55–M

federal register

Friday
June 10, 1994

Part VI

Department of Education

34 CFR Part 75
Direct Grant Programs; Final Rule

DEPARTMENT OF EDUCATION

34 CFR Part 75

RIN 1880–AA61

Direct Grant Programs

AGENCY: Department of Education.

ACTION: Final regulations with request for comments.

SUMMARY: The Secretary amends the Education Department General Administrative Regulations (EDGAR) to amend regulations governing the requirements for non-competing continuation (NCC) discretionary grant awards. The amendments will eliminate the requirement for recipients to submit an application for NCCs. Instead, the due dates for performance reports will be adjusted so they may be used to determine whether a recipient has met the criteria for receiving a continuation award. EDGAR is also amended to clarify the Department's policy for the use of funds that remain unobligated by the recipient and carried over from one budget period of a project to the next budget period of a project. The action is being taken to improve the effectiveness, integrity, and efficiency of the grant award process, and to contribute to the effectiveness and integrity of the grants. Because these changes are procedural, the Secretary is not publishing these regulations as a proposed rule. However, the Secretary is interested in comments from the public on ways to further improve the non-competing continuation award process.

DATES: *Effective Dates:* These regulations take effect either 45 days after publication in the **Federal Register** or later if the Congress takes certain adjournments. Sections 75.118 and 75.590 will become effective after the information collection requirements contained in those sections have been submitted by the Department of Education and approved by the Office of Management and Budget under the Paperwork Reduction Act of 1980. If you want to know the effective date of these regulations, call or write the Department of Education contact person. A document announcing the effective date will be published in the **Federal Register**.

Applicability Dates: The final regulations published in this document will apply only to those competitions for new grants that will be awarded on or after October 1, 1994 and that are announced in the **Federal Register** on or after June 10, 1994. The Department's Combined Application Notice (CAN) for fiscal year 1995 is published elsewhere in this issue of the **Federal Register** and announces competitions that will be subject to the regulations contained in this document. For those competitions announced before today's CAN, applicants are subject to the EDGAR regulations as they existed before this regulation becomes effective regarding what had to be included in an application.

Recipients that receive initial year awards on the basis of competitions that were conducted under the prior EDGAR regulation will have to submit a continuation application, as they have in the past, for the first continuation award made after October 1, 1994. That continuation application must include a complete budget for each of the remaining budget periods of the project that is equivalent to the budget information that will be required under § 75.117 after the effective date of these final regulations. For any continuation awards made after this initial continuation award, the recipient must submit a performance report, as required by these new regulations, rather than submitting further continuation applications.

COMMENTS: Comments must be received on or before August 9, 1994.

ADDRESSES: All comments concerning these final regulations should be addressed to Sherlyn Taylor, Grants and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, SW., room 3636, ROB–3, Washington, DC 20202–4700.

A copy of any comments that concern information collection requirements should also be sent to the Office of Management and Budget at the address listed in the Paperwork Reduction Act section of this preamble.

FOR FURTHER INFORMATION CONTACT: Kathy Thomas, U.S. Department of Education, 400 Maryland Avenue, SW., room 3636, ROB–3, Washington, DC 20202–4700. Telephone: (202) 401–6901. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

SUPPLEMENTARY INFORMATION: To improve the administration of discretionary grants and to clarify for recipients the procedures and requirements of the Department, the Secretary is amending sections in the Education Department General Administrative Regulations (EDGAR) on non-competing continuation applications and the use of unobligated funds.

Background

In 1993 the Department chartered a Quality Improvement Team for Non-Competing Continuation Grants (the Team). The Team studied the Department's process for awarding non-competing continuation grants. To conduct its analysis, the Team collected information from a wide variety of sources within and outside the Department, including flowcharting, analyzing data from the Department's automated grants management information system, conducting focus groups and interviews of program and grants staff at all levels in the Department, and benchmarking the grant award processes with other Federal agencies. The Team developed four options, ranging from retaining the current non-competing continuation award process (with certain refinements and improvements) to establishing a new process for making NCC awards. The outline of these options was shared with the public during the data gathering stage of the Team's work.

The public was given the opportunity to comment on improving the process for making non-competing continuation awards by submitting written comments or presenting testimony at a public meeting. Both the meeting and the invitation to submit written comments were announced in a notice published by the Department in the **Federal Register** on July 19, 1993 (55 FR 40630). Thirteen written comments were received in response to that request. The Team received additional comments at a public meeting held on August 18, 1993.

The information gained from these extensive data gathering activities allowed the Team to identify deficiencies in the current process on which to base recommendations for modifying and improving the current process.

Recommendation to Streamline the Non-competing Continuation Award Process

Based on input from interested parties, both inside and outside the Department, the Team recommended that the Department make non-competing continuation awards on the basis of acceptable and timely performance reports without requiring the recipient to submit applications for those awards. The Team's recommendation is consistent with the goals of the Government Performance and Results Act and the specific recommendations of the National Performance Review to "eliminate the continuation application process for

budget years within the project period" and that the process "be replaced by yearly program progress reports focusing on program outcomes and problems related to program implementation and service delivery." Instead, funding levels for each budget period of a project will be determined at the time of the initial award.

Changes in funding will be made on an "as needed" basis using prior approval standards already in place under 34 CFR 74.105 and 34 CFR 80.30(c). Under these standards and the procedures in §§ 74.102 and 80.30(f), a recipient must seek prior approval for certain changes to a budget and submit the request to the Grants Division of the Grants and Contracts Service. A request for a change in a recipient's budget should be made at the time that the recipient becomes aware of the need for the change, whether the change affects the current budget period or any or all future budget periods.

If the change affects the next budget period and the recipient becomes aware of the need for the change at the time that it submits its performance report, the recipient may submit the request at the time that it submits the performance report. However, the Secretary notes that submission of proposed budget changes with, or after, the performance report may delay the recipient's receipt of the continuation award. Any funding of a continuation award, whether or not made in conjunction with a request for a budget change, is contingent upon the availability of funds.

Annual awards will be made after approval of performance reports by the program offices. Based on public comment, it was clear to the Team that recipients understand the importance of providing information about progress of grant activities but feel that more timely performance reports would be preferable to an annual application timed to meet the Department's award schedule. Also, there was a perception among recipients that the Non-competing Continuation process demonstrates an "enforcement" mentality on the part of the Federal Government, at the expense of a collaborative and assisting attitude. Recipients favored a new paradigm whereby performance reporting would be tied more to projects' reporting on results and performance, and less to the threat of a cut-off in funding (even though extremely rare in practice). This option was chosen to implement an entirely new paradigm for the NCC award process.

Continuation funding will be based, as it has in the past, on evidence that the grantee has met the standards for continuation contained in 34 CFR 75.253. These standards include requirements that Congress appropriate sufficient funds to continue existing awards, that the grantee make substantial progress toward achieving the objectives of the project or obtain approval from the Secretary for certain changes to the grant, that continuation of the project is in the best interests of the Federal Government, and that the grantee submit, as required by § 75.118, every report that it must submit to get the continuation award. This last standard will take on increased importance under the amended regulations because the continuation award decision—including the decision about whether the grantee has made substantial progress—will be based entirely on the submission of reports as specified by the Secretary, rather than on the submission of a continuation award application. Moreover, having recipients submit their performance reports closer to the date when funding decisions must be made will make the reports more valuable instruments than the previous continuation applications. Until now, recipients often have been required to submit performance data in continuation applications before their projects had completed more than a few months of activities.

The Secretary stresses to recipients the increased importance of performance reports. Because these reports will be key to the decision to continue funding, recipients will be expected to submit high quality reports. A performance report must contain the most current performance information specified in EDGAR and any applicable program requirements. These requirements include an evaluation of the grantee's progress in achieving the objectives of the approved application, the effectiveness of the project in meeting the purposes of the program under which it was funded, and the effect of the project on the participants it serves (§ 75.590); and a discussion of the reasons for slippage if established goals were not met, and a computation of the cost per unit of output if the output of the project can be quantified (§§ 74.82(c) and 80.40(b)).

If a recipient fails to submit a performance report as directed by the Secretary, the recipient will not receive a continuation award. See § 75.253(a)(3). To merit receipt of a continuation award, the report must demonstrate that a recipient has made substantial progress in fulfilling the objectives of the grant. The Secretary intends that employees of the Department will scrutinize these reports closely to ensure that the recipient has, in fact, met this standard. The Department currently is developing a generic performance report for approval by the Office of Management and Budget (OMB).

The new process will provide many benefits to recipients. It will free up time previously spent on duplicative processes, both internal and external. For example, certifications and assurances (e.g., Lobbying; Debarment) must be submitted whenever an entity applies for funds. Since recipients will no longer submit an application to receive continuation funding, they will no longer be required to resubmit these assurances annually for the life of the project. The new process for making continuation awards should free up resources for both the recipients and Department staff that can be reinvested in higher quality project management, technical assistance, and monitoring.

Section-by-Section Analysis

Section 75.100 is revised to remove references to the application process that will no longer be used to make non-competing continuation awards.

Section 75.112 is amended by revising paragraph (b) to require an applicant for a new grant to describe in its application how, in each budget period of the grant, the applicant plans to meet each objective of the project.

Section 75.117 is revised to reflect the new procedure for determining the award amounts for all budget periods in a multi-year grant at the time the initial award is made. The revision ensures that the applicant provides multi-year budgetary information in its initial application since continuation applications will no longer be required.

Section 75.118 is revised to remove references to items that were formerly required in a continuation application. The items listed in paragraph (b) of this section are no longer needed because adequate information already will be provided in the initial application in accordance with the revised § 75.117. The performance report now will become due before the beginning of the continuation award, and will provide the information on which the funding decision will be made. This section makes clear that a performance report must be submitted, prior to the next budget period, for all multi-year awards, and that the Secretary will establish the specific due date for submission of the report. In addition, this section changes any references to "applicant" so that it now will refer to the "recipient" because an application will no longer be a part of the continuation award process.

Section 75.232 is revised to incorporate the new procedure under which the Department performs its cost analysis on the basis of the initial application. The Department does a cost analysis to verify cost data in the detailed budget. In doing so, it evaluates specific elements of cost, and examines an applicant's proposed costs to determine if they are necessary, reasonable, and allowable under applicable statutes and regulations.

Section 75.253 is amended to make the performance reports due by the dates set by the Secretary (§ 75.253(a)). It is important that recipients understand that performance reports now will be due before the end of the current budget period because this information will be used in lieu of continuation applications in deciding whether to make continuation awards. If a recipient fails to submit a performance report as required by these regulations, the Secretary will not continue funding for the project.

Paragraph (c) of § 75.253 also is amended to clarify the Department's policy regarding funds that remain unobligated by a recipient. The current § 75.253(c) states when the Department would reduce the amount of new funds made available for a continuation award to a recipient. Implicit in the current rule is the policy that the Department would, under certain circumstances, add the unobligated funds to the amount of new funds made available for a continuation award. Consistent with this policy, § 75.253(c) clearly indicates the circumstances under which the Department will add the amount of unobligated funds to the amount of new funds made available for a continuation award, as well as the circumstances under which it will reduce those funds.

Section 75.590 is revised to clarify that the grant recipient's annual evaluation is its performance report. The current regulation in § 75.590 requires a recipient to evaluate the project annually but does not require the recipient to submit the evaluation to the Department. Under this amended regulation, the criteria for the annual evaluation required by § 75.590 is incorporated into the performance report. In this regard, the revised introduction to this section now says that a "recipient shall submit a performance report, or, for the last year of a project, a final report, that evaluates [the project] at least annually * * *." This change is designed to make clear that the performance report required under § 75.117, as amended by these regulations, must meet the standards established in § 75.590. These standards require an evaluation of the recipient's progress in achieving the objectives in its approved application, the effectiveness of the project in meeting the purposes of the program under which it is funded, and the effect of the project on the participants being served by the project. Under the amended §§ 75.590 and 75.117, a recipient will no longer have to submit a continuation application and also prepare a separate evaluation of the project. Instead, a single performance report, meeting the standards of § 75.590 will be submitted. Also, the final report of a project required under §§ 74.82(b) and 80.40(b) must meet the standards in § 75.590.

Executive Order 12866

These final regulations have been reviewed in accordance with Executive Order 12866. Under the terms of the order the Secretary has assessed the potential costs and benefits of this regulatory action.

The potential costs associated with the final regulations are those resulting from statutory requirements and those determined by the Secretary to be necessary for administering the Department's programs effectively and efficiently. Burdens, specifically associated with information collection requirements, if any, are identified and explained elsewhere in this preamble under the heading Paperwork Reduction Act of 1980.

In assessing the potential costs and benefits—both quantitative and qualitative—of these regulations, the Secretary has determined that the benefits of the regulations justify the costs.

The Secretary has also determined that this regulatory action does not unduly interfere with State, local, and tribal governments in the exercise of their governmental functions.

Regulatory Flexibility Act Certification

The Secretary certifies that these final regulations will not have a significant economic impact on a substantial number of small entities. For the most part these revisions are adopted to streamline the non-competing continuation award process and the process of reviewing requests for the use of unobligated funds carried over from one budget period to the next. The final revisions will not result in major changes in Departmental policy that might have significant economic impact on small entities. Rather, the effect of these rules is to shift the time when certain information is provided to the Department and eliminate the need for cumbersome continuation award applications.

Paperwork Reduction Act of 1980

Sections 75.112, 75.117, 75.118 and 75.590 contain information collection requirements. The information collection requirements for §§ 75.112 and 75.117 have already been approved under the Office of Management and Budget control number 1875–0102.

These regulations affect the following types of entities which are eligible, depending on the individual program, to apply for discretionary grants: State and local governments, nonprofit institutions, institutions of higher education, for profit organizations, and individuals. The Department needs the information in the performance reports to enable the Secretary to determine if the recipient meets the criteria for an additional year of funding. The performance report enables the Secretary to determine if the recipient has made substantial progress toward meeting the objectives in its approved application. Substantial progress is one of the requirements for a recipient to be eligible for continuation funds. Other requirements for continuation are described earlier in this preamble in the discussion regarding 34 CFR 75.253. The annual reporting burden for these collections of information is estimated to vary from 13 to 22 hours per response, with an average of 17.5 hours per response for 30,000 respondents, for a total annual burden of 525,000 hours, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collections of information. (44 U.S.C. 3504(h)).

The revisions to §§ 75.118 and 75.590, have not been approved by OMB under the Paperwork Reduction Act of 1980. The Department of Education will submit a collection submission to the Office of Management and Budget (OMB) for its review of these sections under the law.

Organizations and individuals desiring to submit comments on the information collection requirements should direct them to the Office of Information and Regulatory Affairs, OMB, room 3002, New Executive Office Building, Washington, DC 20503; Attention: Daniel J. Chenok.

Intergovernmental Review

Programs receiving multi-year continuation awards are subject to the requirements of Executive Order 12372 and the regulations in 34 CFR part 79. However, for discretionary grants, the non-competing continuations referred to in 34 CFR 79.8 will no longer be required. Therefore, the Secretary will

notify the recipient that the performance reports must be submitted for intergovernmental review. The objective of the Executive order is to foster an intergovernmental partnership and a strengthened federalism by relying on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

In accordance with the order, this document is intended to provide early notification of the Department's specific plans and actions for programs subject to 34 CFR part 75.

Waiver of Proposed Rulemaking

Under 5 U.S.C. 553(b)(A) the Secretary may waive proposed rulemaking for rules of agency procedure. These procedural regulations do not affect the substantive rights of recipients to receive new or continuation awards. The procedures established in these regulations merely reduce and shift burden regarding budget submissions and financial and performance reports. Therefore, the Secretary has decided to waive proposed rulemaking for these procedural regulations so that they may be used in the upcoming funding cycle to inform applicants for new awards what must be included in the application for a new award.

Regarding the amendment to 34 CFR 75.253(c), this amendment merely restates the longstanding current regulation in clearer language. The Department has interpreted the current 34 CFR 75.253 consistent with the language contained in the revised paragraph 75.253(c). 5 U.S.C. 553(b)(A) also provides that an agency may waive proposed rulemaking for interpretative rules. Because the amendment to 34 CFR 75.253(c) is consistent with current interpretation of the existing 34 CFR 75.253(c), the Secretary has decided to waive proposed rulemaking regarding this provision as well. Accordingly, the Secretary waives proposed rulemaking for the amendments to 34 CFR part 75 made in this final rulemaking document.

Invitation To Comment

The amendments to these regulations are procedural in nature and intended to streamline discretionary grants administration. However, interested persons are invited to submit comments and recommendations regarding these final regulations because the Department is always interested in ways it can further improve its discretionary grant management practices. All comments submitted will be considered in further streamlining and refining procedures for processing non-competing continuation awards and requests for the use of funds that remain unobligated by the recipient and are carried over to the next budget period. All comments submitted in response to these final regulations will be available for public inspection, during and after the comment period, in room 3636, Regional Office Building No. 3, Seventh and D Streets SW., Washington, DC, between the hours of 9 a.m. and 4 p.m., Monday through Friday of each week except Federal holidays.

Assessment of Educational Impact

The Secretary particularly requests comments on whether the final regulations in this document would require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

List of Subjects in 34 CFR Part 75

Education Department, discretionary grant programs, continuation funding, grant administration, reporting and recordkeeping requirements, performance reports, unobligated funds.

Dated: May 10, 1994.

Richard W. Riley,

Secretary of Education.

(Catalog of Federal Domestic Assistance Number does not apply.)

The Secretary amends part 75 of title 34 of the Code of Federal Regulations as follows:

PART 75—DIRECT GRANT PROGRAMS

1. The authority for 34 CFR part 75 continues to read as follows:

Authority: 20 U.S.C. 1221e–3(a)(1) and 3474, unless otherwise noted.

§ 75.100 [Amended]

2. Section 75.100 is amended by removing paragraph (c).

3. Section 75.112 is amended by revising paragraph (b) and adding an OMB control number to read as follows:

§ 75.112 Include a proposed project period and a timeline.

* * * * *

(b) An application must include a narrative that describes how and when, in each budget period of the project, the applicant plans to meet each objective of the project.

(Approved by the Office of Management and Budget under control number 1875–0102)

* * * * *

4. Section 75.117 is amended by revising paragraph (b), removing paragraph (c) and adding an OMB control number to read as follows:

§ 75.117 Information needed for a multi-year project.

* * * * *

(b) A budget narrative accompanied by a budget form prescribed by the Secretary, that provides budget information for each budget period of the proposed project period.

(Approved by the Office of Management and Budget under control number 1875–0102)

* * * * *

5. Section 75.118 is revised to read as follows:

§ 75.118 Requirements for a continuation award.

(a) A recipient that wants to receive a continuation award shall submit a performance report that provides the most current performance and financial expenditure information, as directed by the Secretary, that is sufficient to meet the reporting requirements of 34 CFR 74.82, 75.590, 75.720, and 80.40.

(b) If a recipient fails to submit a performance report that meets the requirements of paragraph (a) of this section, the Secretary denies continued funding for the grant.

Cross-Reference. See § 75.117 Information needed for a multi-year project, and §§ 75.250 through 75.253 Approval of multi-year projects, § 75.590 Evaluation by the recipient, § 75.720 Financial and performance reports, § 74.82 Performance Reports under nonconstruction grants, and § 80.40 Monitoring and reporting program performance.

(Authority: 20 U.S.C. 1221e–3(a)(1) and 3474)

§ 75.232 [Amended]

6. Section 75.232 is amended by adding the word "new" in paragraph (a) before the word "grant".

7. Section 75.253 is amended by removing the word "grantee" and adding, in its place, the word "recipient" in paragraphs (a)(2) and (a)(2)(ii)(B), and by revising paragraphs (a)(3), (c), and (e) to read as follows:

§ 75.253 Continuation of a multi-year project after the first budget period.

(a) * * *

(3) The recipient has submitted all reports as required by § 75.118, and

* * * * *

(c) The Secretary considers any funds remaining unobligated by the recipient at the end of a budget period in determining the amount of new funds to be awarded for the next budget period of the grant as follows:

(1) If the unobligated funds are needed to complete activities that were approved for the budget period that is about to end, the Secretary may add the unobligated funds to the amount of

funds to be approved for the next budget period of the grant.

(2) If the unobligated funds are not needed to complete activities that were approved for the budget period that is about to end, the Secretary may reduce the amount of new funds awarded for the next budget period by the amount of unobligated funds.

* * * * *

(e) Unless prohibited by program regulations, a recipient that is in the final budget period of a project period may seek continued assistance for the project under the procedures for selecting new projects.

8. Section 75.590 is amended by removing the word "grantee" and adding, in its place, the word "recipient" in paragraph (a) and revising the heading and the undesignated introductory text to read as follows:

§ 75.590 Evaluation by the recipient.

A recipient shall submit a performance report, or, for the last year of a project, a final report, that evaluates at least annually—

* * * * *

[FR Doc. 94–14106 Filed 6–9–94; 8:45 am]
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federal register

Friday
June 10, 1994

Part VII

Environmental Protection Agency

40 CFR Part 170

Technical Amendment to Early-Entry Prohibition of the Worker Protection Standard; Final Rule

Administrative Exception to Early-Entry Prohibition of the Worker Protection Standard for Harvesting Cut Roses; Notice

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 170

[OPP-300164I; FRL-4866-5]

Technical Amendment, Addition of Table of Exception Decisions to Early-Entry Prohibition, Worker Protection Standard; Final Rule

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: In the Notices section of this **Federal Register**, EPA is granting an administrative exception to the general prohibition on early entry into pesticide treated areas for hand labor contained in the Worker Protection Standard (WPS) issued under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). That exception allows, for a 2-year period, under specified conditions, early entry by workers to harvest greenhouse-grown cut roses. To ensure that the regulated community is aware of that and future administrative exceptions to the early-entry prohibition, EPA is amending the WPS to add a new § 170.122(e)(7) that allows the regulated community to locate **Federal Register** notices that set forth the terms and conditions of the administrative exceptions.

EFFECTIVE DATE: June 10, 1994.

FOR FURTHER INFORMATION CONTACT: Therese Murtagh, Chief, Occupational Safety Branch (7506C), Environmental Protection Agency, 401 M St., SW., Washington, DC 20460, (703) 305-7666.

SUPPLEMENTARY INFORMATION:

I. Background and Purpose

EPA issued the WPS on August 21, 1992 (57 FR 38102, 40 CFR Part 170). The WPS includes a prohibition (§ 170.112) against routine early entry into pesticide treated areas to perform hand labor tasks during restricted-entry intervals (referred to as "early entry"). Section 170.112(e) of the WPS provides a process for EPA to consider and grant administrative exceptions to this prohibition on early entry. In the Notice section of this **Federal Register**, EPA is granting the first such administrative exception for early entry to harvest cut roses. To ensure that the regulated community is aware of, and able to locate, that and future administrative exceptions, EPA is amending § 170.112 by adding a new paragraph (e)(7) identifying the **Federal Register** citations and effective dates for administrative exceptions granted under § 170.112(e).

The addition of paragraph (e)(7) to § 170.112 is a technical amendment. It does not make any substantive changes in the WPS or § 170.112. Accordingly, EPA finds that there is good cause to make this amendment effective without notice and opportunity for public comment because they are unnecessary. Under § 170.112(e), EPA provides notice and an opportunity for comment on proposed administrative exceptions. There is no need for separate comment on adding a cross-reference to § 170.112(e) to those published exception decisions. In addition, EPA finds that there is good cause to make this technical amendment effective immediately upon publication so that reference to the cut rose administrative exception, which is itself effective immediately in this **Federal Register**, will appear in the CFR immediately.

II. Regulatory Assessment Requirements

A. Executive Order 12866

Under Executive Order 12866 (58 FR 51835, October 4, 1993), EPA must determine whether the regulatory action is "significant" and therefore subject to review by the Office of Management and Budget (OMB) and to the requirements of the Executive Order. Pursuant to the terms of the Executive Order, EPA has determined that this technical amendment is not "significant" and is therefore not subject to OMB review.

B. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (5 U.S.C. 650(b)), EPA has determined that this technical amendment will not have a significant impact on a substantial number of small businesses since the technical amendment makes no substantive changes in the WPS.

C. Paperwork Reduction Act

This technical amendment contains no information collection requirements as defined in the Paperwork Reduction Act (44 U.S.C. 3502 et seq.).

List of Subjects in 40 CFR Part 170

Administrative practice and procedure, Labeling, Occupational safety and health, Reporting and recordkeeping requirements.

Dated: June 3, 1994.

Lynn R. Goldman,

Assistant Administrator for Prevention, Pesticides and Toxic Substances.

Therefore, 40 CFR chapter I, subchapter E, part 170 is amended as follows:

PART 170—[AMENDED]

1. The authority citation for part 170 continues to read as follows:

Authority: 7 U.S.C. 136w.

2. In § 170.112 by adding a new paragraph (e)(7) to read as follows:

§ 170.112 Entry restrictions.

* * * * *

(e) * * *

(7) *List of exceptions granted by EPA.* The following administrative exceptions from the requirements of this section have been granted by EPA. Each exception listed in paragraph (e)(7) of this section contains a reference to the **Federal Register** notice in which EPA has granted the exception and the effective dates of the exception. The terms and conditions of the exception appear in the referenced **Federal Register** notice.

(i) Exception for hand labor to harvest greenhouse-grown cut roses published in the **Federal Register** of June 10, 1994, effective from June 10, 1994, to June 10, 1996.

(ii) [Reserved].

[FR Doc. 94-14179 Filed 6-9-94; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

[OPP-300164H; FRL-4779-8]

Administrative Exception to Worker Protection Standard Early Entry Prohibition for Harvesting Cut Roses

AGENCY: Environmental Protection Agency (EPA)

ACTION: Administrative Exception decision.

SUMMARY: EPA is granting an administrative exception to the general prohibition on early entry into pesticide treated areas for hand labor contained in the Worker Protection Standard issued under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). The exception allows, for a 2-year period, under specified conditions, early entry to harvest greenhouse-grown cut roses. This exception will provide the cut rose industry additional time to develop and implement safe alternatives to early entry. EPA is denying an exception for other cut flower and cut fern industries at this time.

EFFECTIVE DATE: June 10, 1994.

ADDRESSES: All comments submitted on the proposed exception are available for public inspection in the Office of Pesticide Programs' public docket, room 1132, Crystal Mall #2, 1921 Jefferson Davis Highway, Arlington, VA. Office hours are 8 a.m. to 4:30 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Therese Murtagh, Chief, Occupational Safety Branch (7506C), Environmental Protection Agency, 401 M St., SW., Washington, DC 20460, (703) 305-7666.

SUPPLEMENTARY INFORMATION:

I. Background

EPA issued on August 21, 1992, (57 FR 38102) a final rule establishing Worker Protection Standards (WPS) for agricultural pesticides (40 CFR part 170). The WPS includes a prohibition against routine early entry to pesticide treated areas to perform hand labor tasks during restricted-entry intervals (referred to as "early entry"). Section 170.112(e) of the WPS provides a process for considering exceptions to this prohibition against early entry. In the same August 21, 1992 Federal Register, EPA proposed to grant an exception to the early-entry prohibition for the cut flower and cut fern industries. Information received from the industry during the comment period for the proposed WPS persuaded EPA that there could be substantial economic repercussions if routine hand labor tasks were prohibited during the restricted-entry interval (57 FR 38175). EPA solicited comments on the proposed exception for the cut flower and cut fern industries and received a wide range of comments both supporting and opposing the proposed exception.

II. EPA's Exception Decision

EPA has reviewed the information received and has decided to grant a modified exception to the early-entry prohibition for harvesting greenhouse-grown cut roses only. The information submitted by the rose industry combined with EPA's knowledge of rose production convinced EPA that rose growers could suffer a substantial economic impact if compliance with the WPS early-entry restrictions were required. EPA is granting a 2-year exception to provide rose growers time to adjust pesticide spray schedules, find early-entry alternatives, and develop technology. The exception is subject to conditions designed to mitigate risk to early-entry workers. EPA believes that early entry under the terms of the exception for the period of 2 years will not pose unreasonable adverse effects to rose harvesters.

EPA believes the economic benefits of a 2-year exception for rose growers may be high and that the conditions of this exception will mitigate workers' risks. EPA does not, however, have sufficient information about the risks and benefits of the exception to grant a broader or longer term exception. If the rose industry determines that it needs an exception beyond 2 years, the industry will need to provide additional information on the economic benefits of an exception, as well as the risks, in a new exception request under §170.112(e)(1). This information should include worker exposure data, poisoning incident data, personal protective equipment feasibility information, and data on the economics of rose production and how WPS early-entry restrictions affect revenues.

EPA has not received sufficient information to warrant an exception to the early-entry prohibition for other cut flower and cut fern producers at this time. Information submitted in some comments suggests that alternatives to early entry exist for these other crops and that such an early entry prohibition would not cause economic repercussions great enough to outweigh the risk to workers. Growers of other cut flowers and cut ferns who would still like EPA to consider an exception for these crops should submit an exception request which supplies the information outlined in §170.112(e)(1). This includes information on crop production and pesticide use practices, alternative practices, economic data, safety practices, and the costs and feasibility of implementing the conditions under which an exception would be granted.

III. Comments, Summary of Major Issues Raised in the Comments and EPA's Findings

In the WPS, EPA prohibited early entry for hand labor such as harvesting because EPA concluded that entry during a restricted-entry interval (REI) to perform routine hand labor tasks is rarely necessary, that personal protective equipment (PPE) for field workers is impractical because workers may remove it or use it incorrectly, and that PPE may be risk inducing because of heat stress concerns. Here, the rose industry has made a case, at least for the interim, that routine entry during an REI to harvest roses is necessary and that prohibiting such entry could have a substantial economic impact on rose growers.

Therefore, EPA is granting a limited exception to allow workers to harvest greenhouse-grown cut roses to avoid excessive economic burden to rose growers. Under conditions described below, workers may enter treated areas under an REI to harvest roses. EPA believes that in rose greenhouses, the use of PPE, a limitation on worker-exposure time, accessible decontamination facilities, provision of label-specific information to workers, basic pesticide safety training, and shade and mechanical cooling devices will mitigate risks for rose harvesters. The following additional factors contributed to EPA's decision: (1) PPE would be worn for only limited periods of time; (2) greenhouses usually encompass a much smaller area than field crops so that employers should more easily be able to ensure that workers wear the PPE; (3) harvesting could be accomplished in a reasonably efficient manner while wearing the required PPE, including coveralls, chemical-resistant gloves (possibly as liners underneath leather gloves), chemical-resistant footwear and headgear (if the potential for head exposure exists), and protective eyewear; (4) the accessibility, usual in rose greenhouses, of running water and in many cases showers for decontamination and heat-stress alleviation; and (5) the availability, also usual in rose greenhouses, of shade, fans, or other mechanical ventilation to provide some cooling. EPA therefore believes that early entry with PPE would be feasible and provide adequate reduction of risks to rose harvesters. Under the conditions of this exception

there will be less pesticide exposure to rose harvesters than in the past.

However, because of continuing uncertainty about the potential risks to early-entry rose harvesters and about the extent of the economic impact of WPS entry restrictions, and because EPA believes that certain alternative practices will eventually reduce or eliminate the need for early entry for rose harvesting, EPA is limiting the exception to 2 years. Should industry determine it needs an exception beyond 2 years, the industry will need to provide EPA with additional information on risks and benefits to support such an exception request.

A. Economic Need

Comments received from rose growers estimated annual revenue losses from $22,000 to more than $50,000 per acre as a result of restricted-entry intervals imposed by the WPS, should no exception be granted. Roses, Incorporated, a national association representing rose growers, estimated an average annual loss of $35,000 per acre for rose growers nationally. This is based on an estimated loss of the equivalent of 1 day's harvest per week due to the WPS. These figures appear to be based on the frequency at which pesticides are normally applied in rose production, the toxicity categories of the pesticides most commonly used on roses, and the need to harvest roses 2 times per day to ensure the harvested crop will yield a premium price. One comment stated that a rose crop can lose 80 percent of its value in 5 hours if not harvested promptly. Several rose growers commented that, given the practices currently employed on their operations, they would lose from 10 percent to 28 percent of their crop as a result of the WPS prohibition against reentry for harvesting during restricted-entry intervals, which range from 12 to 48 hours. These comments cite an average loss of 1 to 2–days' harvest each week depending on the pesticides applied.

Many growers also cited foreign competition in the rose industry as posing a serious economic threat. According to information submitted, imported roses, which represented less than 10 percent of the domestic market in 1980, now account for approximately 50 percent of the U.S. rose supply. Several comments noted that roses can be produced outside the U.S. with far lower labor costs and fewer government restrictions on chemicals used and on workplace safety. A few comments stated that domestic rose producers have managed to retain an economic edge over their foreign competitors by producing higher quality roses. These comments also noted, however, that quality rose production is dependent on intensive pesticide use to ensure an enhanced cosmetic standard.

Comments opposing the exception noted that the industry's estimates are based on current practices which rely on entry as soon as sprays have dried and dusts have settled. These comments suggested that alternative cultivation practices, such as improved scheduling of pesticide applications around essential work activities and use of nonchemical or less-toxic chemical pesticides, would either greatly reduce or eliminate the need for early entry.

One rose grower also noted that improved worker safety, while important in itself, has economic benefits which would offset some of the costs to employers brought on by the conditions of the exception proposed by EPA.

EPA currently has insufficient information to project quantitatively the economic impacts of not granting an exception to rose growers at this time. Given current practices, it is clear that without an exception to early-entry prohibitions, rose growers would be forced to change their practices. EPA expects that such changes in pesticide-use patterns, harvesting, post-harvest handling, scheduling of activities, or other cultural practices will either decrease growers' revenues, increase costs, or both, thereby decreasing growers' income at least in the short run. Given EPA's knowledge of rose culture, including the high per acre value of rose production, and information presented in comments submitted by rose growers, EPA believes that the impacts of denying the exception at this time could be substantial.

EPA also believes that the entry requirements set out in the terms of the exception will encourage the rose industry to adopt alternative production practices which ultimately will reduce the need for early entry, the toxicity of pesticide used, the frequency of pesticide use, and, eventually, the potential economic losses resulting from WPS entry restrictions.

B. Risk to Workers

Most comments opposing the proposed exception identified risk to workers as a primary concern. These comments observed that the frequency and volume of pesticide use in flower production which is necessary to maintain a high cosmetic standard contributes to worker exposure risk.

Several comments included specific information about injuries and poisonings relating to benomyl use. (EPA notes that in 1992 all ornamental uses of benomyl, including use on roses, were voluntarily cancelled. Therefore benomyl should pose no added risk to workers harvesting roses under this exception.)

A number of comments also noted injuries to workers in cut-fern operations and included testimonials from fern workers who suffered pesticide-related illnesses or injuries. Some comments included reference to a study (Brouwer et. al. 1991) which suggested that workers in cut flower cultivation may experience higher exposure than workers who apply the pesticides.

Most comments from growers, on the other hand, noted safety records reflecting few, if any, lost work days as a result of worker exposure to pesticides. Roses, Inc., surveyed its members in 1988 about pesticide safety records and suggested that the survey results supported these comments. However, due to the limited scope of the survey and because the survey to some extent relied on growers' memories for data collection, it is difficult to draw conclusions from the results.

Many growers' comments noted that a factor contributing to rose workplace safety is the relative stability of the work force. Since roses are cultivated year round there is less worker turnover than in other, seasonal crops. Some growers cited an average employment period of 5 years or more per worker, and others added that rose workers are frequently paid by the hour rather than at a piece rate, which may encourage safer work practices. Rose growers also commented that productive workers must be trained and gain experience in cultivation and harvesting techniques. This employer investment also contributes to work force stability and safety.

Employers' Reports of Occupational Injuries, compiled by the California Department of Industrial Relations from 1981 to 1990, indicate that workers in horticultural specialty crops, which include roses, had a slightly higher rate of pesticide poisoning (0.53 poisonings per 1,000 workers per year) than that for agricultural workers in general (0.46 poisonings per 1,000 workers per year). This data, as well as information gathered by Agency experts about intensive pesticide use in rose production, has led EPA to determine that, without PPE and the other protective conditions of this exception, risk is as high or higher for rose harvesters as for workers harvesting outdoor agricultural crops such as strawberries, cotton, leaf crops, etc. EPA believes worker exposure risk is a

serious concern in greenhouse rose production. Certain workplace conditions discussed below, however, increase the likelihood that the conditions of this exception will effectively mitigate worker exposure risk.

The Brouwer study measured pesticide residues collected on hand and arm coverings worn by workers during flower-cultivation activities without any protective clothing or gloves being placed between treated foliage and the residue collectors. Workers in the Brouwer study were not provided with or required to use protective gear and their time in treated areas was not limited. EPA believes the conditions of this exception, which also include training about pesticide hazards and personal safety, and employer-provided PPE and decontamination facilities, will reduce worker exposure during harvesting activities permitted by this exception. Because the rose workforce is comparatively small and stable, EPA believes the conditions placed on this exception will be easier to implement and monitor than for many other agricultural crops.

EPA remains concerned about worker risk in rose cultivation. EPA is gathering the data necessary to establish chemical-specific REIs to ensure workers are adequately protected from risks associated with reentry. As a result of this process, some product-specific REIs appearing on pesticide labels include special restrictions. The exception described in this Notice may be used unless early entry is expressly prohibited in product labeling.

C. Conditions of the Exception

In 1992, EPA proposed to grant this exception subject to the following conditions: (1) The PPE specified on the product labeling for early entry is provided, cleaned, and maintained for the worker by the employer, and measures to prevent heat-related illness are implemented, when appropriate; (2) no entry takes place for the first 4 hours after the application and, thereafter, until any exposure level listed in the labeling has been reached or any ventilation criteria established by the WPS or in the labeling have been met; (3) the time in treated areas for each worker may not exceed 3 hours in any 24–hour period; (4) the required decontamination and change areas are provided; and (5) the required basic training and label-specific information have been furnished. Public comments on these conditions, which are designed to mitigate risk to early-entry workers, are discussed below.

At the time the exception was proposed, EPA expected that the basic provisions of the WPS for all workers would be provided for early-entry workers under this exception. However, since recent legislation has delayed the compliance date of certain WPS provisions, some of those basic protections have been incorporated into the conditions of this exception.

1. *Personal protective equipment (PPE).* Several comments opposing the exception stated that PPE use is not practical or feasible for harvesters. The Farmworker Justice Fund and others noted that often workers are not provided with PPE because it is expensive. Farmworker advocates also commented that PPE is not practical for harvesting cut flowers because it is awkward to use and uncomfortable. This, they argued, is a disincentive for some workers—those paid a piece rate—to use PPE since it could slow their work and thus reduce their pay.

Some comments from rose growers echoed these concerns and recommended EPA permit early entry with normal work attire (long sleeved shirt, long pants, shoes and socks) and leather gloves, expressing fear that a crop could be damaged by PPE-encumbered harvesters. Other rose growers noted that, relative to the value of lost crop without an exception, the cost of PPE is low. Therefore, employers would assume the cost of providing PPE to their workers if it were a condition of the exception. Some growers also commented that rose workers are frequently paid by the hour rather than a piece rate. In such cases, there would be no economic reason for workers to avoid use of PPE.

EPA notes that in most situations—even for toxicity category I pesticides—the most PPE that would be required for early-entry workers will be coveralls over long pants and a long-sleeved shirt, socks, chemical-resistant footwear, and chemical-resistant gloves. If the pesticide is an eye irritant, eye protection also will be required. EPA believes that this level of PPE is not likely to affect workers' mobility or dexterity to the extent that it could lead to a damaged crop or discourage workers from using the required PPE.

The Farmworker Justice Fund and other commenters who opposed the exception questioned the feasibility of PPE for protecting workers. Some comments cited a study evaluating PPE during chemical applications (Fenske, R.A., 1988) which demonstrated certain deficiencies in PPE's protective qualities. These deficiencies included pesticide exposure through seams and openings in protective garments. The study also showed exposure as a result of workers removing gloves because of discomfort.

EPA notes that, while some problems identified in the Fenske study which involved pesticide applicators may also apply to early-entry workers, the potential circumstances of exposure differ. Under this exception, early-entry workers would enter to work in a treated area under an REI only after a minimum of 4 hours have elapsed since the end of an application, while applicators involved in treating the area would have potential for direct exposure to pesticide formulations as they are applied. Additionally, the time in treated areas under this exception would be limited to 3 hours per worker per day. Also, since the Fenske study, several PPE manufacturers have made improvements in their products including better engineered seam closures, lighter-weight materials, and enhanced comfort for workers.

Chemical-resistant gloves and glove liners. If the product label requires chemical-resistant gloves, the WPS allows rose harvesters to use chemical-resistant glove liners under leather gloves in lieu of chemical-resistant gloves because of concern over sharp thorns. (Once leather gloves have been worn for this use, thereafter they may only be worn with chemical-resistant glove liners and for no other use.) Roses, Inc., and other commenters in favor of the exception requested that EPA allow rose harvesters to use leather gloves only in lieu of either chemical-resistant gloves or leather gloves with chemical-resistant glove liners. These comments stated that chemical-resistant gloves that are sufficiently supple and durable for rose harvesting are not yet available. Roses, Inc., after testing some glove options with member growers, added that chemical-resistant glove liners tend to be uncomfortable to wear and cause hands to sweat excessively which may encourage skin and fingernail diseases. One comment suggested permitting the use of cotton glove liners in lieu of chemical-resistant liners.

EPA remains convinced that leather gloves do not sufficiently prevent pesticide exposure, and in many cases may pose a greater hazard than if no gloves at all are worn. Since leather is virtually impossible to decontaminate once impregnated with pesticide residues, workers who wear such gloves are subjecting their hands to uninterrupted contact with residues and are thus at increased risk of pesticide-related problems. Agency experts also doubt the ability of cotton liners to be an effective barrier to residues given the duration and conditions under which

the gloves would likely be worn. EPA notes that obtaining chemical-resistant gloves of a quality and durability appropriate for harvesting thorn-type roses is difficult at present. However, several varieties of lightweight and disposable chemical-resistant gloves and glove liners are currently available which EPA believes, when worn under leather gloves, would not significantly affect a worker's dexterity. EPA therefore continues to require the use of either chemical-resistant gloves or leather gloves over chemical-resistant glove liners under this exception.

Heat stress. Another concern expressed in the comments was that PPE may increase workers' risk of heat stress. Information was presented that suggested heat is a serious health threat to workers, particularly those in fern operations.

Several growers commented that PPE would not pose a significant heat problem for rose workers because of several mitigating factors. These comments noted that temperature must be carefully regulated for successful rose cultivation through use of fans and venting during hot weather. One comment added that it is rare for temperatures in a rose greenhouse to exceed 90 degrees. Comments also added that water for drinking and decontamination is immediately available in virtually all rose greenhouses. EPA believes that such conditions make it likely that PPE will not pose the risk of heat-related illness to be expected for workers in other crops.

Conclusions. EPA recognizes the potential risks of worker exposure and heat stress during early-entry work; however, EPA believes that the PPE required under the exception is feasible and likely to provide adequate reduction of risks to workers in the rose industry. This is based on several factors: PPE would be worn for only limited periods of time; harvesters could work relatively efficiently while wearing the required PPE; water for drinking and decontamination is immediately available in most rose greenhouses; and the usual presence in rose greenhouses of fans or other mechanical ventilation to provide some cooling. Also, that the rose workforce is relatively stable and frequently paid an hourly wage rather than a piece rate, contributes to this determination.

Under this exception, EPA is requiring that early-entry workers wear PPE listed on the pesticide product label for early-entry workers. Early-entry PPE is generally equal to that which would be worn by applicators of the chemical in question (minus respirators, since entry is prohibited until the exposure level listed on the labeling has been reached or any ventilation criteria established by the WPS or in the labeling have been met). Additionally, under the conditions of this exception, early-entry workers would be instructed how to put on, use, and take off early-entry PPE, the importance of washing thoroughly after removing PPE, and how to prevent, recognize, and give first aid for heat-related illness.

2. *4–hour prohibition versus "sprays dried and dusts settled."* Several growers commented that the performance standard of "sprays have dried and dusts have settled" is preferable to EPA's generic entry prohibition of 4 hours after an application. Comments noted that the "sprays dried/dust settled" standard is both more workable for their industry and more protective of workers: sprays usually dry in 2 – 3 hours, but sometimes, in humid greenhouse conditions, may not be dry until after more than 4 hours have elapsed.

Comments, both favoring and opposing the exception, cited California regulations governing re-entry. The California Department of Pesticide Regulation (CDPR) also submitted comments. California's current regulations allow reentry for hand labor activities when sprays have dried and dusts have settled for most toxicity category II and III pesticides, and for six category I pesticides of importance to the greenhouse industry. (These six category I pesticides are skin and eye irritants.) Otherwise, entry is restricted for 24 hours following application of a category I product. According to CDPR, "These reduced entry intervals are based on workers being protected by work clothes and gloves, and instructions to shower at the end of the work period."

EPA adopted the generic 4–hour period of no entry as a means of removing personal judgment from the entry equation. Sprays dry at different rates in different parts of a treated area, depending on greenhouse conditions. Therefore, it is a difficult and subjective decision as to when entry is permissible under a "sprays dried" standard. For this reason, the "sprays dried" standard is also difficult to enforce. EPA continues to believe that there should be no entry into freshly treated areas which would involve contact with treated surfaces until the dusts or sprays have settled and some drying or volatilization of the formulation has taken place—4 hours. Thus, under this exception, EPA prohibits entry to treated areas for the first 4 hours after an application. (Also, entry is not permitted until any exposure level listed on the labeling has been reached or any ventilation criteria established by the WPS or in the labeling have been met. In some cases this will exceed 4 hours.) EPA believes that the conditions of this exception will protect workers from hazardous pesticide exposures regardless of a pesticide's toxicity category.

3. *3 hours per worker per 24 hours limit.* EPA proposed that each worker could not exceed 3 hours of early entry in any 24–hour period. The 3–hour limit was based on comments from Roses, Inc., on the proposed WPS which stated that 3 hours per worker per 24 hours would allow for most harvest needs and would limit worker exposure. Many comments from growers recommended extending the amount of time a worker may spend in a restricted area beyond 3 hours in a 24–hour period.

Several comments from rose growers suggested that normally 3 hours per worker per 24–hour period would be sufficient to carry out necessary harvesting during a restricted-entry interval. Most comments noted, however, that an early-entry worker may need to harvest for more than 3 hours during holiday harvest times. One comment stated that up to 8 hours could be needed. A few comments recommended a weekly standard rather than a 24–hour limit. Roses, Inc., also suggested that, given the proposed PPE conditions, a time limit would not be necessary. Some grower comments, however, indicated that the 3–hour limit would not pose significant problems and that pesticide applications could be scheduled around holiday harvests.

Comments opposing the exception raised the concern of worker non-compliance: if harvesters are paid piece rate they will have a strong economic incentive to exceed the 3–hour limit.

EPA is persuaded of the industry's economic need, given current production practices, to harvest roses during restricted-entry intervals, and recognizes that the time required to harvest roses varies from greenhouse to greenhouse and depends on holiday demand. Based on comments submitted by industry and knowledge of rose cultivation practices, EPA will accept 3 hours to be the amount of time needed to meet most harvest needs.

EPA points out that the effectiveness of PPE, upon which workers will rely to prevent exposure, declines the longer equipment is worn. Chemical resistance also decreases with time. Additionally, the longer a worker wears PPE the more likely it becomes that the worker will remove pieces as the PPE grows less comfortable. EPA believes an individual should not exceed 3 hours of early-entry

rose harvesting in any 24–hour period. Therefore, the proposed 3–hour limit remains a condition of the exception. Any employers allowing their workers to exceed the 3–hour limit would be violating the WPS.

4. *Decontamination facilities.* Worker advocates commented that decontamination supplies will be too expensive for many employers to justify.

Growers have responded that, like PPE, decontamination supplies are cheap relative to the value of crop lost due to entry restrictions. Employers would therefore assume the cost of decontamination supplies as a condition of the exception. Rose growers also commented that water for drinking and decontamination are immediately available in virtually all rose greenhouses.

EPA has decided that the proposed exception requirements for decontamination should remain a condition of this exception.

5. *Training and label information.* EPA proposed that early-entry workers be given the required basic safety training for workers and be provided with label-specific information before any early-entry work which involved contact with treated surfaces. Some comments submitted by growers stated that the training and communication requirements were extensive, and requested clarification.

EPA notes that the basic safety training for early-entry workers under this exception is identical to the basic safety training for other workers covered by the WPS, but early-entry workers must be trained before the early-entry work. EPA has prepared the basic materials and resources for worker training under the WPS and is currently distributing these widely through the States, USDA Cooperative Extension Service, and other training networks. Additionally, EPA will provide copies of such training resources directly to the rose industry to help facilitate training as required under the exception.

Regarding the provision of label-specific information, EPA believes that workers harvesting roses during an REI should be informed about the hazards associated with the chemicals to which they could be exposed. Early-entry workers may either read the product labeling or the employer may inform the worker of the appropriate labeling requirements. EPA believes this will not be unreasonably burdensome given the potential value of the information to workers, and has decided to maintain this as a condition of the exception.

6. *Time limitation and alternative practices.* Several comments recommended a strict time limit, should an exception be granted, to provide an incentive for developing and implementing alternative practices.

The National Coalition Against the Misuse of Pesticides (NCAMP) stated in their comments that a time limit for an exception "is an appropriate tool to encourage the development and implementation of alternative pest control methods which will result in greater worker safety."

In the preamble to the WPS, EPA stated that the elimination of routine early entry for hand labor activities may "force" the development of technology such as engineering controls, mechanical harvesters, weeders, and pruners in crops where the timing of such tasks is critical (57 FR 38116–38117, August 21, 1992). This exception is intended as an interim measure which will allow growers time to explore and implement early-entry alternatives which are appropriate for cut rose production.

Several comments from both growers and worker advocates cited the existence of alternatives which should reduce the need for early entry within a few years. Examples of alternatives named in the comments included lower toxicity chemicals with shorter REIs, biological controls, engineering and technological advancements, genetic engineering of resistant rose varieties, and cultural practices (such as scheduling pesticide applications and work activities to avoid conflicts). The key difference between the growers' and the worker advocates' positions on alternatives was the extent to which they believe such alternatives can be quickly and cost-effectively adopted by industry.

The Farmworker Justice Fund presented information suggesting that several alternatives, including biological controls and cultural practices, have been studied and found to be effective in controlling certain rose pests.

In 1988 Roses, Inc., estimated a 5–year to 7–year time frame for the rose industry to develop alternatives to toxicity category I and II pesticides. In 1992, Roses, Inc., commented that:

> While some progress had been made, a lack of research funds and pressures from subsidized and dumped low-cost rose imports have seriously reduced profitability, making research and capital investment funds extremely hard to obtain. Less toxic pesticides are being used. Introduction of new materials is helping.... But, they are still too few to answer our needs and let us rely only on Class III materials.

New rose varieties being developed through genetic manipulation with disease and pest resistance are another possibility cited by Roses, Inc. While progress has been made, here again Roses, Inc., states they are still years away from rose plant introductions with significant engineered insect and disease resistance.

Roses, Inc., noted that while certain biological controls are promising, they often require a grower to make a sizable capital investment to implement. They conclude that these alternatives need more research, time, and money "to let the substitute practices mature as a real answer for our industry."

The Society of American Florists suggested that EPA offer incentives to growers who use less toxic pesticides. The Agency notes that, to a large extent, the provisions of the WPS are the incentive: growers who use primarily toxicity category III and IV products may not need early entry and therefore would not have to provide PPE, etc., for their harvesters.

One grower commented, "With some planning and shifting personnel we could keep early entry to a minimum." EPA lauds this as an immediate, practical alternative. Information about rose cultivation gathered by Agency experts suggests that in some cases roses can be cut early with minimal loss in crop value, if properly stored and handled.

In general, for a complex and highly managed crop such as roses, EPA believes industry will attempt to make adjustments in cultural practices and pesticide use patterns to minimize losses.

A time limit will encourage development and implementation of safer methods of pest control. EPA believes that time and research are needed to develop sustainable alternatives to early entry, but that the industry should aggressively work toward implementation of alternatives that have been proven effective. EPA expects that much early entry can be eliminated immediately through "planning and shifting personnel", and that in 2 years other alternatives to toxicity category I and II pesticides can be implemented.

Finally, while rose growers submitted sufficient information to convince EPA that an early-entry prohibition could have a substantial economic impact, EPA believes that the benefits, based on the limited information presented, only justify an interim period for the growers to adapt to the requirements of the WPS. Therefore, EPA has decided that the exception for early entry for harvesting cut roses will expire 2 years from publication of this Notice.

EPA continues to believe that in most cases the most reliable and effective

means of risk reduction for harvesters is to keep them out of treated areas until the expiration of the REI. However, because of the potentially considerable economic benefits of an exception for the cut rose industry, EPA has decided to grant a temporary exception. Until this exception expires, PPE, safety training and provision of label information, decontamination facilities, and time-in-treated-area limits, etc., will be the primary means of mitigating early-entry workers' pesticide exposure risk.

EPA will consider another exception for roses if the industry submits a request supported by the full set of data required under §170.112(e), including the feasibility of the conditions of this exception, and can clearly demonstrate that an aggressive attempt to develop and implement alternative practices was made during the period of this exception.

D. Activities Not Included in the Exception

Many comments from growers urged the Agency to include tasks such as watering, pruning, and disbudding in this exception, and to clarify whether "passing through" a restricted area would be acceptable.

Farmworker advocates' comments recognized that while industry comments had stated the need to harvest roses twice daily, 365 days per year, insufficient evidence was provided to support early entry for activities other than harvesting.

Sufficient evidence has not been presented to show that pruning and disbudding could not be accomplished outside of normal restricted-entry intervals. EPA believes these tasks can be accomplished without early entry through coordinated planning and scheduling without undue economic hardship for the industry.

In several rose greenhouses, automated or semi-automated irrigation is becoming the norm. In such operations, watering may be accomplished either without entry into the greenhouse or without contact with treated surfaces in the greenhouse; such entry may be permitted under §170.112(b).

EPA expects that passing through a treated area would be permissible, in most cases, under §170.112(b), *Exception for activities with no contact*, as long as the employer ensures the conditions of §170.112(b)(1) and (2) are met, that is, the worker will have no contact with treated surfaces, and no entry is allowed until any inhalation exposure criteria or ventilation criteria have been met.

E. Worker Compliance

As noted above, some comments raised concern over workers' possible failure to observe the requirements of this exception. Comments from growers expressed concern that employers are at risk of enforcement action should their workers fail to follow directions to use the required personal protective equipment or stay out of restricted areas.

EPA notes that responsibility for compliance with the general requirements of the WPS as well as the conditions of this exception rests with employers. While employers are prohibited from taking retaliatory action against employees for attempting to comply with the requirements of the WPS or this exception, the WPS does not prevent an employer from disciplining a worker who fails to observe the employer's instructions to use PPE, stay out of restricted areas, or other directions relating to WPS requirements. Such action in no way alleviates the responsibility of the employer to adhere to the requirements of the WPS.

F. Other Issues

Some comments requested exceptions from provisions which are outside the scope permitted by the exception process in §170.112(e). Such requests included (1) a special exception from oral notification and posting provisions, (2) use of barrier tape in lieu of posting with the WPS warning sign, (3) special minor use registration assistance, and (4) use of the exception process to revise other provisions of the WPS. Since these requests are beyond the scope of §170.112(e), they are not addressed here.

IV. Response to Other Cut Flower and Cut Fern Producers

For other cut flowers and cut ferns, EPA received very limited or no information on (1) projected economic impacts of WPS entry restrictions, (2) technical or financial viability of alternative practices, and (3) the safety and feasibility of an exception. Evidence submitted in some of the comments suggested that alternatives to early entry exist for these other crops, and that an early-entry prohibition would not cause economic repercussions great enough to outweigh the risk to workers. Therefore, EPA has determined that an exception for other cut flower and cut fern producers is not warranted at this time.

V. Terms of the Exception

This exception for harvesting cut roses is narrower than the exception which was proposed by EPA in the August 21, 1992, **Federal Register** (57 FR 38175) in that this exception extends only to harvesting cut roses and expires after 2 years.

In April 1994, Congress enacted legislation which delays the compliance date for some of the basic safety provisions of the WPS until January 1, 1995. This legislation permits entry during an REI for tasks relating to the production of agricultural plants, but explicitly excludes hand labor activities such as harvesting, from the permitted tasks. EPA is including in the terms of this exception for rose harvesting, some basic safety provisions which will be provided to all workers covered by the WPS on January 1, 1995. These include provisions for basic safety training, display of a safety poster, posting of application information, decontamination, and emergency assistance. Notwithstanding the 1994 legislation, agricultural employers taking advantage of the exception announced in this Notice must comply with the conditions of this exception. The 1994 legislation does not affect the terms of this exception.

The terms of the exception are the same as those proposed in the August 21, 1992, **Federal Register** (57 FR 38175), with the exception that a requirement has been added that agricultural employers who make use of this exception inform their early-entry workers about the exception, and that the exception is limited to 2 years. The basic safety provisions described above also have been included.

EPA reserves the right to withdraw exceptions, including the exception for cut roses, in accordance with §170.112(e)(6), *Withdrawing an exception*, if the Agency receives information or any other data that indicate the health risks posed by the exception are unacceptable or if the Agency receives information that indicates the exception is no longer necessary or prudent.

The exception described in this Notice may be used unless early entry is expressly prohibited in product labeling. For example, some labels prohibit entry—including entry that would otherwise be permitted under the WPS and this exception—by any person other than trained and equipped handlers performing handling tasks for specified periods after the application. In such cases, during that period, early entry to harvest roses is not permitted under this exception.

Exception for harvesting roses:

1. *Conditions.* Under this exception, a worker may enter a treated area during a restricted-entry interval to harvest roses if the agricultural employer

ensures that the following requirements are met:

(a) No such entry is allowed for the first 4 hours following the end of the application, and no such entry is allowed thereafter until any inhalation exposure level listed in the labeling has been reached, or any ventilation criteria on the labeling or, after January 1, 1995, established by 40 CFR 170.110(c)(3), have been met.

(b) The time in treated areas during a restricted-entry interval for any worker harvesting roses under this exception does not exceed 3 hours in any 24–hour period.

(c) The agricultural employer ensures that the worker, before entering the treated area, either has read the product labeling or has been informed, in a manner that the worker can understand, of all labeling requirements related to human hazards or precautions, first aid, symptoms of poisoning, personal protective equipment specified for early entry, and any other labeling requirements related to safe use.

(d) The personal protective equipment specified on the product labeling for early entry is provided to the worker. Such personal protective equipment shall conform to the following standards:

(1) Personal protective equipment (PPE) means devices and apparel that are worn to protect the body from contact with pesticides or pesticide residues, including, but not limited to, coveralls, chemical-resistant suits, chemical-resistant gloves, chemical-resistant footwear, respiratory protection devices, chemical-resistant aprons, chemical-resistant headgear, and protective eyewear.

(2) Long-sleeved shirts, short-sleeved shirts, long pants, short pants, shoes, socks, and other items of work clothing are not considered personal protective equipment for the purposes of this exception and are not subject to the requirements of this exception, although pesticide labeling may require that such work clothing be worn during some activities.

(3) When "chemical-resistant" personal protective equipment is specified by the product labeling, it shall be made of material that allows no measurable movement of the pesticide being used through the material during use.

(4) When "waterproof" personal protective equipment is specified by the product labeling, it shall be made of material that allows no measurable movement of water or aqueous solutions through the material during use.

(5) When a "chemical-resistant suit" is specified by the product labeling, it shall be a loose-fitting, one- or two-piece, chemical-resistant garment that covers, at a minimum, the entire body except head, hands, and feet.

(6) When "coveralls" are specified by the product labeling, they shall be a loose-fitting, one- or two-piece garment, such as a cotton or cotton and polyester coverall, that covers, at a minimum, the entire body except head, hands, and feet. The pesticide product labeling may specify that the coveralls be worn over a layer of clothing. If a chemical-resistant suit is substituted for coveralls, it need not be worn over a layer of clothing.

(7) Gloves shall be of the type specified by the product labeling. Gloves or glove linings made of leather, cotton, or other absorbent materials must not be worn for early-entry activities unless these materials are listed on the product labeling as acceptable for such use. If chemical-resistant gloves with sufficient durability and suppleness are not obtainable for tasks with roses or other plants with sharp thorns, leather gloves may be worn over chemical-resistant liners. However, once leather gloves have been worn for this use, thereafter they shall be worn only with chemical-resistant liners and they shall not be worn for any other use.

(8) When "chemical-resistant footwear" is specified by the product labeling, it shall be one of the following types of footwear: chemical-resistant shoes, chemical-resistant boots, or chemical-resistant shoe coverings worn over shoes or boots. If chemical-resistant footwear with sufficient durability and a tread appropriate for wear in rough terrain is not obtainable for workers, then leather boots may be worn in such terrain.

(9) When "protective eyewear" is specified by the product labeling, it shall be one of the following types of eyewear: goggles; face shield; safety glasses with front, brow, and temple protection; or a full-face respirator.

(10) When "chemical-resistant headgear" is specified by the product labeling, it shall be either a chemical-resistant hood or a chemical-resistant hat with a wide brim.

(e) The agricultural employer ensures that:

(1) Workers wear the personal protective equipment correctly for its intended purpose and use personal protective equipment according to manufacturer's instructions.

(2) Before each day of use, all personal protective equipment is inspected for leaks, holes, tears, or worn places, and any damaged equipment is repaired or discarded.

(3) Personal protective equipment that cannot be cleaned properly is disposed of in accordance with any applicable Federal, State, and local regulations.

(4) All personal protective equipment is cleaned according to manufacturer's instructions or pesticide product labeling instructions before each day of reuse. In the absence of any such instructions, it shall be washed thoroughly in detergent and hot water.

(5) Before being stored, all clean personal protective equipment is dried thoroughly or is put in a well-ventilated place to dry.

(6) Personal protective equipment contaminated with pesticides is kept separately and washed separately from any other clothing or laundry.

(7) Any person who cleans or launders personal protective equipment is informed that such equipment may be contaminated with pesticides, of the potentially harmful effects of exposure to pesticides, and of the correct ways to handle and clean personal protective equipment and to protect themselves when handling equipment contaminated with pesticides.

(8) All clean personal protective equipment is stored separately from personal clothing and apart from pesticide-contaminated areas.

(9) Each worker is instructed how to put on, use, and remove the personal protective equipment and is informed about the importance of washing thoroughly after removing personal protective equipment.

(10) Each worker is instructed in the prevention, recognition, and first aid treatment of heat-related illness.

(11) Workers have a clean place away from pesticide-storage and pesticide-use areas for storing personal clothing not in use; putting on personal protective equipment at the start of any exposure period; and removing personal protective equipment at the end of any exposure period.

(12) That no worker is allowed or directed to wear home or to take home personal protective equipment contaminated with pesticides.

(f) When personal protective equipment is required by the labeling of any pesticide for early entry, the agricultural employer ensures that no worker is allowed or directed to perform the early-entry activity (harvest roses) without implementing, when appropriate, measures to prevent heat-related illness.

(g) The agricultural employer: (1) During early entry permitted under this exception, provides early-entry workers with enough water for routine washing and emergency eyeflushing.

(2) Ensures that: (i) At all times when the water is available to workers, it shall be of a quality and temperature that will not cause illness or injury when it contacts the skin or eyes or if it is swallowed.

(ii) When water stored in a tank is to be used for mixing pesticides, it shall not be used for decontamination or eyeflushing, unless the tank is equipped with properly functioning valves or other mechanisms that prevent movement of pesticides into the tank.

(iii) Soap and single-use towels are provided at each decontamination site in quantities sufficient to meet workers' needs.

(iv) To provide for emergency eyeflushing, at least 1 pint of water shall be immediately available to each worker who is harvesting roses if the pesticide labeling requires protective eyewear for the early-entry activity. The eyeflush water shall be carried by the early-entry worker or shall be otherwise immediately accessible.

(v) The decontamination site shall be reasonably accessible to and not more than 1/4 mile from where workers are working.

(vi) The decontamination site shall not be in an area being treated with pesticides.

(vii) The decontamination site shall not be in an area that is under a restricted-entry interval unless the decontamination site would otherwise not be reasonably accessible to those workers.

(3) *Decontamination after early-entry activities.* At the end of any exposure period for early-entry workers, the agricultural employer provides, at the site where the workers remove personal protective equipment, soap, clean towels, and a sufficient amount of water so that the workers may wash thoroughly.

(h) *Posted pesticide safety information.* When early-entry workers are on an agricultural establishment and, within the last 30 days, a pesticide covered by the WPS has been applied on the establishment or a restricted-entry interval has been in effect, the agricultural employer displays, in accordance with this exception, pesticide safety information.

(1) *Safety poster.* A safety poster is displayed that conveys, at a minimum, the following basic pesticide safety concepts:

(i) Avoid getting on your skin or into your body any pesticides that may be on plants and soil, in irrigation water, or drifting from nearby applications.

(ii) Wash before eating, drinking, using chewing gum or tobacco, or using the toilet.

(iii) Wear work clothing that protects the body from pesticide residues (long-sleeved shirts, long pants, shoes and socks, and a hat or scarf).

(iv) Wash/shower with soap and water, shampoo hair, and put on clean clothes after work.

(v) Wash work clothes separately from other clothes before wearing them again.

(vi) Wash immediately in the nearest clean water if pesticides are spilled or sprayed on the body. As soon as possible, shower, shampoo, and change into clean clothes.

(vii) Follow directions about keeping out of treated or restricted areas.

(viii) There are Federal rules to protect workers and handlers.

(2) *Emergency medical care information.* The name, address, and telephone number of the nearest emergency medical care facility shall be on the safety poster or displayed close to the safety poster, and workers shall be informed promptly of any change to the information on emergency medical care facilities.

(3) *Location.* The information shall be displayed in a central location in the greenhouse where it can be readily seen and read by workers.

(4) *Accessibility.* Early-entry workers shall be informed of the location of the information and shall be allowed access to it.

(5) *Legibility.* The information shall remain legible during the time it is posted.

(i) *Providing specific information about applications.* When early-entry workers are on an agricultural establishment and, within the last 30 days, a pesticide covered by the WPS has been applied on the establishment or a restricted-entry interval has been in effect, the agricultural employer displays, in accordance with this paragraph, specific information about the pesticide.

(1) *Location, accessibility, and legibility.* The information shall be displayed in the location specified for the pesticide safety poster in paragraph (h)(3) and shall be accessible and legible, as specified in paragraphs (h)(4) and (h)(5).

(2) *Timing.* (i) The information shall be posted before the application takes place if early-entry workers will be on the establishment during application. Otherwise, the information shall be posted at the beginning of any worker's first work period involving early entry.

(ii) The information shall continue to be displayed for at least 30 days after the end of the restricted-entry interval (or, if there is no restricted-entry interval, for at least 30 days after the end of the application) or at least until workers are no longer on the establishment, whichever is earlier.

(3) *Required information.* The information shall include:

(i) The location and description of the treated area.

(ii) The product name, EPA registration number, and active ingredients of the pesticide.

(iii) The time and date the pesticide is to be applied.

(iv) The restricted-entry interval for the pesticide.

(j) *Notice about the exception for harvesting roses.* The agricultural employer:

(1) Notifies early-entry rose harvesters orally, before such workers enter a treated area, that the establishment is relying on this exception to allow workers to enter treated areas to harvest roses.

(2) Posts information about the terms and conditions of this exception. The posted information shall convey the following information:

(i) The establishment is operating under the conditions of the exception for rose harvesting.

(ii) No entry is allowed for the first 4 hours following an application, and until any exposure level has been reached or any ventilation criteria have been met.

(iii) Time in treated areas for each worker may not exceed 3 hours in any 24–hour period.

(iv) Decontamination and change areas must be provided.

(v) Basic safety training and label-specific information must be provided to early-entry workers.

(vi) The personal protective equipment specified on the product labeling for early-entry must be provided, cleaned, and maintained for early-entry workers.

(vii) Early-entry workers must be instructed in how to put on, use, and remove the personal protective equipment.

(viii) Measures to prevent heat stress must be implemented when appropriate.

(ix) A pesticide safety poster and information about pesticide applications must be displayed in a central location.

(x) The exception expires on June 10, 1996.

(3) *Location, accessibility, and legibility.* The posted information shall be displayed in the location specified for the pesticide safety poster in paragraph (h)(3) and shall be accessible and legible, as specified in paragraphs (h)(4) and (h)(5).

(4) *Timing.* (i) The information shall be posted before early-entry harvesting takes place and shall continue to be

displayed as long as the exception is used on the agricultural establishment.

(k) *Pesticide safety training*— (1) *General requirement.* Before a worker enters a treated area to harvest roses as permitted under this exception, the agricultural employer ensures that the worker has been trained in general pesticide safety according to paragraph (l).

(2) *Exception.* A worker who is currently certified as an applicator of restricted-use pesticides under 40 CFR part 171 or who satisfies the training requirements of part 171 or who satisfies the handler training requirements under 40 CFR 170.230(c) need not be trained under this paragraph.

(l) *Training programs.* (1) General pesticide safety information shall be presented to workers either orally from written materials or audiovisually. The information must be presented in a manner that the workers can understand (such as through a translator) using nontechnical terms. The presenter also shall respond to workers' questions.

(2) The person who conducts the training shall meet at least one of the following criteria:

(i) Be currently certified as an applicator of restricted-use pesticides under 40 CFR part 171; or

(ii) Be currently designated as a trainer of certified applicators or pesticide handlers by a State, Federal, or Tribal agency having jurisdiction; or

(iii) Have completed a pesticide safety train-the-trainer program approved by a State, Federal, or Tribal agency having jurisdiction; or

(iv) Satisfy the training requirements in 40 CFR part 171 or in 40 CFR 170.230(c).

(3) Any person who issues an EPA-approved Worker Protection Standard worker training certificate must assure that the worker who receives the training certificate has been trained in accordance with (l)(4) of this paragraph.

(4) The training materials shall convey, at a minimum, the following information:

(i) Where and in what form pesticides may be encountered during work activities.

(ii) Hazards of pesticides resulting from toxicity and exposure, including acute and chronic effects, delayed effects, and sensitization.

(iii) Routes through which pesticides can enter the body.

(iv) Signs and symptoms of common types of pesticide poisoning.

(v) Emergency first aid for pesticide injuries or poisonings.

(vi) How to obtain emergency medical care.

(vii) Routine and emergency decontamination procedures, including emergency eyeflushing techniques.

(viii) Hazards from chemigation and drift.

(ix) Hazards from pesticide residues on clothing.

(x) Warnings about taking pesticides or pesticide containers home.

(xi) Requirements of 40 CFR part 170 subpart B designed to reduce the risks of illness or injury resulting from workers' occupational exposure to pesticides.

(m) *Verification of training.* (1) Except as provided in paragraph (m)(2), if the agricultural employer ensures that a worker possesses an EPA-approved Worker Protection Standard worker training certificate, then the requirements of paragraphs (k) and (l) will have been met.

(2) If the agricultural employer is aware or has reason to know that an EPA-approved Worker Protection Standard worker training certificate has not been issued in accordance with the conditions described above, or has not been issued to the worker bearing the certificate, a worker's possession of that certificate does not meet the requirements of paragraph (k).

(n) *Emergency assistance.* If there is reason to believe that a person who is or has been harvesting roses as permitted by this exception has been poisoned or injured by exposure to pesticides used on the agricultural establishment, including, but not limited to, exposures from application, splash, spill, drift, or pesticide residues, the agricultural employer shall:

(1) Make available to that person prompt transportation from the agricultural establishment, including any labor camp on the agricultural establishment, to an appropriate emergency medical facility.

(2) Provide to that person or to treating medical personnel, promptly upon request, any obtainable information on:

(i) Product name, EPA registration number, and active ingredients of any product to which that person might have been exposed.

(ii) Antidote, first aid, and other medical information from the product labeling.

(iii) The circumstances of application or use of the pesticide on the agricultural establishment.

(iv) The circumstances of exposure of that person to the pesticide.

II. *Definitions.* The terms used in this exception have the same meanings as they have in the Worker Protection Standard 40 CFR part 170.

III. *Expiration.* This exception expires June 10, 1996.

VI. List of Exceptions in 40 CFR 170.112

In the Final rule section of this **Federal Register**, EPA is amending §170.112 of the WPS by adding a new paragraph (e)(7) identifying the **Federal Register** citation and effective date for this administrative exception for harvesting cut roses. In the future, reference to other exceptions granted under §170.112(e) will also be added to this new paragraph (e)(7) as exceptions are granted. EPA is adding this cross-reference in §170.112(e), and EPA will ensure that the regulated community is aware of, and able to locate, this and future administrative exceptions and is aware of the terms and conditions of the exceptions. The addition of paragraph (e)(7) to §170.112 is a technical amendment. It does not make any substantive changes in the WPS or in §170.112.

List of Subjects

Administratice practice and procedure, Labeling, Occupational safety and health, Pesticides and pest.

Dated: June 3, 1994.

Lynn R. Goldman,

Assistant Administrator for Prevention, Pesticides and Toxic Substances.

[FR Doc. 94–14180 Filed 6–9–94; 8:45 am]

BILLING CODE 6560–50–F

federal register

Friday
June 10, 1994

Part VIII

Department of the Interior

Bureau of Indian Affairs

25 CFR Part 256
Housing Improvement Program; Proposed Rule

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

25 CFR Part 256

Housing Improvement Program

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice; Extension of Proposed Rule comment period.

SUMMARY: Notice is hereby given that the public comment period of the Notice of Proposed Rulemaking for amendments to 25 CFR part 256, is extended for a period of thirty days. The extension, requested by Indian leadership, will provide sufficient time for contemplation and comment.

DATES: This notice, effective upon publication in the **Federal Register**, will extend the comment period from June 6, 1994 to July 6, 1994.

FOR FURTHER INFORMATION CONTACT: Acting Chief, Division of Housing Assistance, Bureau of Indian Affairs, Mailstop 2525–MIB, 1849 C Street, NW, Washington, DC 20240. Telephone (202) 208–5427.

SUPPLEMENTARY INFORMATION: The Assistant Secretary—Indian Affairs published a Proposed Rule which amends 25 CFR part 256, Housing Improvement Program (59 FR 16726). The Notice of Proposed Rulemaking proposes a revision to the distribution method for Housing Improvement Program (HIP) funds from a housing inventory basis to documented eligible applicants. Based on the total number of eligible applicants submitted by all tribes, the Bureau of Indian Affairs (BIA) will distribute FY 1995 HIP funds proportionally and transfer these funds into the Tribal Priority Allocation (TPA) for each tribe. Beginning in FY 1996, individual tribes will make their own determination of funding levels for HIP within their TPA funding allocation.

A technical correction is also made to eliminate Category C, Downpayments which are inconsistent with the intent of the HIP. The income levels in the January 1992 issue of 25 CFR 256 were established to ensure that the program served truly needy individuals.

A revision is proposed to eliminate individuals who own a home acquired under Federal housing assistance from the Department of Housing and Urban Development (HUD) through an Indian Housing Authority from being served under HIP. They would not meet the eligibility requirements of HIP since they have already been served by a Federal program. Comments and requests received from Indian people indicate that additional time is needed for the public comment period to facilitate adequate and proper review of the Proposed Rule. All comments received during the initial and extended comment period will be given full consideration. We believe that the extended public comment period will provide an adequate opportunity for tribes and tribal organizations to provide comment and input into the final rule.

Dated: May 25, 1995.

Faith Roessel,

Acting Assistant Secretary—Indian Affairs

[FR Doc. 94–13965 Filed 6–9–94; 8:45 am]

BILLING CODE 4310–02–P

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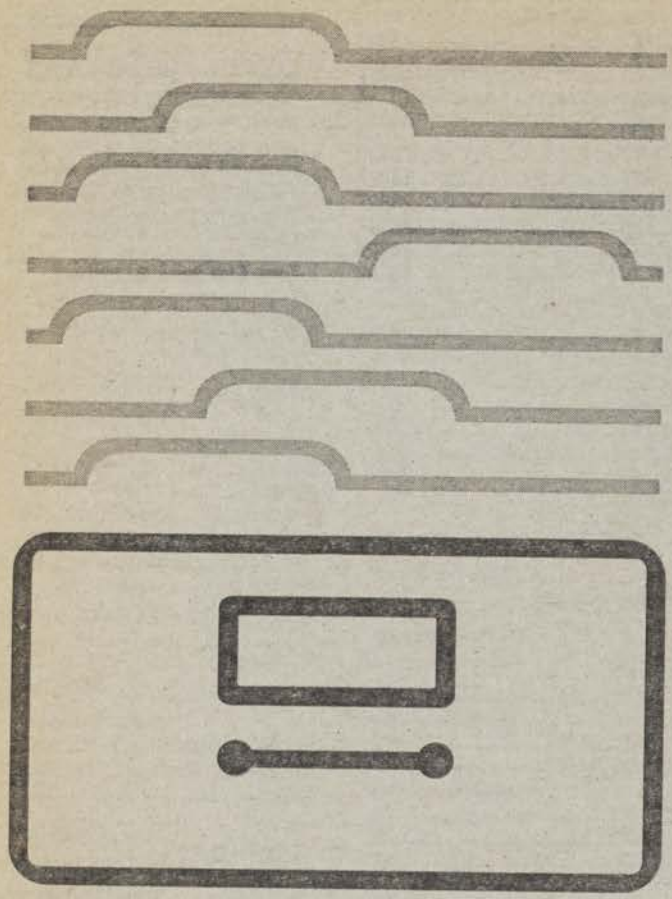
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NEW EDITION



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in the Code of Federal Regulations (CFR)

Revised January 1, 1994

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