

**Proposed Effective Date**

These regulations are proposed to apply to distributions announced on or after June 17, 1996.

**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, a 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 Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. All comments will be available for public inspection and copying.

A public hearing has been scheduled at 10 a.m. on Wednesday, October 2, 1996, room 3313, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. Because of access restrictions, visitors will not be admitted beyond the Internal Revenue Building lobby more than 15 minutes before the hearing starts.

The rules of 26 CFR 601.601(a)(3) apply to the hearing.

Persons that wish to present oral comments at the hearing must submit written comments by September 16, 1996, and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by September 16, 1996.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

**Drafting Information.** The principal author of these regulations is Richard K. Passales, Office of Assistant Chief Counsel (Corporate), IRS. However, other personnel from the IRS and Treasury Department participated in their development.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Proposed Amendments to the Regulations**

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

**PART 1—INCOME TAXES**

Paragraph 1. 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 1.1059(e)–1 also issued under 26 U.S.C. 1059(e)(1) and (e)(2). \* \* \*

Par. 2. Section 1.1059(e)–1 is added to read as follows:

**§ 1.1059(e)–1 Non pro rata redemptions.**

(a) *In general.* Section 1059(d)(6) (exception where stock held during entire existence of corporation) and section 1059(e)(2) (qualifying dividends) do not apply to a distribution treated as an extraordinary dividend under section 1059(e)(1). For example, if a redemption of stock is not pro rata as to all shareholders, any amount treated as a dividend under section 301 is treated as an extraordinary dividend regardless of whether the dividend is a qualifying dividend.

(b) *Reorganizations.* For purposes of section 1059(e)(1), an exchange under section 356(a)(1) is treated as a redemption and, to the extent any amount is treated as a dividend under section 356(a)(2), it is treated as a dividend under section 301.

(c) *Effective date.* This section applies to distributions announced (within the meaning of section 1059(d)(5)) on or after June 17, 1996.

Margaret Milner Richardson,

*Commissioner of Internal Revenue.*

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**ENVIRONMENTAL PROTECTION AGENCY****40 CFR Part 63**

[AD–FRL–5521–6]

RIN 2060–AD98

**National Emission Standards for Hazardous Air Pollutants for Shipbuilding and Ship Repair (Surface Coating) Operations**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** This action proposes to revise the compliance date for the “National

Emission Standards For Hazardous Air Pollutants For Shipbuilding and Ship Repair (Surface Coating) Operations” to December 16, 1997. This action also proposes to extend the June 13, 1996 deadline for submittal of implementation plans to December 16, 1996, and to remove the requirement for approval of implementation plans by the EPA. Because the revisions primarily change the date for submittal of an implementation plan and extend the compliance date to allow better coordination with the control techniques guidelines (CTG) that EPA plans to publish in the near future, the EPA does not anticipate receiving adverse comments. Consequently, the revisions are also being issued as a direct final rule in the final rules section of this Federal Register. If no significant and timely adverse comments are received, no further action will be taken with respect to this proposal and the direct final rule will become final on the date provided in that action.

**DATES:** *Comments.* Comments must be received on or before July 18, 1996, unless a hearing is requested by June 28, 1996. If a hearing is requested, written comments must be received by August 2, 1996.

*Public Hearing.* Anyone requesting a public hearing must contact the EPA no later than June 28, 1996. If a hearing is held, it will take place on July 3, 1996, beginning at 10:00 a.m.

**ADDRESSES:** *Comments.* Comments should be submitted to: Air and Radiation Docket and Information Center (6102), Attention Docket Number A–92–11 (see docket section below), Room M–1500, U.S. Environmental Protection Agency, 401 M Street, SW, Washington, D.C. 20460.

*Public Hearing.* If a public hearing is held, it will be held at the EPA’s Office of Administration Auditorium, Research Triangle Park, North Carolina. Persons interested in attending the hearing or wishing to present oral testimony should notify Mrs. Janet Eck, U.S. Environmental Protection Agency, Research Triangle Park, N.C. 27711, telephone (919) 541–7946.

*Docket.* Docket No. A–92–11, containing the supporting information for the original NESHAP and this action, is available for public inspection and copying between 8:00 a.m. and 5:30 p.m., Monday through Friday, at the EPA’s Air and Radiation Docket and Information Center, Waterside Mall, Room M–1500, first floor, 401 M Street SW, Washington, DC 20460, or by calling (202) 260–7548 or 260–7549. A reasonable fee may be charged for copying.

**FOR FURTHER INFORMATION CONTACT:** Dr. Mohamed Serageldin, Emission Standards Division (MD-13), U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, Research Triangle Park, North Carolina 27711, telephone number (919) 541-2379.

**SUPPLEMENTARY INFORMATION:**

*Regulated Entities.* The regulated category and entities affected by this action include:

Category	Examples of regulated entities
Industry .....	Facilities that build, repair, repaint, convert, or alter ships. The term ship means any marine or fresh-water vessel, including self-propelled vessels, those propelled by other craft (barges), and navigational aids (buoys). <b>Note:</b> An offshore oil and gas drilling platform is not considered a ship for purposes of this regulation.
Federal Govt ...	Federal Agencies which undertake shipbuilding or repair operations (see above) such as the Navy and Coast guards.

This table is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be regulated by this action. This table lists the types of entities that EPA is now aware could potentially be regulated by this action. Other types of entities not listed in the table could also be regulated. To determine whether your facility is regulated by this action, you should carefully examine the applicability criteria in § 63.782 of the regulation. If you have questions regarding the applicability of this action to a particular entity, consult the person listed in the preceding **FOR FURTHER INFORMATION CONTACT** section.

If no significant and timely adverse comments are received, no further activity is contemplated in relation to this proposed rule, and the direct final rule in the final rules section of this Federal Register will automatically go into effect on the date specified in that rule. If significant and timely adverse comments are received, the direct final rule will be withdrawn and all public comments received will be considered prior to promulgation of the final rule. Because the EPA will not institute a second comment period on this proposed rule, any parties interested in commenting should do so during this comment period.

For further supplemental information, the detailed rationale, and the rule provisions, see the information provided in the direct final rule in the final rules section of this Federal Register.

**Administrative Requirements**

**A. Paperwork Reduction Act**

The information collection requirements of the previously promulgated NESHAP were submitted to and approved by the Office of Management and Budget (OMB). A copy of this Information Collection Request (ICR) document (OMB control number 1414.02) may be obtained from Sandy Farmer, Information Policy Branch (PM-223Y); U.S. Environmental Protection Agency; 401 M Street, SW; Washington, DC 20460 or by calling (202) 260-2740.

Today's changes to the NESHAP should have no impact on the information collection burden estimates made previously. The changes to the implementation plan submittal date and the compliance date do not impose new requirements. Consequently, the ICR has not been revised.

**B. Executive Order 12866 Review**

Under Executive Order 12866, the EPA must determine whether the proposed regulatory action is "significant" and therefore, subject to OMB review and the requirements of the executive order. The Order defines "significant" regulatory action as one that is likely to lead to a rule that may:

- (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety in State, local, or tribal governments or communities;
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) Materially alter the budgetary impact of entitlements, grants, user fees or loan programs or the rights and obligations of recipients thereof; or
- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

The Shipbuilding NESHAP promulgated on December 15, 1995 was not considered "significant" under Executive Order 12866 and a regulatory impact analysis (RIA) was not prepared. Today's proposed revisions do not add any additional control or recordkeeping requirements. Therefore, this action is not considered to affect the decision whether this rule is significant.

**C. Regulatory Flexibility Act**

The Regulatory Flexibility Act of 1980 requires the identification of potentially adverse impacts of Federal regulations upon small business entities. The Act specifically requires the completion of a Regulatory Flexibility Analysis in those instances where small business impacts are possible. Because this rulemaking imposes no adverse economic impacts, a Regulatory Flexibility Analysis has not been prepared.

**D. Unfunded Mandates**

Under Section 202 of the Unfunded Mandates Reform Act of 1995, the EPA must prepare a budgetary impact statement to accompany any proposed or final rule that includes a Federal mandate that may result in estimated costs to State, local, or tribal governments in the aggregate; or to the private sector, of \$100 million or more. Under Section 205, the EPA must select the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule and is consistent with statutory requirements. Section 203 requires the EPA to establish a plan for informing and advising any small governments that may be significantly or uniquely impacted by the rule.

The EPA has determined that the action promulgated today does not include a Federal mandate that may result in estimated costs of \$100 million or more to either State, local, or tribal governments in the aggregate, or to the private sector. Therefore, the requirements of the Unfunded Mandates Reform Act do not apply to this action.

**List of Subjects in 40 CFR Part 63**

Environmental protection, Air pollution control, Hazardous substances, Reporting and recordkeeping requirements.

Dated: June 7, 1996.

Carol M. Browner,  
Administrator.

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**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Parts 36 and 69**

[CC Docket 96-45; DA-96-936]

**Federal-State Joint Board on Universal Service**

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice of meeting.