

interest rate hedges to all of the members of its consolidated group. Because of the efficiencies created by having a centralized risk manager, group policy prohibits members other than *HC* from entering into derivative interest rate positions with outside parties. *HC* regularly holds itself out as being willing and able to, and in fact does, enter into either side of interest rate swaps with its fellow members. *HC* periodically computes its aggregate position and hedges the net risk with an unrelated party. *HC* does not otherwise enter into interest rate positions with persons that are not members of the consolidated group. Because *HC* attempts to operate at cost and the terms of its swaps do not factor in any risk of default by the affiliate, *HC*'s affiliates receive somewhat more favorable terms than they would receive from an unrelated swaps dealer.

(2) *Holding*. Because *HC* regularly holds itself out as being willing and able to enter into transactions enumerated in section 475(c)(1)(B), *HC* is a dealer in securities for purposes of section 475(c)(1)(B) and the other members are its customers.

\* \* \* \* \*

#### **§ 1.475 [Amended]**

Par. 7. Section 1.475(c)-2, as proposed on December 29, 1993 (58 FR 68798), and amended on January 4, 1995 (60 FR 405), is amended as follows:

1. Paragraphs (b), (c), and (d) are redesignated as paragraphs (c), (d), and (b), respectively.

2. Paragraph (a) and newly designated paragraph (c) are revised by removing the phrase "paragraph (b)" each place it appears and replacing it with "paragraph (c)" each place it appeared.

3. Newly designated paragraph (d) is revised by removing the phrase "paragraphs (a)(3) and (b)" and replacing it with "paragraphs (a)(3) and (c)". Newly designated paragraph (d) is further revised by removing the phrase "this paragraph (c)(1)." and replacing it with the phrase "this paragraph (d)(1).".

4. Newly designated paragraph (b) is revised by removing the words "See § 1.475(b)-4(c)" and replacing them with the words "See § 1.475(b)-2(c)".

Par. 8. Section 1.475(e)-1, as proposed on December 29, 1993 (58 FR 68798), and amended on January 4, 1995 (60 FR 405), is revised to read as follows:

#### **§ 1.475(e)-1 Effective dates.**

(a) Section 1.475(a)-1 (concerning mark-to-market for debt instruments) applies to taxable years beginning on or after January 1, 1995.

(b) Section 1.475(a)-2 (concerning marking a security to market upon disposition) applies to dispositions or terminations of ownership occurring on or after January 4, 1995.

(c) Section 1.475(a)-3 (concerning acquisition by a dealer of a security with

a substituted basis) applies to securities acquired, originated, or entered into on or after January 4, 1995.

(d) Section 1.475(b)-1 (concerning the scope of exemptions from the mark-to-market requirement) applies as follows:

(1) Section 1.475(b)-1(a) (concerning securities held for investment or not held for sale) applies to taxable years ending on or after December 31, 1993.

(2) Except as provided elsewhere in this paragraph (d)(2), § 1.475(b)-1(b)(1) (concerning securities deemed identified as held for investment) applies to taxable years ending on or after December 31, 1993.

(i) Section 1.475(b)-1(b)(1)(i) (concerning equity interests issued by a related person) applies on or after June 19, 1996. If, on June 18, 1996, a security is subject to mark-to-market accounting and, on June 19, 1996, § 1.475(b)-1(b)(1) begins to apply to the security solely because of the effective dates in this paragraph (d)(2) (rather than because of a change in facts), then the rules of § 1.475(b)-1(b)(4)(i)(A) (concerning the prohibition against marking) apply, but § 1.475(b)-1(b)(4)(i)(B) (imposing a mark to market on the day before the onset of the prohibition) does not apply.

(ii) Section 1.475(b)-1(b)(2) (concerning relevant relationships for purposes of determining whether equity interests in related persons are prohibited from being marked to market) applies on or after June 19, 1996.

(iii) Section 1.475(b)-1(b)(3) (concerning certain actively traded securities) generally applies on or after June 19, 1996 to securities held on or after that date. In the case, however, of securities described in § 1.475(b)-1(d)(1)(i) (concerning equity interests issued by controlled entities), § 1.475(b)-1(b)(3) applies on or after the date thirty days after final regulations on this subject are published in the Federal Register to securities held on or after that date. If § 1.475(b)-1(b)(1) ceases to apply to a security by virtue of the operation of this paragraph (d)(2)(ii), the rules of § 1.475(b)-1(b)(4)(ii) apply to the cessation.

(iv) Except to the extent provided in paragraph (d)(2)(i) of this section, § 1.475(b)-1(b)(4) (concerning changes in status) applies on or after June 19, 1996.

(e) Section 1.475(b)-2 (concerning the identification requirements for obtaining an exemption from mark-to-market treatment) applies to identifications made on or after January 4, 1995.

(f) Section 1.475(b)-3 (concerning exemption of securities in certain securitization transactions) applies to

securities acquired, originated, or entered into on or after January 4, 1995.

(g) Section 1.475(b)-4 (concerning transitional issues relating to exemptions) applies to taxable years ending on or after December 31, 1993.

(h) Section 1.475(c)-1(a) (concerning the dealer-customer relationship), except for § 1.475(c)-1(a)(1), (a)(2)(ii), and (a)(3), applies to taxable years beginning on or after January 1, 1995. Section 1.475(c)-1(a)(2)(ii) and (a)(3) (concerning certain aspects of the dealer-customer relationship) apply to taxable years beginning on or after June 20, 1996.

(i) Section 1.475(c)-1(b) (concerning sellers of nonfinancial goods and services) and (c) (concerning taxpayers that purchase securities but do not sell more than a negligible portion of the securities) applies to taxable years ending on or after December 31, 1993.

(j) Section 1.475(c)-1(d) (concerning the issuance of life insurance products) applies to taxable years beginning on or after January 1, 1995.

(k) Section 1.475(c)-2 (concerning the definition of security) applies to taxable years ending on or after December 31, 1993. Note, however, that, by its terms, § 1.475(c)-2(a)(3) applies only to interests or arrangements that are acquired on or after January 4, 1995, and that the integrated transactions to which § 1.475(c)-2(b) applies will exist only after the effective date of § 1.1275-6.

(l) Section 1.475(d)-1 (concerning the character of gain or loss) applies to taxable years ending on or after December 31, 1993.

Margaret Milner Richardson,

*Commissioner of Internal Revenue.*

[FR Doc. 96-15666 Filed 6-19-96; 8:45 am]

BILLING CODE 4830-01-P

## **DEPARTMENT OF VETERANS AFFAIRS**

### **38 CFR Part 1**

#### **RIN 2900-AI21**

### **Disinterments in National Cemeteries**

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of Veterans Affairs (VA) proposes to amend regulations concerning disinterments from national cemeteries. Current regulations permit disinterment of persons buried in a national cemetery with the consent of immediate family members. The definition of immediate family members includes a surviving spouse only if unmarried. It is proposed

to change the definition of immediate family members for purposes of disinterments to include a surviving spouse regardless of whether remarried or not. This appears to be necessary since we believe the emotional ties of the surviving spouse would be sufficient to justify his or her consent as a condition of disinterment. This document also would make nonsubstantive changes for purposes of clarification.

**DATES:** Comments must be received on or before August 19, 1996.

**ADDRESSES:** Mail written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Ave., NW, Washington, DC 20420, or hand deliver written comments to: Office of Regulations Management, Room 1176, 801 Eye Street, NW., Washington, DC 20001. Comments should indicate that they are submitted in response to "RIN 2900-A121." All written comments will be available for public inspection in the Office of Regulations Management, Room 1176, 801 Eye Street, NW., Washington, DC 20001 between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays).

**FOR FURTHER INFORMATION CONTACT:** Mr. Ken Greenberg, Program Analyst, Communications Division (402B1), National Cemetery System, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420. Telephone: 202-273-5179 (this is not a toll-free number).

**SUPPLEMENTARY INFORMATION:** As stated in 38 CFR 1.621, burials in VA national cemeteries are considered permanent and final and disinterments are permitted only for cogent reasons.

The current regulations concerning disinterments from national cemeteries (38 CFR 1.621) require the written and notarized consent of all living immediate family members of the decedent in order for a disinterment request to be approved. The current regulations, however, do not require the notarized signature of the surviving spouse of the deceased if the spouse has married again.

It appears that approving a disinterment without the consent of all living immediate family members including a remarried surviving spouse does not adequately serve the needs of veterans and their families. For example, a spouse may die and be buried in a national cemetery. The surviving spouse later remarries and the National Cemetery System (NCS) receives a written and notarized disinterment request from all family

members except the remarried spouse. Under current regulations, NCS takes action concerning the disinterment without the remarried spouse being notified, thereby eliminating any opportunity to object. Furthermore, a remarried surviving spouse may, now, upon the termination of the remarriage, regain eligibility for burial in a national cemetery as the surviving spouse of an eligible decedent. See Pub. L. No. 103-446, section 802, 108 Stat. 4675 (1994); 38 U.S.C. 2402(5).

VA requires that disinterment requests be executed on VA Form 40-4970, Request for Disinterment. VA would amend that form accordingly to reflect the change in regulations if the proposed rule is made final.

In addition, the second sentence of current § 1.621(c), which states that the Department of Veterans Affairs or officials of the cemetery should not be made a party to a court action regarding disinterment, would be deleted since it has no binding effect.

#### Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act (44 U.S.C. 3504(h)). Comments on the collection of information should be sent to the Office of Management and Budget, Attention: Desk Officer for the Department of Veterans Affairs, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC 20420.

This collection of information included in 38 CFR 1.621 concerns an application for authority to disinter remains that must be submitted on VA Form 40-4970. It is proposed to change the information on the form to reflect that the written and notarized consent of a remarried surviving spouse is prerequisite for a disinterment from a national cemetery.

The Department of Veterans Affairs considers comments by the public on these proposed collections of information in—

- Evaluating whether the proposed collection(s) of information are necessary for the proper performance of the functions of the Department, including whether the information will have practical utility;

- Evaluating the accuracy of the Department's estimate of the burden of the proposed collection(s) of information, including the validity of the methodology and assumptions used;

- Enhancing the quality, usefulness, and clarity of the information to be collected; and

- Minimizing the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

OMB is required to make a decision concerning the proposed collections of information contained in this document between 30 and 60 days after publication of this document in the Federal Register. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment to the Department on the proposed regulations.

**Title:** Application for a Disinterment from a National Cemetery.

**Summary of collection of information:** The Department requires an application with approval of all immediate family members of a decedent in order for VA to authorize disinterment of a decedent's remains from a national cemetery. The requested information is necessary in order to obtain the approval of a remarried surviving spouse of a decedent for disinterment. Previously, a remarried surviving spouse has not been considered an immediate family member.

**Description of the need for information and proposed use of information:** The requested information is necessary to obtain the approval of a remarried surviving spouse of a decedent for disinterment from a national cemetery.

**Description of likely respondents:** Surviving remarried spouses of decedents interred in national cemeteries.

**Estimated total annual reporting burden:** 33 hours.

**Estimated annual burden per respondent:** 10 minutes.

**Estimated number of respondents:** 200.

**Estimated annual frequency of responses:** 1.

The Secretary certifies that this proposed rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. Pursuant to 5 U.S.C. 605(b), the proposed amended regulation is exempt from the initial and final regulatory flexibility analyses requirements of sections 603 and 604. This certification can be made because

the amendment does not affect any small entities. Only individual VA beneficiaries could be directly affected.

The proposed rule is not subject to the Office of Management and Budget review pursuant to E.O. 12291.

Catalog of Federal Domestic Assistance Number for programs affected by this regulation are 64.201 and 64.202.

#### List of Subjects in 38 CFR Part 1

Administrative practice and procedure, Cemeteries, Claims, Privacy, Security.

Approved: June 11, 1996.

Jesse Brown,

*Secretary of Veterans Affairs.*

For the reasons set out in the preamble, 38 CFR part 1 is proposed to be amended as follows:

### PART 1—GENERAL PROVISIONS

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

Authority: 38 U.S.C. 501(a), unless otherwise noted.

2. In § 1.621, paragraph (c) is amended by removing the second sentence; paragraph (d) and the designation "[Reserved]" are removed; paragraph (e) is redesignated as paragraph (d); and paragraphs (a) and (b)(2) are revised to read as follows:

#### § 1.621 Disinterments from national cemeteries.

(a) Interments of eligible decedents in national cemeteries are considered permanent and final. Disinterment will be permitted only for cogent reasons and with the prior written authorization of the National Cemetery Area Office Director or Cemetery Director responsible for the cemetery involved. Disinterment from a national cemetery will be approved only when all living immediate family members of the decedent, and the person who initiated the interment (whether or not he or she is a member of the immediate family), give their written consent, or when a court order or State instrumentality of competent jurisdiction directs the disinterment. For purposes of this section, "immediate family members" are defined as surviving spouse, whether or not he or she is remarried, all adult children of the decedent, the appointed guardian(s) of minor children, and the appointed guardian(s) of the surviving spouse or of the adult child(ren) of the decedent. If the surviving spouse and all of the children of the decedent are deceased, the decedent's parents will be considered "immediate family members."

(b) \* \* \*

(1) \* \* \*

(2) Notarized statement(s) by all living immediate family members of the decedent, and the person who initiated the interment (whether or not he or she is a member of the immediate family), that they consent to the proposed disinterment.

\* \* \* \* \*

[FR Doc. 96-15711 Filed 6-19-96; 8:45 am]

BILLING CODE 8320-01-M

### FEDERAL COMMUNICATIONS COMMISSION

#### 47 CFR Part 64

[CC Docket No. 96-128; FCC 96-254]

#### Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

**SUMMARY:** The Telecommunications Act of 1996 directs the Commission to promulgate new rules governing the payphone industry. Section 276 of the 1996 Act directs the Commission, among other things, to ensure that all payphone owners are compensated for calls originated on their payphones, and to "discontinue \* \* \* all intrastate and interstate" subsidies for payphones owned by incumbent local exchange carriers ("LECs"). In this NPRM, the Commission proposed rules that would accomplish the following objectives set forth by Congress in Section 276: compensation for "each and every completed intrastate and interstate call using [a] payphone[;]" termination of all subsidies for LEC payphones, including "access charge payphone service elements[;]" prescription of nonstructural safeguards for Bell Operating Company ("BOC") payphones; promulgation of rules permitting the BOCs to negotiate with the payphone location provider about a payphone's presubscribed interLATA carrier, unless the Commission finds that such negotiations are "not in the public interest;" promulgation of rules permitting all payphone providers to negotiate with the location provider about a payphone's presubscribed intraLATA carrier; and establishment of a class of public interest payphones to be located "where there would otherwise not be a payphone[.]" The intended effect of this NPRM is to propose a rule implementing Section 276 of the Communications Act of 1996.

**DATES:** Written comments by the public on the Further NPRM of Proposed Rule Making and the proposed and/or modified information collections are due June 27, 1996. Reply comments are due on July 8, 1996. Written comments by the Office of Management and Budget (OMB) on the proposed and/or modified information collections on or before August 19, 1996.

**ADDRESSES:** In addition to filing comments with the Secretary, a copy of any comments on the information collections contained herein should be submitted to Dorothy Conway, Federal Communications Commission, Room 234, 1919 M Street, N.W., Washington, DC 20554, or via the Internet to dconway@fcc.gov and to Timothy Fain, OMB Desk Officer, 10236 NEOB, 725 17th Street NW., Washington, DC 20503 or via the Internet to fain\_t@al.eop.gov.

**FOR FURTHER INFORMATION CONTACT:** Michael Carowitz, Enforcement Division, Common Carrier Bureau, (202) 418-0960. For additional information concerning the information collections contained in this Further Notice of Proposed Rule Making contact Dorothy Conway at 202-418-0217, or via the Internet at dconway@fcc.gov.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Notice of Proposed Rule Making in CC Docket No. 96-128, adopted on June 4, 1996 and released June 6, 1996. The full text of the Notice of Proposed Rule Making is available for inspection and copying during normal business hours in the FCC Reference Center, Room 239, 1919 M Street, N.W., Washington, D.C. The complete text of this decision may also be purchased from the Commission's duplicating contractor, International Transcription Services, 2100 M Street, N.W., Suite 140, Washington, D.C. 20037 (202) 857-3800. This Notice of Proposed Rule Making contains proposed or modified information collections subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. It has been submitted to the Office of Management and Budget (OMB) for review under Section 3507(d) of the PRA. OMB, the general public, and other Federal agencies are invited to comment on the proposed or modified information collections contained in this proceeding.

#### Paperwork Reduction Act

This NPRM contains eight proposed or modified information collections. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget ("OMB") to comment on the