(d) *Declassification after balancing public interest.* It is presumed that information that continues to meet classification requirements requires continued protection. In exceptional cases, however, the need to protect such information may be outweighed by the public interest in disclosure of the information, and in these cases the information should be declassified. When such questions arise, they shall be referred to the ACDA official with Top Secret authority having primary jurisdiction over the information in question. That official, after consultation with the Public Affairs Adviser and the Classification Adviser, will determine whether the public interest in disclosure outweighs the damage to national security that reasonably could be expected from disclosure. If the determination is made that the information should be declassified and disclosed, that official will make such a recommendation to the Director or the Deputy Director who shall make the decision on declassification and disclosure.

(e) *Public dissemination of declassified information.* Declassification of information is not authorization for its public disclosure. Previously classified information that is declassified may be subject to withholding from public disclosure under the FOIA, the Privacy Act, and various statutory confidentiality provisions.

§ 605.8 Mandatory declassification review.

(a) *Action on requests.* (1) All requests to ACDA by a member of the public, a government employee, or an agency to declassify and release information shall result in a prompt declassification review of the information, provided the request describes the document or material containing the information with sufficient specificity to enable ACDA to locate it with a reasonable amount of effort.

(2) If a request does not reasonably describe the information sought, the Classification Adviser will notify the requester that unless additional information is provided or the scope of the request is narrowed, no further action will be taken.

(3) Mandatory declassification review requests should be directed to the Classification Adviser, U.S. Arms Control and Disarmament Agency, 320 21st St., NW., Washington, DC 20451.

(4) If the request requires the rendering of services for which reasonable fees should be charged pursuant to the FOIA and ACDA regulations thereunder (22 CFR part 602), such fees shall be imposed at the FOIA schedule rates and the requester shall be so notified.

(5) The Classification Adviser, in consultation with appropriate ACDA bureaus and offices, will determine whether, under the Executive Order, the requested information may be declassified, in whole or in part, and will promptly make any declassified information available to the requester, unless the information is exempt from disclosure under some other provision of law.

(b) *Appeals from denials.* (1) If it is determined that declassification of the information requested is not warranted, in whole or in part, the requester shall be given a brief statement as to the reasons for the decision, a notice of the right to appeal to the Deputy Director, and a notice that any such appeal must be filed with ACDA within 60 days. Appeals shall be addressed to: Deputy Director, U.S. Arms Control and Disarmament Agency, 320 21st St., NW., Washington, DC 20451.

(2) The Deputy Director shall act within 30 days of receipt on all appeals of denials of requests for declassification. The Deputy Director shall determine whether continued classification is required in whole or in part. If the Deputy Director determines that continued classification is required under the Executive Order, the requester shall be so notified and informed of the reasons therefor. The requester shall also be advised of the right to appeal any denial to the Interagency Security Classification Appeals Panel in accordance with section 5.4 of the Executive Order.

(c) *Information classified by another agency.* When ACDA receives a request for information in its custody that was classified by another agency, the Classification Adviser shall forward the request together with a copy of the document containing the information requested to the classifying agency for review and direct response to the requester. Unless the agency that classified the information objects on the ground that its association with the information requires protection, the Classification Adviser shall also notify the requester of the referral.

(d) *Confirmation of existence or nonexistence of document.* In responding to a request for mandatory declassification review, the Classification Adviser may refuse to confirm or deny the existence or nonexistence of a document if the fact of its existence or nonexistence would itself be classifiable under the Executive Order.

§ 605.9 Systematic declassification review.

The Classification Adviser shall be responsible for conducting a program for systematic declassification review of historically valuable records that were exempted from the automatic declassification provisions of section 3.4 of the Executive Order. The FOIA officer shall prioritize such review on the basis of the recommendations of the Information Security Policy Advisory Council established under section 5.5 of the Executive Order and on the degree of researcher interest and likelihood of declassification upon review.

§ 605.10 Safeguarding.

Specific controls on the use, processing, storage, reproduction and transmittal of classified information within ACDA that provide adequate protection and prevent access by unauthorized persons are contained in Part 1 of the ACDA Security Classification Handbook, an internal guidance manual, and shall be followed by ACDA personnel and, when appropriate, by contractors.

Dated: September 24, 1996.

Mary Elizabeth Hoinkes,

General Counsel.

[FR Doc. 96–25830 Filed 10–9–96; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 301

[REG–209803–95]

RIN 1545–AU08

Magnetic Media Filing Requirements for Information Returns

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing.

SUMMARY: In the Rules and Regulations section of this issue of the Federal Register, the IRS is issuing temporary regulations relating to the requirements for filing information returns on magnetic media or in other machine-readable form under section 6011(e) of the Internal Revenue Code. The text of those temporary regulations also serves as the text of the proposed regulations. This document also contains a proposed amendment to § 301.6011–2(g)(2). This document also provides notice of a public hearing on these proposed regulations.

DATES: Written comments must be received by January 8, 1997. Outlines of

topics to be discussed at the public hearing scheduled for February 5, 1997, must be received by January 15, 1997.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG–209803–95), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG–209803–95), Courier's Desk, Internal Revenue Service, 1111 Constitution Ave., NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the internet by selecting the ''Tax Regs'' option on the IRS Home Page, or by submitting comments directly to the IRS internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html . The public hearing will be held in Room 3313 of the Internal Revenue Building, 1111 Constitution Ave., NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Donna Welch, (202) 622–4910; concerning submissions and the hearing, Mike Slaughter, (202) 622–7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Temporary regulations in the Rules and Regulations portion of this issue of the Federal Register amend the Income Tax Regulations (26 CFR part 1) relating to section 6045 and the Procedure and Administration Regulations (26 CFR part 301) relating to section 6011(e). The temporary regulations contain rules relating to the filing requirements of information returns on magnetic media or in other machine-readable form under section 6011(e).

The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations.

Special Analyses

It has been determined that these proposed regulations are not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required.

It is hereby certified that the regulations in this document will not have a significant economic impact on a substantial number of small entities. This certification is based on a determination that these regulations impose no additional reporting or recordkeeping requirement and only prescribe the method of filing information returns that are already required to be filed. Further, these regulations are consistent with the requirements imposed by statute. Section 6011(e)(2)(A) provides that, in prescribing regulations providing standards for determining which returns must be filed on magnetic media or in other machine-readable form, the Secretary shall not require any person to file returns on magnetic media unless the person is required to file at least 250 returns during the calendar year. Consistent with the statutory provision, these regulations do not require information returns to be filed on magnetic media unless 250 or more returns are required to be filed. Further, the economic impact caused by requiring filing on magnetic media should be minimal. If a taxpayer's operations are computerized, reporting in accordance with the regulations should be less costly than filing on paper. If the taxpayer's operations are not computerized, the incremental cost of magnetic media reporting should be minimal in most cases because of the availability of computer service bureaus. In addition, the existing regulations provide that the IRS may waive the magnetic media filing requirements upon a showing of hardship. It is anticipated that the waiver authority will be exercised so as not to unduly burden taxpayers lacking both the necessary data processing facilities and access at a reasonable cost to computer service bureaus. Accordingly, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required.

Pursuant to section 7805(f) of the Internal Revenue Code, these proposed regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their 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 for February 5, 1997, at 10 am. The hearing will be held in room 3313 of the Internal Revenue Building, 1111 Constitution Ave., 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 who wish to present oral comments at the hearing must submit written comments by January 8, 1997 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 January 15, 1997.

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 the regulations is Donna Welch, Office of Assistant Chief Counsel (Income Tax and Accounting). However, other personnel from the IRS and the Treasury Department participated in the development of the regulations.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 301 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. In § 1.6045–1, paragraph (l) is revised to read as follows:

§ 1.6045–1 Returns of information of brokers and barter exchanges.

[The text of paragraph (l) as proposed is the same as the first sentence of § 1.6045–1T(l) published elsewhere in this issue of the Federal Register].

Par. 3. In § 1.6045–2, paragraph (g)(2) is revised to read as follows:

§ 1.6045–2 Furnishing statement required with respect to certain substitute payments.

[The text of paragraph (g)(2) as proposed is the same as the text of the first sentence of § 1.6045–2T(g)(2) published elsewhere in this issue of the Federal Register].

PART 301—PROCEDURE AND ADMINISTRATION

Par. 4. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 5. Section 301.6011–2 is amended by revising paragraphs (a)(1), (b) (1) and (2), (c)(1) (i) and (iii), (c)(2), (f) and (g)(2), and by adding (c)(1)(iv), and by removing paragraphs (c) (3) and (4) and the last sentence of paragraph (e). The revisions and additions read as follows:

§ 301.6011–2 Required use of magnetic media.

[The text of paragraphs (a)(1), (b)(1) and (2), (c)(1) (i), (iii), and (iv), (c)(2), (f), and (g)(2) as proposed is the same as the text in § 301.6011–2T(a)(1), (b) (1) and (2), (c)(1) (i), (iii), and (iv), (c)(2), (f), and the first sentence of (g)(2) published elsewhere in this issue of the Federal Register].

Margaret Milner Richardson,

Commissioner of Internal Revenue.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[AK12–7100; FRL–5634–1]

Approval and Promulgation of Air Quality Implementation Plans; Alaska: Motor Vehicle Inspection and Maintenance Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed interim rule.

SUMMARY: EPA is proposing an interim approval of a State Implementation Plan (SIP) revision submitted by the State of Alaska. This revision requires the continued implementation of an inspection and maintenance (I/M) program in the Municipality of Anchorage (MOA) and the Fairbanks North Star Borough (FNSB). Alaska's current program was reviewed and approved by EPA in a SIP action that became effective on June 5, 1995. The intended effect of this action is to propose interim approval for a revised I/M program credit claim proposed by the State, based upon the state's good faith estimate, which asserts that the state's claimed network design credits are appropriate and the revision is otherwise in compliance with the Clean Air Act (CAA). This action is being taken under section 348 of the National Highway System Designation Act of 1995 (NHSDA) and section 110 of the CAA.

DATES: Comments must be received in writing and postmarked on or before November 12, 1996.

ADDRESSES: Comments may be mailed to: Montel Livingston, SIP Manager, Office of Air Quality (OAQ 107), Environmental Protection Agency, Region 10, 1200 Sixth Avenue, Seattle, Washington, 98101. Copies of the documents relevant to this action are available for public inspection during normal business hours at: EPA Region 10, Office of Air Quality, 1200 Sixth Avenue, Seattle, Washington, 98101, and the Alaska Department of Environmental Conservation, 410 Willoughby, Suite 105, Juneau, Alaska, 99801–1795.

FOR FURTHER INFORMATION CONTACT: Ed Jones, EPA, Office of Air Quality (OA–107), 1200 Sixth Avenue, Seattle, Washington, 98101, (206) 553–1743.

SUPPLEMENTARY INFORMATION:

I. Background

A. Impact of the National Highway System Designation Act on the Design and Implementation of Inspection & Maintenance Programs Under the Clean Air Act

The National Highway System Designation Act of 1995 (NHSDA) establishes two key changes to the I/M rule requirements previously developed by EPA. Under the NHSDA, EPA cannot require states to adopt or implement centralized, test-only IM240 enhanced vehicle inspection and maintenance programs as a means of compliance with section 182, 184 or 187 of the CAA. Also under the NHSDA, EPA cannot disapprove a State SIP revision, nor apply an automatic discount to a State SIP revision under section 182, 184 or 187 of the CAA, because the I/M program in such plan revision is decentralized, or a test-and-repair program. Accordingly, the so-called 50% credit discount that was established by the EPA's I/M Program Requirements Final Rule, (published November 5, 1992, and herein referred to as the I/M Rule) has been effectively replaced with a presumptive equivalency criteria, which places the emission reductions credits for decentralized networks on par with credit assumptions for centralized networks, based upon a state's good faith estimate of reductions as provided by the NHSDA and explained below in this section.

EPA's I/M Rule established many other criteria unrelated to network design or test type for states to use in designing I/M programs. All other elements of the I/M Rule, and the statutory requirements established in the CAA continue to be required of those states submitting I/M SIP revisions under the NHSDA, and the NHSDA specifically requires that these submittals must otherwise comply in all respects with the I/M Rule and the CAA.

Submission criteria described under the NHSDA allows for a State to submit proposed regulations for this interim program, provided that the State has all of the statutory authority necessary to carry out the program. Also, in proposing the interim credits for this program, states are required to make good faith estimates regarding the performance of their I/M program. Since these estimates are expected to be difficult to quantify, the state need only provide that the proposed credits claimed for the submission have a basis in fact. A good faith estimate of a State's program may be an estimate that is based on any of the following: the performance of any previous I/M program; the results of remote sensing or other roadside testing techniques; fleet and vehicle miles traveled (VMT) profiles; demographic studies; or other evidence which has relevance to the effectiveness or emissions reducing capabilities of an I/M program.

This action is being taken under the authority of both the NHSDA and section 110 of the CAA. Section 348 of the NHSDA expressly directs EPA to issue this interim approval for a period of 18 months, at which time the interim program will be evaluated in concert with the appropriate state agencies and EPA. At that time, the Conference Report on section 348 of the NHSDA states that it is expected that the proposed credits claimed by the State in its submittal, and the emissions reductions demonstrated through the program data may not match exactly. Therefore, the Conference Report suggests that EPA use the program data to appropriately adjust these credits on a program basis as demonstrated by the program data.

B. Interim Approvals Under the NHSDA

The NHSDA directs EPA to grant interim approval for a period of 18 months to approvable I/M submittals under this Act. This Act also directs EPA and the states to review the interim program results at the end of 18 months, and to make a determination as to the effectiveness of the interim program. Following this demonstration, EPA will adjust any credit claims made by the state in its good faith effort to reflect the emissions reductions actually measured