

Need for Correction

As published, temporary regulations (TD 9313) contain an error that may prove to be misleading and is in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

■ Accordingly, 26 CFR part 1 is corrected by making the following amendment:

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 1.368–2T is amended by revising paragraph (l)(2)(iv) to read as follows:

§ 1.368–2T Definition of terms (temporary).

* * * * *

(1) * * *

(2) * * *

(iv) *Exception.* This paragraph (l)(2) does not apply to a transaction otherwise described in section 1.358–6(b)(2) or section 368(a)(1)(G) by reason of section 368(a)(2)(D).

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LaNita Van Dyke,

*Chief, Publications and Regulations Branch
Legal Processing Division, Associate Chief
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PENSION BENEFIT GUARANTY CORPORATION

29 CFR Parts 4022 and 4044

Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: The Pension Benefit Guaranty Corporation's regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans prescribe interest assumptions for valuing and paying benefits under terminating single-employer plans. This final rule amends the regulations to adopt interest assumptions for plans with valuation

dates in May 2007. Interest assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).

DATES: Effective May 1, 2007.

FOR FURTHER INFORMATION CONTACT:

Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024. (TTY/TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

SUPPLEMENTARY INFORMATION: The PBGC's regulations prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Three sets of interest assumptions are prescribed: (1) A set for the valuation of benefits for allocation purposes under section 4044 (found in Appendix B to Part 4044), (2) a set for the PBGC to use to determine whether a benefit is payable as a lump sum and to determine lump-sum amounts to be paid by the PBGC (found in Appendix B to Part 4022), and (3) a set for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology (found in Appendix C to Part 4022).

This amendment (1) adds to Appendix B to Part 4044 the interest assumptions for valuing benefits for allocation purposes in plans with valuation dates during May 2007, (2) adds to Appendix B to Part 4022 the interest assumptions for the PBGC to use for its own lump-sum payments in plans with valuation dates during May 2007, and (3) adds to Appendix C to Part 4022 the interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology for valuation dates during May 2007.

For valuation of benefits for allocation purposes, the interest assumptions that the PBGC will use (set forth in Appendix B to part 4044) will be 5.20 percent for the first 20 years following the valuation date and 4.87 percent thereafter. These interest assumptions represent an increase (from those in effect for April 2007) of 0.21 percent for the first 20 years following the valuation date and 0.21 percent for all years thereafter.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 3.00 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. These interest assumptions represent an increase (from those in effect for April 2007) of 0.25 percent in the immediate annuity rate and are otherwise unchanged. For private-sector payments, the interest assumptions (set forth in Appendix C to part 4022) will be the same as those used by the PBGC for determining and paying lump sums (set forth in Appendix B to part 4022).

The PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during May 2007, the PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

The PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects

29 CFR Part 4022

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

29 CFR Part 4044

Employee benefit plans, Pension insurance, Pensions.

■ In consideration of the foregoing, 29 CFR parts 4022 and 4044 are amended as follows:

PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS

■ 1. The authority citation for part 4022 continues to read as follows:

Authority: 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 163, as set forth below, is added to the table.

Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)			
	On or after	Before		i_1	i_2	i_3	n_1 n_2
* 163	* 5-1-07	* 6-1-07	* 3.00	* 4.00	* 4.00	* 4.00	* 7 *

■ 3. In appendix C to part 4022, Rate Set 163, as set forth below, is added to the table.

Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments

* * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)			
	On or after	Before		i_1	i_2	i_3	n_1 n_2
* 163	* 5-1-07	* 6-1-07	* 3.00	* 4.00	* 4.00	* 4.00	* 7 *

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

■ 4. The authority citation for part 4044 continues to read as follows:

■ 5. In appendix B to part 4044, a new entry for May 2007, as set forth below, is added to the table.

Appendix B to Part 4044—Interest Rates Used to Value Benefits

* * *

For valuation dates occurring in the month—			The values of i_t are:			
			i_t	for $t =$	i_t	for $t =$
* May 2007	*	*	* .0520	* 1-20	* .0487	* >20 N/A *

Issued in Washington, DC, on this 10th day of April 2007.

Vincent K. Snowbarger,

Interim Director, Pension Benefit Guaranty Corporation.

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DEPARTMENT OF THE INTERIOR**Minerals Management Service****30 CFR Part 250****RIN 1010-AD10****Oil, Gas, and Sulphur Operations in the Outer Continental Shelf (OCS)—Plans and Information—Protection of Marine Mammals and Threatened and Endangered Species**

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: This final rule requires lessees of Federal oil and gas leases in the OCS to provide information on how they will conduct their proposed activities in a manner consistent with provisions of the Endangered Species Act (ESA) and the Marine Mammal Protection Act (MMPA). It identifies environmental, monitoring, and mitigation information that lessees must submit with plans for exploration and development and production. This final rulemaking specifies what information the MMS needs to ensure compliance with the OCSLA, the ESA, and the MMPA. The final rule will help assure that lessees conduct their activities in a manner consistent with the provisions of the ESA and the MMPA.

DATES: *Effective Date:* This regulation is effective as of May 14, 2007.

FOR FURTHER INFORMATION CONTACT: Judy Wilson, Chief, Environmental

Compliance Unit, Environmental Division, (703) 787-1075.

SUPPLEMENTARY INFORMATION: The OCS Lands Act (OCSLA) at 43 U.S.C. 1333, mandates “The Constitution and laws and civil and political jurisdiction of the United States (U.S.) are extended to the subsoil and seabed of the OCS and to all artificial islands, and all installations and other devices permanently or temporarily attached to the seabed which may be erected thereon for the purpose of exploring for, developing, or producing resources therefrom, or any such installation or other device (other than a ship or vessel) for the purpose of transporting such resources * * *” Those laws include the ESA and the MMPA. Every lease the MMS issues contains a requirement that the lessee must comply with applicable laws. The OCSLA at 43 U.S.C. 1332, requires “* * * expeditious and orderly development, subject to environmental safeguards * * *”