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PAGES
53545-53991

federal register

BOOK 1 OF 2 BOOKS

WEDNESDAY, NOVEMBER 19, 1975

highlights

PART I:

CONCORDE SST
DOT to hold hearing 1-5-76 on commercial service to New York and Washington; requests to testify due 12-8-75 53612

BROWN RICE
USDA/AMS proposes to revise processing standards; comments by 1-5-76 53598

TEXTILES FROM MEXICO
CITA issues visa requirements and implements exemptions for cotton, wool, and man-made fiber products (2 documents) 53619, 53623

NEW DRUGS
HEW/FDA requests effectiveness data by 1-19-76 on certain pre-1962 drugs 53609

ENVIRONMENT
EPA proposes revisions to Maryland and Virginia air quality plans; comments before 12-19-75 53595

VETERANS
VA amends rules on submission of evidence with claims for benefits; effective 11-13-75 53581

CONTINUED INSIDE

PART II:

EMPLOYEE BENEFIT PLANS
Labor/Office of Employee Benefits Security proposes annual reporting requirements; comments by 12-19-75 53709

PART III:

FEDERAL ELECTIONS
FEC issues advisory opinions (2 documents) 53722

PART IV:

FEDERAL-AID HIGHWAY PROGRAMS
DOT/FHWA and NHTSA issue rules, and publish related material from existing manuals, notices, orders, and directives (7 documents) 53726, 53728, 53730, 53759, 53959

PART V:

PRIVACY ACT OF 1974
DOT issues final notice of systems of records; comments by 12-19-75 53694

Office of Technology Assessment 53991

HeinOnline -- 40 Fed. Reg. i 1975

proposed rules

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.

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAX

Certain Trustees of Individual Retirement Accounts; Notice of Proposed Rule Making

Notice is hereby given that the regulations set forth below in tentative form are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments pertaining thereto which are submitted in writing (preferably six copies) to the Commisioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by December 19, 1975. Pursuant to 26 CFR 601.601(b), designations of material as confidential or not to be disclosed, contained in such comments, will not be accepted. Thus, persons submitting written comments should not include therein material that they consider to be confidential or inappropriate for disclosure to the public. It will be presumed by the Internal Revenue Service that every written comment submitted to it in response to this notice of proposed rule making is intended by the person submitting it to be subject in its entirety to public inspection and copying in accordance with the procedures of 26 CFR 601.702(d)(9). Any person submitting written comments who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit a request, in writing, to the Commissioner by December 19, 1975. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the Federal Register, unless the person or persons who have requested a hearing withdraw their requests for a hearing before notice of the hearing has been filed with the Office of the Federal Register. The proposed regulations are to be issued under the authority contained in sections 408(a)(2) and 7805 of the Internal Revenue Code of 1954 (88 Stat. 959, 68A Stat. 917; 26 U.S.C. 408(a)(2) 7805).

DONALD C. ALEXANDER,
Commissioner of Internal Revenue.

This document contains proposed amendments to the Income Tax Regulations (26 CFR Part 1) in order to provide rules under section 408(a)(2) of the Internal Revenue Code of 1954, as added by section 2002(b) of the Employee Retirement Income Security Act of 1974 (88 Stat. 959) as to the persons, other than a bank, who may serve as trustees of individual retirement accounts.

Section 408(a)(2) of the Code requires that the trustee of an individual retirement account be a bank or such other person who demonstrates to the satisfaction of the Commissioner of Internal Revenue that the manner in which such other person will administer the individual retirement account will be consistent with the requirements of section 408 of the Code.

Proposed § 1.408-2(b)(2)(ii) requires that a person, other than a bank, desiring to qualify as a trustee of an individual retirement account must satisfy the applicable requirements of the regulations under section 401(d)(1), relating to nonbank trustees of pension and profit-sharing plans benefiting owner-employees.

PROPOSED AMENDMENT TO THE REGULATIONS

In order to provide rules under section 408(a)(2) of the Code, the Income Tax Regulations (26 CFR Part 1) are amended by inserting immediately after § 1.408-2(b)(2)(i) the following paragraph (b)(2)(ii):

§ 1.408-2 Individual retirement accounts.

* * * * * *

(b) *Requirements.* * * *

(2) *Trustee.* * * *

(ii) A person may demonstrate to the satisfaction of the Commissioner that the manner in which he will administer the trust will be consistent with the requirements of section 408 only upon the filing of a written application to the Commissioner of Internal Revenue, Attention: E:EP, Internal Revenue Service, Washington, D.C. 20224. Such application must meet the applicable requirements of § 1.401-12(n)(3) through (7) relating to nonbank trustees of pension and profit-sharing trusts benefiting owner employees.

[FR Doc. 75-31173 Filed 11-17-75;9:04 am]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[25 CFR Parts 60, 104]

PER CAPITA PAYMENT ASPECTS OF INDIAN JUDGMENT FUNDS

Protection of Shares of Minors, Legal Incompetents and Deceased Beneficiaries

NOVEMBER 13, 1975.

This notice is published in exercise of authority delegated by the Secretary of the Interior to the Commissioner of Indian Affairs by 230 DM 2.

Notice is hereby given that it is proposed to revise § 60.10 of Part 60, Subchapter G, Chapter 1, and § 104.4 of Part 104, Subchapter J, Chapter 1, of Title 25 of the Code of Federal Regulations. These revisions are proposed pursuant to the authority contained in 5 U.S.C. 301 and Section 6 of the Act of October 19, 1973 (87 Stat. 466, 468, 25 U.S.C. 1406).

The purpose of these revisions is to provide more specific guides for the handling and protection of per capita shares of judgment funds of Indian minors, legal incompetents and deceased beneficiaries.

It is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rulemaking process. Accordingly, interested persons may submit written comments, suggestions, or objections regarding the proposed revisions to the Commissioner of Indian Affairs; Attention: Division of Tribal Government Services, Washington, D.C. 80245, on or before January 19, 1976.

PART 60—USE OR DISTRIBUTION OF INDIAN JUDGMENT FUNDS

1. It is proposed to revise § 60.10 of Part 60, Subchapter G, Chapter 1 of Title 25 of the Code of Federal Regulations to read as follows.

§ 60.10 Per capita payment aspects of plans and protection of funds accruing to minors, legal incompetents and deceased beneficiaries.

(a) The per capita shares of living competent adults shall be paid directly to them. The shares of minors, legal incompetents and deceased individual beneficiaries, enhanced by investment earnings, shall be held in individual Indian money (IIM) accounts unless otherwise provided as set out in this section. While held in IIM amounts said shares shall be invested pursuant to 25 U.S.C. § 162a and shall be the property of the minors or legal incompetents or the estates of the deceased individual beneficiaries to whom the per capita payments were made.

(b)(1) Unless otherwise provided in paragraph (b)(2) of this section, minors' per capita shares, until the minors attain the age of 18 years, shall be retained in individually segregated IIM accounts and handled as provided in 25 CFR 104.4. Should it be determined that the funds are to be invested pursuant to a trust, minors who will have reached the age of 18 years within six months after

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the establishment of the trust shall have their funds retained at interest in IIM accounts and paid to them upon attaining their majority.

(2) A private trust for the minors' per capita shares may be established subject to the approval of the tribal governing body and the Secretary on the following conditions:

(i) The tribal governing body specifically requests the establishment of such trust, and the trust provides for segregated amounts to each individual minor, based on his per capita share, and

(ii) The trust agreement specifically provides that the investment policy to be followed is that of preserving the trust corpus and of obtaining the highest interest rates current money markets can safely provide. The trust agreement must further provide that maturity dates of investments cannot exceed the period of the trust and that only the following types of investment shall be made: United States Treasury obligations; Federal agency obligations; repurchase/resell agreements; United States Treasury bills; Bankers' acceptance, provided the assets of the issuing bank exceed $1 billion or the issuing bank pledges full collateral; Certificates of deposit, provided the assets of the issuing bank exceed $1 billion or the issuing bank pledges full collateral; Commercial paper, provided it is rated prime-2 by Moody or A-2 by Standard and Poor or is obligation of a company with outstanding unsecured debt rated Aa by Standard and Poor.

(c) The per capita shares of legal incompetents shall be held in IIM accounts and administered pursuant to the provisions of 25 CFR 104.5.

(d) The shares of deceased individual beneficiaries, plus all interest and investment income accruing thereto, shall be paid to their heirs and legatees upon their determination as provided in 43 CFR, Part 4, Subpart D.

(e) All per capita shares, including all interest and investment income accruing thereto, while they are held in trust under the provisions of this section shall be exempt from Federal and State income taxes and shall not be considered as income or resources when determining the extent of eligibility for assistance under the Social Security Act, as amended.

(f) All per capita shares or portions thereof, including all interest and investment income accruing thereto, which are not paid out but which remain unclaimed with the Federal Government shall be maintained separately and be enhanced by investment, and shall, unless otherwise provided in an effective plan or in enabling legislation, be subject to the provisions of the Act of September 22, 1961, 75 Stat. 584. No per capita share or portion thereof shall be transferred to the U.S. Treasury as "Monies Belonging to Individuals Whose Whereabouts are Unknown."

PART 104—INDEFINITE INDIAN MONEY ACCOUNT

2. It is proposed to review § 104.4 of Part 104, Subchapter J. Chapter 1, of Title 25 of the Code of Federal Regulations to read as follows.

§ 104.4 Minors.

(a) Funds, other than judgment funds which exceed $100 in amount, of a minor may be disbursed in such amounts deemed necessary in the best interest of the minor for the minor's support, health, education, or welfare to parents, legal guardians, fiduciaries, or to persons having the control and custody of the minor under plans approved by the Secretary, or the minor directly, upon such conditions as the Secretary may prescribe. The Secretary will require modification of an approved plan whenever deemed in the best interest of the minor.

(b) Judgment funds exceeding $100 in amount, including the interest income accruing thereto, of a minor shall not be disbursed until the minor reaches 18 years of age. At that time, unless the minor is under legal disability, the minor shall be entitled to withdraw his judgment funds and accrued investment income as provided in § 104.3. If the minor is under legal disability upon reaching his majority, his judgment funds and accrued investment income thereon shall be handled pursuant to § 104.5.

RAYMOND V. BUTLER,
Acting Deputy Commissioner of Indian Affairs.

[FR Doc.75-31186 Filed 11-18-75;8:45 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

(Airspace Docket No. 75-SO-146)

TRANSITION AREA

Proposed Alteration and Designation

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Cherry Point MCAS, N.C., transition area and designate the Beaufort, N.C., transition area.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Federal Aviation Administration, Southern Region, Air Traffic Division, P.O. Box 20636, Atlanta, Ga. 30320. All communications received on or before December 19, 1975 will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Airspace and Procedures Branch. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in light of comments received.

The official docket will be available for examination by interested persons at the Federal Aviation Administration, Southern Region, Room 645, 3400 Whipple Street, East Point, Ga.

The Cherry Point MCAS transition area described in § 71.181 (40 FR 441) would be amended by deleting the present description and substituting the following therefor:

That airspace extending upward from 700 feet above the surface within an 8.5-mile radius of Cherry Point MCAS (latitude 34°54' 30" N., longitude 76°53'00" W.); excluding the portion within the New Bern, N.C., transition.

The Beaufort, N.C., transition area would be designated as: That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of Beaufort-Morehead City Airport (latitude 34°44'00" N., longitude 76°39'45" W.); within 3 miles each side of the 008° bearing from the Morehead RBN (latitude 34°43'49" N., longitude 76°39'15" W.), extending from the 6.5-mile radius area to 8.5-mile north of the RBN.

The Cherry Point MCAS transition area would be altered by revoking an extension which is no longer required and by deleting reference to the Beaufort-Morehead City Airport. A separate transition area extension predicated on the Morehead RBN is required to provide controlled airspace protection for IFR aircraft executing the proposed NDB RWY 21 instrument approach procedure to the Beaufort-Morehead City Airport.

This amendment is proposed under the authority of Sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348 (a)) and of Sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655 (c)).

Issued in East Point, Ga., on November 11, 1975.

PHILLIP M. SWATEK,
Director, Southern Region.

[FR Doc.75-31201 Filed 11-18-75;8:45 am]

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

[36 CFR Part 606]

TERMINATION OF ARBA LICENSES FOR OFFICIAL COMMEMORATIVES IN CERTAIN PRODUCT CATEGORIES

Notice of Proposed Rulemaking

Correction

In FR Doc. 75-30261, appearing at page 52630, in the issue for Tuesday, November 11, 1975, the headings should read as shown above.

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