

transaction, or class of persons or transactions.

#### Initial Regulatory Flexibility Analysis

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires an agency to publish an initial regulatory flexibility analysis with any notice of proposed rulemaking. Two of the requirements of an initial regulatory flexibility analysis (5 U.S.C. 603(b)), a description of the reasons why action by the agency is being considered and a statement of the objectives of, and legal basis for, the proposed rule, are contained in the supplementary material above.

The proposed rule requires no additional reporting or recordkeeping requirements and does not overlap with other federal rules. Rather, the proposal clarifies the relationship between the Regulation S and the joint rule. Another requirement for the initial regulatory flexibility analysis is a description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply. The proposal will apply to all institutions subject to the regulation, regardless of size, but would not result in any increased compliance or other burden for affected institutions, and may result in reduced compliance burden to the extent that the Treasury exempts persons or transactions that would otherwise be subject to Regulation S.

#### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Ch. 3506; 5 CFR 1320 Appendix A.1), the Board reviewed the proposed rule under the authority delegated to the Board by the Office of Management and Budget. No collections of information pursuant to the Paperwork Reduction Act are contained in the proposed rule.

#### List of Subjects in 12 CFR Part 219

Banks, banking, Currency, Foreign banking, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, 12 CFR part 219 is proposed to be amended as set forth below.

#### **PART 219—REIMBURSEMENT FOR PROVIDING FINANCIAL RECORDS; RECORDKEEPING REQUIREMENTS FOR CERTAIN FINANCIAL RECORDS (REGULATION S)**

##### **Subpart B—Recordkeeping and Reporting Requirements for Funds Transfers and Transmittals of Funds**

1. The authority citation for subpart B is revised to read as follows:

Authority: 12 U.S.C. 1829b(b)(2) and (3).

2. In § 219.21, the first word “Such” in the last sentence is revised to read “These” and a new sentence is added immediately preceding the last sentence to read as follows:

##### **§ 219.21 Authority, purpose, and scope.**

\* \* \* This subpart does not apply to a particular person or class of persons or a particular transaction or class of transactions to the extent that the Treasury has determined that 31 CFR 103.33(e) and (f) do not apply to that person, transaction, or class of persons or transactions. \* \* \*

By order of the Board of Governors of the Federal Reserve System, August 15, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

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## **DEPARTMENT OF TRANSPORTATION**

### **Federal Aviation Administration**

#### **14 CFR Parts 91, 93, 121, and 135**

[Docket No. 28653]

#### **Special Flight Rules in the Vicinity of Grand Canyon National Park; Draft Environmental Assessment**

**AGENCY:** Federal Aviation Administration (FAA), Dot.

**ACTION:** Notice of Availability of Draft Environmental Assessment (EA) and Invitation to Comment.

**SUMMARY:** This document gives notice of the availability of the draft environmental assessment for a Notice of Proposed proposing to modify the provisions of Special Federal Aviation Regulation Number 50–2 (SFAR 50–2), Special Flight Rules in the Vicinity of the Grand Canyon National Park (GCNP) (61 FR 40120, July 31, 1996). The FAA is proposing these changes to reduce the impact of aircraft noise on the park environment and to assist the National Park Service (NPS) in achieving its statutory mandate imposed by Public Law 100–91 to provide for the substantial restoration of natural quiet and experience in GCNP.

**DATES:** The opportunity to comment on the draft environmental assessment (EA) will extend from August 20, until October 4, 1996. Late-filed comments will be considered to the extent practicable.

**ADDRESSES:** Written comments on the Draft EA should be received at the following address, in triplicate, by October 4, 1996: Headquarters Federal Aviation Administration, Office of the

Chief Counsel, Attn.: Rules Docket (AGC–10), Docket No. 28653, 800 Independence Avenue, S.W., Washington, D.C. 20591. Comments may be delivered or inspected at Room 915G in FAA headquarters between 8:30 A.M. and 5 P.M., Monday through Friday, excluding Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Mr. William J. Marx (202) 267–3075.

**SUPPLEMENTARY INFORMATION:** The proposed Federal action is to modify the dimensions of the Grand Canyon National Park Special Flight Rules Area (SFRA); establish new and modify existing flight-free zones; establish new and modify existing flight corridors; and establish reporting requirements for commercial sightseeing companies operating in the SFRA. In addition, the NPRM contains proposals for flight-free periods within the Park and/or an interim moratorium on additional commercial sightseeing air tours and tour operators.

The FAA and the NPS recognize that noise from commercial air tours and other flights over units of the national park system can potentially adversely impact park resources, values and visitor experience. The proposed revisions to SFAR 50–2 are consistent with the missions of both FAA and NPS and legislative requirements to enhance the environment and protect the resources of national parks. The FAA remains committed to its mission to promote, develop, and foster aviation safety, and provide for the safe and efficient use of airspace, while at the same time, recognizing the need to preserve, protect, and enhance the environment by minimizing the adverse effects of aviation on the environment.

GCNP is administered by the NPS of the Department of the Interior (DOI). The FAA invited the NPS to participate in the preparation of this Draft EA as a cooperating agency because the NPS has jurisdiction by law over and special expertise relating to the resources within the GCNP. NPS similarly participated in the rulemaking process.

The FAA has decided to grant the requests of the Bureau of Indian Affairs (BIA), and certain Native American tribes to participate as cooperating agencies in the EA. These actions will be conducted on a Government-to-Government basis per Presidential memorandum dated April 29, 1994.

#### **Alternatives**

In developing alternatives for study in this EA, the FAA was guided by its statutory mission and objectives, as well as that of the NPS, and by the purpose and need for the proposed action, as

discussed in Chapter 1 of the Draft EA. In developing these alternatives, the FAA and NPS recognized that there are gaps in relevant information and scientific uncertainty. The lack of complete and available information concerning noise methodology, metric, and the proper definition of substantial restoration of natural quiet, was documented in our preliminary comments on the NPS Report to Congress. Although both agencies recognize that there are unresolved issues, the FAA and NPS have determined that it is in the public interest to proceed with this rulemaking. Both agencies deem this rulemaking important for substantially restoring the natural quiet in the GCNP, as required under the National Park Overflights Act.

The Draft EA evaluates the environmental effects of the no action alternative and the NPRM, except the curfew, variable flight free period, and temporary cap, in an initial study area, in the near term. See, FAA Order 1050.1D, Policies and Procedures for Considering Environmental Impacts. The Final EA will evaluate the curfew, variable flight free period, and temporary cap. It will also evaluate the impacts of the NPRM over the entire GCNP in 1995 and future years, as well as socio-economic impacts. See, 40 CFR 1502.22.

Based on the final EA to be completed after the close of the Draft EA and associated comment period, the FAA will determine whether a Finding of No Significant Impact may be issued or an Environmental Impact Statement is required before any final rule is issued.

For further information contact: Mr. William J. Marx, Division Manager, ATA-300, Federal Aviation Administration, 800 Independence Avenue, Washington D.C. 20591. Requests for copies of the document should also be sent to the above address.

Issued in Washington D.C. on August 20, 1996.

Jeff Griffith,

Program Director of Air Traffic Airspace Management.

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 20 and 25

[REG-208215-91]

RIN 1545-AR52

#### Disclaimer of Interests and Powers

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations relating to the treatment of disclaimers for estate and gift tax purposes. The regulations propose to clarify certain provisions governing the disclaimer of property interests and powers and, in addition, to conform the regulations to court decisions holding the current regulation invalid with respect to the disclaimer of joint property interests. The proposed regulations will affect persons who disclaim interests, powers or interests in jointly owned property after the effective date of these regulations.

**DATES:** Written comments and requests for a public hearing must be received by November 19, 1996.

**ADDRESSES:** Send submissions to: CC:DOM:CORP:R (REG-208215-91), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-208215-91), Courier's Desk Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC. Alternately, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option of 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](http://www.irs.ustreas.gov/prod/tax__regs/comments.html).

#### FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Dale Carlton, (202) 622-3090; concerning submissions, Michael Slaughter, (202) 622-7190 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

This document proposes to amend the Estate and Gift Tax Regulations (26 CFR parts 20 and 25) under sections 2041, 2046, 2056, 2511, 2514, and 2518, relating to the disclaimer of interests in property and powers over property.

#### 1. Interests and Powers Subject to the Disclaimer Rules

Under section 2518(a), if a person makes a qualified disclaimer, then for transfer tax purposes, the interest disclaimed is treated as never having passed to the person disclaiming. Under section 2518(b)(2)(A), in order to have a qualified disclaimer, an interest must be disclaimed within 9 months of the date of "the transfer creating the interest" in the person disclaiming. A person to whom any interest passes by reason of the exercise or lapse of a general power of appointment must disclaim the interest passing within 9 months after the exercise or lapse.

The current regulations provide that section 2518 applies to the disclaimer of interests or powers created pursuant to "taxable transfers" made after December 31, 1976. They further provide that the 9-month period within which the disclaimer must be made is to be determined with reference to the "taxable transfer" creating the interest in the disclaimant. The term "taxable transfer" was incorporated into the regulation based on a statement in the legislative history underlying the enactment of section 2518. H.R. Conf. Rep. No. 1515, 94th Cong., 2d Sess. 623 (1976).

Because the reference point under the regulation is the "taxable transfer" creating the interest, the existing regulation could be viewed as implying that the disclaimer of an interest created in a transfer that is outside the scope of the estate or gift tax need not comply with the requirements of section 2518. For example, if the disclaimed property constitutes an interest in foreign situs property created pursuant to a transfer by a nonresident alien donor or decedent, the transfer by the nonresident alien would not be within the scope of the gift tax or estate tax. However, a disclaimer of such an interest would have to comply with section 2518; otherwise, there could be transfer tax consequences to the disclaimant.

Similarly, the regulations do not specifically address the disclaimer of a property interest passing as a result of the lapse or release of a general power of appointment created on or before October 21, 1942. Under sections 2041(a)(1) and 2514(a), the lapse or release of a pre-1942 power is not subject to transfer tax.

The scope of the term "taxable transfer", as used in § 25.2511-1(c)(2), a related provision governing the disclaimer of interests created in taxable transfers made prior to January 1, 1977, was considered in the Eighth Circuit