

practicable shall be placed on the largest of the authorized surfaces. However, powered parachutes and weight-shift-control aircraft must display marks at least 3 inches high.

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Issued in Washington, DC, on July 30, 2007.

Marion C. Blakey,
Administrator.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9339]

RIN 1545-BG44

Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final and temporary regulations.

SUMMARY: This document contains corrections to final and temporary regulations (TD 9339) that were published in the **Federal Register** on Monday, July 16, 2007 (72 FR 38767) providing guidance to state and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program requirements for qualified zone academy bonds.

DATES: The correction is effective September 14, 2007.

FOR FURTHER INFORMATION CONTACT: Timothy L. Jones or Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations that are the subject of this correction are under section 1397E of the Internal Revenue Code.

Need for Correction

As published, final and temporary regulations (TD 9339) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the final and temporary regulations (TD 9339), which was the subject of FR Doc. E7-13665, is corrected as follows:

1. On page 38767, column 3, in the preamble, under the caption **DATES:**, line 4, the language “applicability, see § 1.1397E-1(m) of” is corrected to read “applicability, see § 1.1397E-1T(m) of”.

2. On page 38768, column 3, in the preamble, under the paragraph heading “C. Proceeds for Purposes of the Use and Spending Requirements”, line 3 of the paragraph, the language “provisions of QZAB provisions” is corrected to read “QZAB provisions”.

3. On page 38769, column 3, in the preamble, under the paragraph heading “II. Maximum Term”, lines 1 and 2 from bottom of the fourth paragraph of the column, the language “securities (<http://www.publicdebt.treas.gov>).” is corrected to read “securities (<https://www.treasurydirect.gov>).”.

4. On page 38772, column 1, in the preamble, under the subparagraph heading “3. Failure to Properly Use Proceeds”, third paragraph, the language “The Temporary Regulations retain these provisions.” is inserted at the end of the paragraph.

5. On page 38774, column 1, in the preamble, under the paragraph heading “Effective/Applicability Dates”, last line of the fourth paragraph, the language “§ 1.1379E(m),” is corrected to read “§ 1.1379E-1T(m).”.

LaNita Van Dyke,

Chief, Publications and Regulations Branch,
Legal Processing Division, Associate Chief
Counsel (Procedure and Administration).

[FR Doc. E7-18180 Filed 9-13-07; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9339]

RIN 1545-BG44

Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to final and temporary regulations (TD 9339) that were published in the **Federal Register** on Monday, July 16, 2007 (72 FR 38767) providing guidance to state and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program

requirements for qualified zone academy bonds.

DATES: The correction is effective September 14, 2007.

FOR FURTHER INFORMATION CONTACT: Timothy L. Jones or Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final and temporary regulations that are the subject of this correction are under section 1397E of the Internal Revenue Code.

Need for Correction

As published, final and temporary regulations (TD 9339) contain errors that may prove to be misleading and are 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 amendments:

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 1.1397E-1T is amended by revising paragraphs (h)(2)(iii)(B), (h)(7)(ii)(D)(2)(ii), and (h)(9)(i)(6) to read as follows:

§ 1.1397E-1T Qualified zone academy bonds (temporary).

* * * * *

(h) * * *

(2) * * *

(iii) * * *

(B) The expenditure of at least 95 percent of the proceeds from the sale of the issue for a qualified purpose with respect to a qualified zone academy will continue to proceed with due diligence.

* * * * *

(7) * * *

(ii) * * *

(D) * * *

(2) * * *

(ii) The first date on which an action is taken that causes the issuer to fail actually to use at least 95 percent of the proceeds of the issue for a qualified purpose with respect to a qualified zone academy.

* * * * *

(9) * * *

(i) * * *

(6) *Certain defeasance escrow earnings.* With respect to a defeasance

escrow established in a remedial action for an issue of QZABs that meets the special rebate requirement under paragraph (h)(7)(ii)(C)(2) of this section, the QZAB issuer is treated as ineligible for the small issuer exception to arbitrage rebate under section 148(f)(4)(D) and paragraph (i)(5) of this section and compliance with that special rebate requirement is treated as satisfying applicable arbitrage investment restrictions under section 148 for that defeasance escrow.

LaNita Van Dyke,

*Chief, Publications and Regulations Branch,
Legal Processing Division, Associate Chief
Counsel (Procedure and Administration).*

[FR Doc. E7-18186 Filed 9-13-07; 8:45 am]

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

DATES: Effective October 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 October 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 October 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 October 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 5.51 percent for the first 20 years following the valuation date and 5.18 percent thereafter. These interest assumptions represent a decrease (from those in effect for September 2007) of 0.02 percent for the first 20 years following the valuation date and 0.02 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 3.25 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 no change from those in effect for September 2007. 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 October 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 168, as set forth below, is added to the table.

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

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