such dissolution or liquidation within 60 days after the dissolution or liquidation. The list and the notice provided to OTSA must be sent to: Internal Revenue Service, OTSA Mail Stop 4915, 1973 North Rulon White Blvd., Ogden, Utah 84404, or to such other address as provided by the Commissioner.

(e) *Furnishing of lists*—(1) *In general.* Each material advisor responsible for maintaining a list must, upon written request by the IRS, make each component of the list described in paragraph (b)(3) of this section available to the IRS by furnishing each component of the list to the IRS within 20 business days from the day on which the request is provided. The 20 business-day period shall begin on the first business day following the earlier of the date that the IRS mails a request for the list by certified or registered mail to the last known address of the material advisor required to maintain the list, or hand-delivers the written request in person. Business days include every calendar day other than Saturdays, Sundays, or legal holidays. For purposes of this paragraph (e), *legal holiday* shall have the same meaning provided in section 7503. The request is not required to be in the form of an administrative summons. Each component of the list must be furnished to the IRS in a form that enables the IRS to determine without undue delay or difficulty the information required in paragraph (b)(3) of this section. If any component of the list is not in a form that enables the IRS to determine without undue delay or difficulty the information required in paragraph (b)(3) of this section, the material advisor will not be considered to have complied with the list maintenance provisions in section 6112 and this section.

(2) *Claims of privilege.* Each material advisor who is required to maintain a list with respect to a reportable transaction, must still maintain the list pursuant to the requirements of this section even if a person asserts a claim of privilege with respect to the information specified in paragraph (b)(3)(iii)(B) of this section.

(f) *Designation agreements.* If more than one material advisor is required to maintain a list of persons for a reportable transaction, in accordance with paragraph (b) of this section, the material advisors may designate by written agreement a single material advisor to maintain the list or a portion of the list. The designation of one material advisor to maintain the list does not relieve the other material advisors from their obligation to furnish the list to the IRS in accordance with paragraph (e)(1) of this section, if the designated material advisor fails to furnish the list to the IRS in a timely manner. A material advisor is not relieved from the requirement of this section because a material advisor is unable to obtain the list from any designated material advisor, any designated material advisor did not maintain a list, or the list maintained by any designated material advisor is not complete.

(g) *Effective date.* In general, this section applies to transactions with respect to which a material advisor makes a tax statement under § 301.6111–3 on or after the date these regulations are published as final regulations in the **Federal Register**. However, upon the publication of final regulations, this section will apply to transactions of interest entered into on or after November 2, 2006 with respect to which a material advisor makes a tax statement under § 301.6111–3 on or after November 2, 2006.

Mark E. Matthews,

Deputy Commissioner for Services and Enforcement.

[FR Doc. E6–18323 Filed 11–1–06; 8:45 am]

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DEPARTMENT OF JUSTICE

Bureau of Prisons

28 CFR Part 524

[BOP–1141–P]

RIN 1120–AB39

Intensive Confinement Center Program

AGENCY: Federal Bureau of Prisons, Justice.

ACTION: Proposed rule.

SUMMARY: The Bureau of Prisons (Bureau) proposes to remove current rules on the intensive confinement center program (ICC). The ICC is a specialized program for non-violent offenders combining features of a military boot camp with traditional Bureau correctional values. The Bureau will no longer be offering the ICC program (also known as Shock Incarceration or Boot Camp) to inmates as a program option. This decision was made as part of an overall strategy to eliminate programs that do not reduce recidivism.

DATES: Comments due by January 2, 2007.

ADDRESSES: Our e-mail address is *BOPRULES@BOP.GOV.* Comments should be submitted to the Rules Unit, Office of General Counsel, Bureau of Prisons, 320 First Street, NW., Washington, DC 20534. You may view an electronic version of this rule at *http://www.regulations.gov.* You may also comment via the Internet to BOP at *BOPRULES@BOP.GOV* or by using the *www.regulations.gov* comment form for this regulation. When submitting comments electronically you must include the BOP Docket No. in the subject box.

FOR FURTHER INFORMATION CONTACT: Sarah Qureshi, Office of General Counsel, Bureau of Prisons, phone (202) 307–2105.

SUPPLEMENTARY INFORMATION: We initially published these regulations describing ICC eligibility requirements and successful program completion requirements as an interim rule in the **Federal Register** on April 26, 1996 (61 FR 18658). We received no comments on the interim rule. We later amended these regulations through another interim rule on October 15, 1997 (62 FR 53691). Again, we received no comments on that interim rule. Through this rulemaking, the Bureau seeks to be clear to inmates and the public regarding the termination of the ICC program.

The current ICC regulations state that ''[p]lacement in the intensive confinement center program is to be made by Bureau staff in accordance with sound correctional judgment and the availability of Bureau resources.'' 28 CFR 524.32(b). The Bureau could, without rulemaking, discontinue the ICC program because it is no longer supported by ''sound correctional judgment,'' and/or because it diverts Bureau resources from more successful programs.

Also, 18 U.S.C. 4046 does not *require* the establishment of a ''shock incarceration'' program. Rather, it authorizes the Bureau to grant sentence reductions to those inmates who successfully complete such a program, *i.e.* ''The Bureau of Prisons *may* place in a shock incarceration program * * *'' (emphasis added).

However, because the Bureau seeks to minimize public confusion and accurately reflect its practice by eliminating unnecessary regulations, the Bureau now formally proposes the removal of the ICC regulations.

The ICC program operated at Bureau institutions located in Bryan, Texas; Lewisburg, Pennsylvania; and Lompoc, California. Under this rule, no new ICC classes or associated extended community confinement and early release benefits will be offered. However, other pre-release

programming opportunities will continue to exist.

Despite anecdotal successes, research has found no significant difference in recidivism rates between inmates who complete boot camp programs and similar offenders who serve their sentences in traditional institutions. There is a national trend among correctional agencies to phase out boot camp programs, as a result of many years of experience. (*See* National Institute of Justice Research for Practice Report, ''Correctional Boot Camps: Lessons From a Decade of Research,'' June 2003).

The Bureau has determined that completion of boot camp programs does not tend to result in lower rates of recidivism as compared to offenders with similar background characteristics who did not participate in the program. (*See* National Institute of Justice Report, ''Multisite Evaluation of Shock Incarceration,'' September 1994).

Moreover, the costs associated with maintaining the federal boot camp programs exceed the costs of operating ordinary minimum security camps, as a result of (1) the staff resources necessary to maintain the intensive core programming that make up the ''shock incarceration'' or ''intensive confinement'' experience, and (2) the high costs of housing offenders for extended periods of time in Community Corrections Centers, where the per capita costs are higher than those of housing offenders in minimum security camps.

While there are some cost savings due to the early release of offenders who successfully complete the program, these savings are minimal compared to the additional costs of operating the program, which create a net increased cost to the agency of more than $1 million per year.

The lack of significant beneficial results has led the Bureau to the conclusion that it can no longer justify the expenditure of public funds to operate the ICC program.

It is important to note that the phase out of the ICC does not represent a change in the Bureau's mission; the Bureau remains fully committed to operating safe and secure institutions and to providing opportunities for inmates to gain the skills and the training necessary for a successful, crime-free, return to the community.

The Bureau has renewed its emphasis on allocating its resources to support programs that are proven effective. The ICC program has some attractive features, but it does not reduce recidivism. The Bureau operates several programs that are proven to significantly reduce recidivism. Research conducted over the past 20 years has demonstrated convincingly that inmates who participate in the Bureau's major inmate programs are substantially less likely to recidivate as compared to similar inmates who do not participate. These programs include Residential Substance Abuse Treatment, Vocational Training and Apprenticeship, Education and Federal Prison Industries (operated without appropriated funds). There are also other inmate programs, such as skills building and values development, that have been found, preliminarily, to affect inmate misconduct which is a valid predictor of recidivism. These programs are being carefully reviewed to determine their impact on recidivism.

Therefore, for the aforementioned reasons, we propose to remove our rules in Subpart D of 28 CFR part 524.

Executive Order 12866

This regulation has been drafted and reviewed in accordance with Executive Order 12866, ''Regulatory Planning and Review'', section 1(b), Principles of Regulation. The Director, Bureau of Prisons has determined that this rule is a ''significant regulatory action'' under Executive Order 12866, section 3(f), and accordingly this rule has been reviewed by the Office of Management and Budget.

Executive Order 13132

This regulation will not have substantial direct effects on the States, on the relationship between the national government and the States, or on distribution of power and responsibilities among the various levels of government. Under Executive Order 13132, this rule does not have sufficient federalism implications for which we would prepare a Federalism Assessment.

Regulatory Flexibility Act

The Director of the Bureau of Prisons, under the Regulatory Flexibility Act (5 U.S.C. 605(b)), reviewed this regulation. By approving it, the Director certifies that it will not have a significant economic impact upon a substantial number of small entities because: This rule is about the correctional management of offenders committed to the custody of the Attorney General or the Director of the Bureau of Prisons, and its economic impact is limited to the Bureau's appropriated funds.

Unfunded Mandates Reform Act of 1995

This rule will not cause State, local and tribal governments, or the private sector, to spend $100,000,000 or more in any one year, and it will not significantly or uniquely affect small governments. We do not need to take action under the Unfunded Mandates Reform Act of 1995.

Small Business Regulatory Enforcement Fairness Act of 1996

This rule is not a major rule as defined by § 804 of the Small Business Regulatory Enforcement Fairness Act of 1996. This rule will not result in an annual effect on the economy of $100,000,000 or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based companies to compete with foreign-based companies in domestic and export markets.

List of Subjects in 28 CFR Part 524

Prisoners.

Harley G. Lappin,

Director, Bureau of Prisons.

Under rulemaking authority vested in the Attorney General in 5 U.S.C. 552(a) and delegated to the Director, Bureau of Prisons, we propose to amend 28 CFR part 524 as set forth below.

SUBCHAPTER B—INMATE ADMISSION, CLASSIFICATION, AND TRANSFER

PART 524—CLASSIFICATION OF INMATES

1. The authority for part 524 continues to read as follows:

Authority: 5 U.S.C. 301; 18 U.S.C. 3521–3528, 3621, 3622, 3624, 4001, 4042, 4046, 4081, 4082 (Repealed in part as to offenses committed on or after November 1, 1987), 5006–5024 (Repealed October 12, 1984 as to offenses committed after that date), 5039; 21 U.S.C. 848; 28 U.S.C. 509, 510.

2. Subpart D—Intensive Confinement Center Program is removed and reserved.

[FR Doc. E6–18437 Filed 11–1–06; 8:45 am]

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DEPARTMENT OF JUSTICE

Bureau of Prisons

28 CFR Part 545

[BOP Docket No. BOP 1132–P]

RIN 1120–AB33

Inmate Work and Performance Pay Program: Reduction in Pay for Drug- and Alcohol-Related Disciplinary Offenses

AGENCY: Bureau of Prisons, Justice.

ACTION: Proposed rule.