

the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Small Business Administration for comment on its impact on small business.

Drafting Information: The principal author of the regulations concerning the modifications of bad debts is Craig Wojay, Office of the Assistant Chief Counsel (Financial Institutions and Products), IRS. The principal author of the regulations concerning the dealer assignments of notional principal contracts is Thomas M. Preston, Office of the Assistant Chief Counsel (Financial Institutions and Products), IRS. However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

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. In § 1.166–3, paragraph (a)(3) is added to read as follows:

§ 1.166–3 Partial or total worthlessness.

(a) * * *

(3) *Significantly modified debt—(i) Deemed charge-off.* If a significant modification of a debt instrument (within the meaning of § 1.1001–3) during a taxable year results in the recognition of gain by a taxpayer under § 1.1001–1(a), and if the requirements of paragraph (a)(3)(ii) of this section are met, there is a deemed charge-off of the debt during that taxable year in the amount specified in paragraph (a)(3)(iii) of this section.

(ii) *Requirements for deemed charge-off.* A debt is deemed to have been charged off only if—

(A) The taxpayer (or, in the case of a debt that constitutes transferred basis property within the meaning of section 7701(a)(43), a transferor taxpayer) has claimed a deduction for partial

worthlessness of the debt in any prior taxable year; and

(B) Each prior charge-off and deduction for partial worthlessness satisfied the requirements of paragraphs (a) (1) and (2) of this section.

(iii) *Amount of deemed charge-off.* The amount of the deemed charge-off, if any, is the amount by which the tax basis of the debt exceeds the greater of the fair market value of the debt or the amount of the debt recorded on the taxpayer's books and records reduced as appropriate for a specific allowance for loan losses. The amount of the deemed charge-off, however, may not exceed the amount of recognized gain described in paragraph (a)(3)(i) of this section.

(iv) *Effective date.* This paragraph (a)(3) applies to significant modifications of debt instruments occurring on or after September 23, 1996.

* * * * *

§ 1.166–3T [Removed]

Par. 3. Section 1.166–3T is removed.

Par. 4. Section 1.1001–4 is added to read as follows:

§ 1.1001–4 Modifications of certain notional principal contracts.

(a) *Dealer assignments.* For purposes of § 1.1001–1(a), the substitution of a new party on an interest rate or commodity swap, or other notional principal contract (as defined in § 1.446–3(c)(1)), is not treated as a deemed exchange by the nonassigning party of the original contract for a modified contract that differs materially either in kind or in extent if—

(1) The party assigning its rights and obligations under the contract and the party to which the rights and obligations are assigned are both dealers in notional principal contracts, as defined in § 1.446–3(c)(4)(iii); and

(2) The terms of the contract permit the substitution.

(b) *Effective date.* This section applies to assignments of interest rate swaps, commodity swaps, and other notional principal contracts occurring on or after September 23, 1996.

§ 1.1001–4T [Removed]

Par. 5. Section 1.1001–4T is removed.

Michael P. Dolan,
Deputy Commissioner of Internal Revenue.

Approved: January 14, 1998.

Donald C. Lubick,
Acting Assistant Secretary of the Treasury.
[FR Doc. 98–2093 Filed 1–28–98; 8:45 am]
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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[LA–33–1–7374; FRL–5955–9]

Approval and Promulgation of State Implementation Plans (SIP) for Louisiana: Motor Vehicle Inspection and Maintenance (I/M) Program; Correction

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule; correction.

SUMMARY: This document corrects the section number in subpart T of part 40 of the Code of Federal Regulations (CFR) citation published in the **Federal Register** (FR) of November 19, 1997, regarding final disapproval of the Louisiana I/M SIP. Section 52.994 was inadvertently chosen for Disapprovals, when it had previously been assigned to Conditional Approvals. This document changes the section number for Disapprovals to 52.996.

DATES: Effective on January 29, 1998.

FOR FURTHER INFORMATION CONTACT: Ms. Sandra G. Rennie, Air Planning Section (6PD–L), EPA Region 6, 1445 Ross Avenue, Dallas, Texas 75202–2733, telephone (214)665–7367.

SUPPLEMENTARY INFORMATION:

I. Background

The EPA published document 97–30376 in the November 19, 1997, **Federal Register** (FR), finalizing disapproval of the I/M program in the Baton Rouge ozone nonattainment area. See 62 FR 61633 for the background and rulemaking for that action.

In amending part 52 of 40 CFR, a section was added in subpart T—Louisiana, for Disapprovals. Inadvertently, the section number chosen was already in use for Conditional Approvals. The purpose of this action is to change the section number for Disapprovals from 52.994 to 52.996.

II. Administrative Requirements

Under Executive Order 12866 (58 FR 51735, October 4, 1993), this action is not a “significant regulatory action” and is, therefore, not subject to review by the Office of Management and Budget. In addition, this action does not impose any enforceable duty or contain any unfunded mandates as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), or require prior consultation with State officials as specified by Executive Order 12898 (59 FR 7629, February 16, 1994).

Because this action is not subject to notice-and-comment requirements under the Administrative Procedure Act or any other statute, it is not subject to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) Under 5 U.S.C. 801(a)(1)(A) as added by the Small Business Regulatory Enforcement Fairness Act of 1996, EPA submitted a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives and the Comptroller General of the General Accounting Office prior to publication of this rule in today's **Federal Register**. This rule is not a "major rule" as defined by 5 U.S.C. 804(2).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Conformity, Hydrocarbons, Nitrogen dioxide, Ozone.

Dated: January 14, 1998.

Lynda F. Carroll,

Acting Regional Administrator, Region 6.

In rule FR Doc. 97-30376, published on November 19, 1997 (62 FR 61633), make the following correction:

1. On page 61634, in the third column, the amendatory instruction is corrected to read as follows:

2. Section 52.996 is added to read as follows:

2. In the text, the section number is changed from 52.994 to 52.996.

[FR Doc. 98-2087 Filed 1-28-98; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 300

[FRL-5954-1]

National Oil and Hazardous Substances Pollution Contingency Plan; National Priorities List

AGENCY: Environmental Protection Agency.

ACTION: Notice of partial deletion of the Prewitt Abandoned Refinery Superfund Site from the National Priorities List.

SUMMARY: The United States Environmental Protection Agency (EPA) Region 6 announces the deletion of the surface portion of the Prewitt Abandoned Refinery Superfund Site (the Site) from the National Priorities List (NPL). The NPL, promulgated pursuant to section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42

U.S.C. 9605, is codified at Appendix B of the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), 40 CFR part 300. This partial deletion is consistent with the EPA's Notice of Policy Change: Policy Regarding Partial Deletion of Sites Listed on the National Priorities List. 60 FR 55466 (November 1, 1995). This partial deletion pertains to the surface portion, which includes all surface soils, and also includes the former separator area. This partial deletion does not pertain to the subsurface portion of the Site including without limitation ground water and subsurface soils. The subsurface portion of the Site will remain on the NPL, and response activities will continue at that portion. With the concurrence of the State of New Mexico through the New Mexico Environment Department (NMED), and with the concurrence of the Navajo Nation through the Navajo Nation Superfund Office (NSO), the EPA has determined that responsible parties have implemented all appropriate response actions required at the surface portion of the Site (neither the CERCLA-required five-year reviews, nor operation and maintenance of the constructed remedy is considered further response action for these purposes), that all appropriate Hazardous Substance Response Trust Fund (Fund) financed response actions under CERCLA have been implemented at the surface portion of the Site, and that no further response action by responsible parties is appropriate for the surface portion of the Site. Moreover, the EPA, with State of New Mexico concurrence through the NMED, and with Navajo Nation concurrence through the NSO, has determined that Site investigations show that the surface portion of the Site now poses no significant threat to public health or the environment; consequently, pursuant to CERCLA section 105, and 40 CFR 300.425(e), the surface portion of the Site is hereby deleted from the NPL.

EFFECTIVE DATE: January 29, 1998.

FOR FURTHER INFORMATION CONTACT: Greg J. Lyssy, Remedial Project Manager, (214) 665-8317, United States Environmental Protection Agency, Region 6, Mail Code: 6SF-LT, 1445 Ross Avenue, Dallas, Texas 75202.

Information on the Site is available at the local information repository located at: Prewitt Fire House, PO Box 472, Prewitt, New Mexico 87045, (505) 876-4068. Requests for comprehensive copies of documents should be directed formally to the Regional Superfund Management Branch, care of Steve Wyman, (214) 665-2792, EPA Region 6,

Mail Code: 6SF-PO, 1445 Ross Avenue, Dallas, Texas 75202.

SUPPLEMENTARY INFORMATION: The site to be partially deleted from the NPL is the Prewitt Abandoned Refinery Superfund Site located near the town of Prewitt, in McKinley County, New Mexico. This partial deletion pertains to the surface portion of the Site, which consists of all surface soils and the former separator area. This partial deletion does not pertain to the subsurface portion of the Site including without limitation ground water and subsurface soils. This Partial Deletion is in accordance with 40 CFR 300.425(e) and the Notice of Policy Change: Partial Deletion of Sites Listed on the National Priorities List, 60 FR 55466 (Nov. 1, 1995). A Notice of Intent for Partial Deletion was published on October 6, 1997 (62 FR 52074). The closing date for comments on the Notice of Intent for Partial Deletion was November 5, 1997. The EPA received two comment letters, both of which supported the partial deletion.

The EPA identifies sites which appear to present a significant risk to public health, welfare, or the environment and it maintains the NPL as the list of those sites. Sites on the NPL may be the subject of Fund-financed remedial actions. Section 300.425(e)(3) of the NCP, 40 CFR 300.425(e)(3), states that Fund-financed actions may be taken at sites deleted from the NPL in the unlikely event that conditions at the site warrant such action. Deletion of a site from the NPL does not affect responsible party liability or impede EPA efforts to recover costs associated with response efforts.

Lists of Subjects in 40 CFR Part 300

Environmental protection, Air pollution control, Chemicals, Hazardous substances, Hazardous waste, Intergovernmental relations, Penalties, Reporting and recordkeeping requirements, Superfund, Water pollution control, Water supply.

Dated: January 8, 1998.

Lynda F. Carroll,

Acting Regional Administrator (6RA), Region 6.

For the reasons set out in the preamble, 40 CFR part 300 is amended as follows:

PART 300—[AMENDED]

1. The authority citation for Part 300 continues to read as follows:

Authority: 33 U.S.C. 1321(c)(2); 42 U.S.C. 9601-9657; E.O. 12777, 56 FR 54757, 3 CFR 1991 Comp., p. 351; E.O. 12580, 52 FR 2923, 3 CFR 1987 Comp., p. 193.