

**Par. 8.** Section 1.1060-1 is amended by:

1. Revising paragraph (a)(2).  
2. Adding entries in paragraph (a)(3) in the outline of topics for paragraphs (b)(9) and (c)(5).

3. Adding new paragraphs (b)(9) and (c)(5).

The revision and addition read as follows:

**§ 1.1060-1 Special allocation rules for certain asset acquisitions.**

(a) \* \* \*

(2) *Effective dates.* In general, the provisions of this section apply to any asset acquisition occurring after March 15, 2001. However, paragraphs (b)(9) and (c)(5) of this section apply only to applicable asset acquisitions occurring on or after the date they are filed as final regulations with the **Federal Register**. For rules applicable to asset acquisitions on or before March 15, 2001, see § 1.1060-1T in effect prior to March 16, 2001 (see 26 CFR part 1 revised April 1, 2000).

(3) \* \* \*

\* \* \* \* \*

(b) \* \* \*

(9) Insurance business.

(c) \* \* \*

(5) Insurance business.

\* \* \* \* \*

(b) \* \* \*

(9) *Insurance business.* The mere reinsurance of insurance contracts by an insurance company is not an applicable asset acquisition, even if it enables the reinsurer to establish a customer relationship with the owners of the reinsured contracts. However, a transfer of an insurance business is an applicable asset acquisition if the purchaser acquires significant business assets, in addition to insurance contracts, to which goodwill and going concern value could attach. For rules regarding the treatment of an applicable asset acquisition of an insurance business, see paragraph (c)(5) of this section.

(c) \* \* \*

(5) *Insurance business.* If the trade or business transferred is an insurance business, the rules of this paragraph (c) are modified by the principles of § 1.338-11(a) through (d). However, in transactions governed by section 1060, such principles apply even if the transfer of the trade or business is effected in whole or in part through indemnity reinsurance rather than assumption reinsurance, and, with respect to the insurer or reinsurer, an insurance contract (including an annuity or reinsurance contract) is a Class VI asset regardless of whether it is a section 197 intangible. In addition, the

principles of § 1.338-11(e) through (g) apply if the transfer occurs in connection with the complete liquidation of the transferor.

\* \* \* \* \*

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 46**

[REG-125450-01]

RIN 1545-AY93

**Liability for Insurance Premium Excise Tax; Hearing Cancellation**

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

**ACTION:** Cancellation of notice of public hearing on proposed rulemaking.

**SUMMARY:** This document provides notice of cancellation of a public hearing on proposed regulations relating to liability for insurance premium excise tax.

**DATES:** The public hearing originally scheduled for Tuesday, March 19, 2002, at 10 a.m., is cancelled.

**FOR FURTHER INFORMATION CONTACT:** Guy Traynor, Regulations Unit, Assistant Chief Counsel (Income Tax & Accounting), (202) 622-7180 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking and notice of public hearing that appeared in the **Federal Register** on January 7, 2002 (67 FR 707), announced that a public hearing was scheduled for March 19, 2002 at 10 a.m., in room 4718 of the Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC. The subject of the public hearing is proposed regulations under section 4371 of the Internal Revenue Code. The public comment period for these proposed regulations expired on February 26, 2002. The notice of proposed rulemaking and notice of public hearing, instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed. As of January 7, 2002, no one has requested to speak. Therefore, the

public hearing scheduled for March 19, 2002 is cancelled.

**Cynthia E. Grigsby,**

*Chief, Regulations Unit, Associate Chief Counsel, (Income Tax & Accounting).*

[FR Doc. 02-5484 Filed 3-7-02; 8:45 am]

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**LIBRARY OF CONGRESS**

**Copyright Office**

**37 CFR Part 201**

[Docket No. RM 2002-1A]

**Notice and Recordkeeping for Use of Sound Recordings under Statutory License**

**AGENCY:** Copyright Office, Library of Congress.

**ACTION:** Extension of comment period.

**SUMMARY:** The Copyright Office of the Library of Congress is extending the time period for filing comments on its Notice of Proposed Rulemaking concerning requirements by which copyright owners shall receive reasonable notice of the use of their works from digital transmission services, and how records of such use shall be kept and made available to copyright owners.

**DATES:** Comments are due no later than April 5, 2002. Reply comments are due April 26, 2002.

**ADDRESSES:** If sent by mail, an original and ten copies of comments and reply comments should be addressed to: Copyright Arbitration Royalty Panel (CARP), P.O. Box 70977, Southwest Station, Washington, DC 20024. If hand delivered, comments and reply comments should be brought to: Office of the General Counsel, James Madison Building, Room LM-403, First and Independence Ave., SE., Washington, DC 20559-6000.

**FOR FURTHER INFORMATION CONTACT:** David O. Carson, General Counsel, or Tanya M. Sandros, Senior Attorney, Copyright Arbitration Royalty Panel (CARP), P.O. Box 70977, Southwest Station, Washington, DC 20024. Telephone: (202) 707-8380. Telefax: (202) 252-3423.

**SUPPLEMENTARY INFORMATION:** A sound recording may be publicly performed by means of a digital audio transmission under a statutory license provided that the user adheres to the terms of the license and the regulations established by the Copyright Office governing notice and recordkeeping. See 17 U.S.C. 114. On February 7, 2002, the Copyright

Office published a Notice of Proposed Rulemaking which announced the proposed rules for giving copyright owners reasonable notice that their sound recordings are being used under the statutory digital performance right license, and set forth rules for maintaining records of use and making them available to copyright owners. 67 FR 5761 (February 7, 2002). The notice also included proposed rules concerning notice and recordkeeping requirements associated with the use of a second statutory license which provides for the making of the ephemeral phonorecords needed to effectuate the transmission of the sound recordings. 17 U.S.C. 112.

On March 1, 2002, counsel for Sirius Satellite Radio Inc., Clear Channel Communications, Salem Communications Corp., and the National Religious Broadcasters Music License Committee asked the Copyright Office to extend the filing deadline for this proceeding. Subsequently, the Office was notified that the recording industry and the webcasters supported the broadcasters' request for an extension of time. These parties seek an extension for filing the requested comments so that they can engage in detailed discussions concerning the issues raised in the Notice of Proposed Rulemaking.

In recognition of the complexity of the proposed rulemaking and the possibility for productive discussions among interested parties, the Office is extending the period for filing comments and replies in this proceeding. Comments shall be due on April 5, 2002, and reply comments shall be due on Friday, April 26, 2002.

Dated: March 6, 2002.

**Marilyn J. Kretsinger,**  
Assistant General Counsel.

[FR Doc. 02-5738 Filed 3-7-02; 8:45 am]

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[CA247-0299; FRL-7149-4]

### Revisions to the California State Implementation Plan, South Coast Air Quality Management District

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing a limited approval and limited disapproval of revisions to the South Coast Air Quality Management District (SCAQMD) portion of the California State Implementation Plan (SIP). These revisions concern volatile organic compound (VOC) emissions from several source categories such as aerospace manufacturing and coating, metal parts coating, wood products coating, and fiberglass composite manufacturing. We are proposing action on a local rule, Rule 1132, regulating these emission sources under the Clean Air Act as amended in 1990 (CAA or the Act). We are taking comments on this proposal and plan to follow with a final action.

**DATES:** Any comments must arrive by April 8, 2002.

**ADDRESSES:** Mail comments to Andy Steckel, Rulemaking Office Chief (AIR-4), U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

You can inspect copies of the submitted SIP revisions and EPA's technical support documents (TSDs) at our Region IX office during normal business hours. You may also see copies of the submitted SIP revisions at the following locations: California Air Resources Board, Stationary Source Division, Rule Evaluation Section, 1001 "I" Street, Sacramento, CA 95814; and, South Coast Air Quality Management District, 21865 East Copley Drive, Diamond Bar, CA 91765-4182.

**FOR FURTHER INFORMATION CONTACT:** Jerald S. Wamsley, Rulemaking Office (AIR-4), U.S. Environmental Protection Agency, Region IX, (415) 947-4111.

#### SUPPLEMENTARY INFORMATION:

Throughout this document, "we," "us" and "our" refer to EPA.

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#### I. The State's Submittal

##### A. What Rule Did the State Submit?

Table 1 lists the rule addressed by this proposal with the date that it was adopted by the SCAQMD and submitted by the California Air Resources Board (CARB).

TABLE 1.—SUBMITTED RULE

| Local agency | Rule No. | Rule title                                                                  | Adopted  | Submitted |
|--------------|----------|-----------------------------------------------------------------------------|----------|-----------|
| SCAQMD ..... | 1132     | Further Control of VOC Emissions from High-Emitting Spray Booth Facilities. | 01/19/01 | 05/08/01  |

On July 20, 2001, EPA found this rule submittal met the completeness criteria in 40 CFR Part 51 Appendix V. These criteria must be met before formal EPA review can begin.

#### B. Are There Other Versions of This Rule?

There is no previous version of Rule 1132 in the SIP and there are no extant submittals of Rule 1132 beyond the submittal in today's action.

#### C. What Is the Purpose of the Submitted Rule Revisions?

SCAQMD Rule 1132 is a rule designed to reduce volatile organic compound (VOC) emissions at industrial sites engaged high emitting spray booth operations such as aerospace manufacturing facilities, miscellaneous metal parts coating operations, wood products coating operations, and fiberglass composite manufacturing facilities. VOCs are emitted during the preparation and

coating of the given substrate, as well as the drying phase of the coating process. Rule 1132 establishes a 65% VOC emission reduction requirement either by add-on controls, by coating formulation, or a combination of either technique. SCAQMD's Rule 1132 includes the following provisions:

- Rule purpose and applicability;
- Definitions of terms used within the rule;
- Emission reduction requirements;
- Alternative compliance plans;
- Compliance schedules;