

**DEPARTMENT OF TREASURY****Internal Revenue Service****Addition of New Transmitter Encryption Options for Acceptance Testing in November 2004 and Discontinuance of Non-Encrypted Options for IRS e-file by November 2005**

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

**ACTION:** Notice.

**SUMMARY:** Internal Revenue Service will provide the ability for IRS e-file program participants, who transmit directly to the Electronic Management System (EMS), to use approved encryption methods for the 2005 and later filing seasons, beginning with the Acceptance Testing System (ATS) in November 2004. For the 2005 filing season, IRS intends to begin discontinuing support of non-encrypted transmissions whether by dedicated or dial-up links on the Public Switched Telephone Network (PSTN) with complete phase out by November 2005. Authorized IRS e-file Software Developers should request a copy of the Interface Control Document (ICD), which describes requirements for Internet filing that utilizes Secure Sockets Layer (SSL) Version 3.0 with 128-bit encryption keys in an operational mode using the current modem based file transmission commands within a client commonly termed "TELNET/S".

**DATES:** Authorized IRS e-file Software Developers should request the "Interface Control Document Between External Trading Partners and Electronic Management System for Encryption" from the Internal Revenue Service by May 28, 2004. Instructions for testing will be provided to the authorized developers at a later date.

**SUPPLEMENTARY INFORMATION:** This information pertains to IRS e-file software developers who prepare software packages for direct dial-up transmission to IRS e-file EMS sites for individual and business electronic returns and electronic tax documents. This is for the Internet filing replacement of the current dial-up transmissions to the EMS but not for the Forms 1120 and 990 series submitted to the Modernized e-file platform through the Registered User Portal. If the software package for direct filing to IRS EMS provides for Internet filing, it must include an interface to the IRS EMS Front-End Processing Systems' Encrypted Interface URL site. For the 2005 filing season, IRS does not plan to include Internet connectivity for state

taxing authorities who retrieve state returns from the State Retrieval Systems located in Austin, TX and Memphis, TN. IRS does plan to offer the States secure Internet access for 2006.

**Background**

The Internal Revenue Service is charged with protecting taxpayer information using the most feasible, efficient and appropriate methods of protection available. Encrypting the transmissions between the trading partners and the IRS would enhance and complete the existing security provided by the trading partners' systems and by the IRS security zone.

**Dedicated Line Filers**

Based on an analysis of various e-file trading partner capabilities, the Internal Revenue Service announces that effective for the 2005 Filing Season, it will begin the use of a minimum 128-bit FIPS approved but trading partner-chosen, procured, and installed method of encryption for use on trading partner-provided dedicated line(s). These dedicated lines may continue to be terminated at the Austin and Memphis EMS locations and will permit use of the existing TELNET and FTP protocol methods. IRS will send to each dedicated line trading partner a revised annual Dedicated Leased Line Application on which the Trading Partner will be able to identify the evaluation number referencing the chosen encryption method (e.g., Brand, Model Number, FIPS 140-x, Evaluation Number xxx, and Evaluation Date). Means of terminating encrypted transmissions for dedicated line users could vary, determined by user configuration. For filers using dedicated lines terminating on IRS network equipment, the IRS will provide the IOS implemented 128-bit IPsec 3DES encryption services on the IRS equipment and provide configuration support for the Trading Partner equipment. IRS will contact each dedicated leased line Trading Partner after receiving a revised dedicated leased line application.

**Internet Transmission Filers**

Recognizing that the majority of e-commerce and e-government applications are migrating to the Internet and using standard technologies, the Internal Revenue Service will provide the ability for authorized e-file Trading Partners to electronically transmit return information via an IRS-provided and certified secure Internet transport. Use of this secure Internet transport will require the use of Secure Sockets Layer

(SSL) Version 3.0 using 128-bit encryption keys in an operational mode using the current modem based file transmission commands within a client commonly termed "TELNET/S". Note that EMS is unable to support the FTP protocol over the TELNET/S connection, but will continue to support Zmodem, YModem Batch, and XModem 1K. Support for SSL is provided at no extra cost in most Operating Systems available for the last five years, and is supported by the majority of Internet Service Providers (ISPs).

**Cost Impacts and Taxpayer Burdens**

The cost impact of the Internet SSL method to IRS e-filers is expected to be minimal. The transmitters will incur the cost of the ISP, however, many of them already have and use an ISP. Currently the transmitters must pay for the long distance telephone call to the IRS front-end sites, and must make multiple calls if their transmission volume is high. Historic technologies also incur "dropped" calls. With use of the Internet, these occurrences should be reduced. Additionally, dial up access to ISPs are normally via local calls, including alternate phone numbers.

**Implementation Schedule**

The IRS will attempt to ensure that the standards described in the ICD are generally compliant to those adopted by other IRS e-commerce Internet interfaces. The Internal Revenue Service will make a test facility available to its authorized e-file software developers on or about July 15, 2004, and have a production Assurance Testing (ATS) facility for authorized e-file transmitters and software developers by November 1, 2004.

The Internal Revenue Service encourages all current and prospective transmitters to begin using the new encryption methods by November 1, 2004. Dedicated leased line transmitters are encouraged to implement encryption at their earliest convenience and at a time that is mutually agreeable to both the trading partner and the Internal Revenue Service, prior to November 1, 2004.

**Discontinuance of Existing Dial-Up Analog and Dial-Up ISDN Service**

Effective December 1, 2003, the Service no longer accepts requests for support of IRS dial-up ISDN services. During 2005, the IRS will phase down the number of its existing analog, PSTN dial-up line services and its companion existing ISDN dial-up line services. The service will maintain an analog dial infrastructure to use if emergency conditions warrant. Full dial up

infrastructure retirement is planned for 2006.

**ADDRESSES:** E-mail requests from authorized IRS e-file Software Developers for the Interface Control Document entitled E-FILE ENCRYPTION ICD to [efile.transmission.encryption@irs.gov](mailto:efile.transmission.encryption@irs.gov).

**FOR FURTHER INFORMATION CONTACT:**

Questions or concerns will also be taken over the telephone. Call Carolyn Davis—202-283-0589 (not a toll-free number). You may write to Carolyn E. Davis, Senior Program Analyst, IRS, Electronic Tax Administration, OS:CIO:I:ET:S:SP, 5000 Ellin Road, Room C4-187, Lanham, MD 20706.

Dated: April 28, 2004.

**Jo Ann Bass,**

*Director Strategic Services Division,  
Electronic Tax Administration.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Open Meeting of the Taxpayer Advocacy Panel Multilingual Initiative (MLI) Issue Committee

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

**ACTION:** Notice.

**SUMMARY:** An open meeting of the Taxpayer Advocacy Panel Multilingual Initiative (MLI) Issue Committee will be conducted in Brooklyn, NY. The Taxpayer Advocacy Panel is soliciting public comments, ideas, and suggestions on improving customer service at the Internal Revenue Service.

**DATES:** The meeting will be held Thursday, June 3, 2004, and Friday, June 4, 2004.

**FOR FURTHER INFORMATION CONTACT:** Inez E. De Jesus at 1-888-912-1227 (toll-free), or 954-423-7977 (non toll-free).

**SUPPLEMENTARY INFORMATION:** Notice is hereby given pursuant to section 10 (a) (2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Taxpayer Advocacy Panel Multilingual Initiative Issue Committee will be held Thursday, June 3, 2004, from 8 a.m. to 12 p.m. and from 1 p.m. to 5 p.m. e.d.t. and Friday, June 4, 2004, from 8 a.m. to 12 p.m. e.d.t. in Brooklyn, NY at 625 Fulton Street, Conference Room 2 C, Brooklyn, NY 11201. For information, or to confirm attendance, notification of intent to attend the meeting must be made with Inez De Jesus. Ms. De Jesus may be reached at 1-888-912-1227 or (954)

423-7977, or write Inez E. De Jesus, TAP Office, 1000 South Pine Island Rd., Suite 340, Plantation, FL 33324, or post comments to the Web site: <http://www.improveirs.org>.

The agenda will include the following: various IRS issues.

Dated: May 3, 2004.

**Bernard Coston,**

*Director, Taxpayer Advocacy Panel.*

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## DEPARTMENT OF VETERANS AFFAIRS

### Special Medical Advisory Group; Notice of Meeting

The Department of Veterans Affairs gives notice under Public Law 92-463 (Federal Advisory Committee Act) that the Special Medical Advisory Group will meet on June 16, 2004, from 9 a.m. to 3 p.m. The meeting will be held in Room 830 at Va Central Office, 810 Vermont Avenue, NW., Washington, DC. The meeting is open to the public.

The purpose of the Group is to advise the Secretary and Under Secretary for Health on the care and treatment of disabled veterans, and other matters pertinent to the Department's Veterans Health Administration (VHA). The agenda for the meeting will include discussions on budget, legislative issues, CARES, research, special populations, trends in medical education and the role of VA, care coordination and responding to the needs of returning service men and women.

Any member of the public wishing to attend should contact Juanita Leslie, Office of Administrative Operations (10B2), Veterans Health Administration, Department of Veterans Affairs at (202) 273-5882. No time will be set aside at this meeting for receiving oral presentations from the public. Statements, in written form, may be submitted to Juanita Leslie before the meeting or within 10 days after the meeting.

Dated: April 29, 2004.

By Direction of the Secretary of Veterans Affairs.

**E. Philip Riffin,**

*Committee Management Officer.*

[FR Doc. 04-10255 Filed 5-5-04; 8:45 am]

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## DEPARTMENT OF VETERANS AFFAIRS

### VA Directive and Handbook 5021, Employee/Management Relations

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Notice with request for comments.

**SUMMARY:** Section 302 of the Veterans Health Care, Capital Asset and Business Improvement Act of 2003 (Public Law 108-170), dated December 6, 2003, authorizes the Secretary of Veterans Affairs to appoint chiropractors as permanent full-time title 38 employees under 38 U.S.C. 7401(1). Also appointed under this authority are physicians, dentists, podiatrists, optometrists, nurses, nurse anesthetists, physician assistants and expanded-function dental auxiliaries. Upon successful completion of probationary status as required by 38 U.S.C. 7403(b), these title 38 employees may file an appeal to a Disciplinary Appeals Board if they are subjected to major adverse action that is based in whole or in part on a question of professional conduct and competence.

As part of its implementation of Public Law 108-170, the Department of Veterans Affairs proposes to revise its Directive and Handbook 5021, Employee/Management Relations, to clarify that chiropractors now have the same right to appeal major adverse actions to Disciplinary Appeal Boards as other title 38 employees. The revisions that are the subject of this notice will amend portions of the following regulations: VA Directive 5021, Appendix A, sections A.1., A.2., C.1. and C.2.; VA Handbook 5021, part II, chapter 1, sections 1 and 2; and VA Handbook 5021, part V, chapter 1, section 1. In some of these sections, the word "chiropractors" has been added to a listing of occupations appointed under 38 U.S.C. 7401(1). In the other sections, Public Law 108-170 has been added to an existing list of statutory references. In all cases, the words or phrases that are proposed to be added to the regulations are shown in brackets. Only those sections of the existing regulations that contain proposed changes are included in this notice.

**DATES:** Comments must be received on or before June 7, 2004. The effective date of these amendments is 30 days after publication of this notice.

**ADDRESSES:** Send written comments to: Director, Regulations Management (00REG1), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420. All comments received will be available for public