

NOTAM 1/9866 was replaced on September 14, 2001, by NOTAM 1/9948 that amended the TFR by reducing the restriction to that airspace at and below 5,000 feet AGL within a 5-NM radius of the base. On September 17, 2001, NOTAM 1/9948 was replaced by NOTAM 1/0063. NOTAM 1/0063 did not alter the dimensions of the TFR, but changed the facility in charge from the Kings Bay Naval Base, to the FAA, Jacksonville Terminal Radar Approach Control (TRACON). This NOTAM remained in effect until September 19, 2001, when NOTAM 1/0189 was issued. NOTAM 1/0189 retained the 5-NM radius, but amended the upper altitude of the TFR from 5,000 feet MSL to 4,999 feet MSL. The 5-NM radius of these latter three TFRs continued to prevent aircraft operations at the St. Marys Airport. On December 3, 2001, the FAA issued NOTAM 1/2887 which further amended the TFR by reducing its dimensions to that airspace within a 2-NM radius of a point on the base, from the surface up to but not including 3,000 feet MSL. This change removed the St. Marys Airport from the TFR airspace and enabled aircraft operations to resume at the airport. On December 1, 2003, the FAA cancelled NOTAM 1/2887 and issued NOTAM 3/1400 as a replacement. NOTAM 3/1400 was identical to 1/2887 except that the navigation aid reference was changed from the Craig, FL, VORTAC to the Brunswick, GA, VORTAC. NOTAM 3/1400 remains in effect as of the date of this notice.

U.S. Navy Request

Due to the current world situation and continued security concerns at this facility, the U.S. Navy has requested that the FAA designate a prohibited area at Kings Bay, GA, to enhance Navy security efforts at the base. This proposal responds to that request.

Statutory Authority

The FAA Administrator has broad authority to regulate the safe and efficient use of the navigable airspace (49 U.S.C. 40103(a)). The Administrator is also authorized to issue air traffic rules and regulations to govern the flight of aircraft, the navigation, protection, and identification of aircraft for the protection of persons and property on the ground, and for the efficient use of the navigable airspace. Additionally, pursuant to 49 U.S.C. section 40103(b)(3) the Administrator has the authority, in consultation with the Secretary of Defense, to "establish security provisions that will encourage and allow maximum use of the navigable airspace by civil aircraft

consistent with national security." Such provisions may include establishing airspace areas the Administrator decides are necessary in the interest of national defense; and by regulation or order, restrict or prohibit flight of civil aircraft that the Administrator cannot identify, locate and control with available facilities in those areas.

The Proposal

In response to the U.S. Navy request, the FAA is proposing an amendment to Title 14 Code of Federal Regulations (14 CFR) part 73 (part 73) to designate a prohibited area over the U.S. Naval Submarine Base, Kings Bay, GA. The proposed prohibited area, designated P-50, would consist of that airspace, from the surface to but not including 3,000 feet MSL, within a 2-NM radius of lat. 30°48'00" N., long. 81°31'00" W. In accordance with 14 CFR 73.83, no person may operate an aircraft within a prohibited area unless authorization has been granted by the using agency. The proposed prohibited area dimensions are identical to those contained in the TFR now in effect over the Kings Bay base. If implemented, Prohibited Area P-50 would replace the TFR at Kings Bay, GA, currently contained in NOTAM number 3/1400.

Prohibited areas in 14 CFR part 73 are republished in subpart C of FAA Order 7400.8L, dated September 2, 2003, and effective September 16, 2003. The prohibited area listed in this document would be published subsequently in the Order.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore this proposed regulation: (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA

Order 1050.1D, Policies and Procedures for Considering Environmental Impacts. This airspace action is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation on an environmental assessment.

List of Subjects in 14 CFR Part 73

Airspace, Navigation (air).

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 73 as follows:

PART 73—SPECIAL USE AIRSPACE

1. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

* * * * *

§ 73.92 [New]

2. § 73.92 is added as follows:

* * * * *

P-50 Kings Bay, GA [New]

Boundaries: That airspace within a 2-NM radius of lat. 30°48'00" N., long. 81°31'00" W.

Designated altitudes: Surface to but not including 3,000 feet MSL.

Time of designation: Continuous.

Using agency: Administrator, FAA, Washington, DC.

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Issued in Washington, DC on February 18, 2004.

Reginald C. Matthews,

Manager, Airspace and Rules Division.

[FR Doc. 04–4290 Filed 2–25–04; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–110896–98]

RIN 1545–AW35

Charitable Remainder Trusts; Application of Ordering Rule; 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 the ordering of rules of section 664(b) for characterizing distributions from charitable remainder trusts.

DATES: The public hearing originally scheduled for March 9, 2004, at 10 a.m., is cancelled.

FOR FURTHER INFORMATION CONTACT: Robin R. Jones of the Publications and Regulations Branch, Legal Processing Division at (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 Thursday, November 20, 2003 (68 FR 65419), announced that a public hearing was scheduled for March 9, 2004, at 10 a.m., in the auditorium. The subject of the public hearing is proposed regulations under section 664 of the Internal Revenue Code. The public comment period for these regulations expired on February 17, 2004.

The notice of proposed rulemaking and notice of public hearing, instructed those interested in testifying at the public hearing to submit an outline of the topics to be addressed. As of Wednesday, February 18, 2004, no one has requested to speak. Therefore, the public hearing scheduled for March 9, 2004, is cancelled.

Cynthia E. Grigsby,

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

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-166012-02]

RIN 1545-BB82

National Principal Contracts; Contingent Nonperiodic Payments

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains proposed regulations relating to the inclusion into income or deduction of a contingent nonperiodic payment provided for under a notional principal contract (NPC). This document also provides guidance relating to the character of payments made pursuant to

an NPC. These regulations will affect taxpayers that enter into NPCs. This document also provides a notice of a public hearing on these proposed regulations.

DATES: Written or electronically transmitted comments and requests to speak (with outlines of oral comments to be discussed) at the public hearing scheduled for May 25, 2004, at 10 a.m., must be received by May 4, 2004. Comments on the collection of information should be received by April 26, 2004.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG-166012-02), room 5203, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-166012-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit electronic comments directly to the IRS Internet site at: <http://www.irs.gov/regs>. The public hearing will be held in the IRS Auditorium, Seventh Floor, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning submissions of comments, the hearing, or to be placed on the building access list to attend the hearing, Sonya Cruse, (202) 622-7180; concerning the regulations, Kate Sleeth, (202) 622-3920 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Comments on the collection of information should be received by April 26, 2004. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the IRS, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

The collection of information in these proposed regulations is in § 1.446-3(g)(6)(vii). This information is required by the IRS to verify compliance with section 446 and the method of accounting described in § 1.446-3(g)(6). This information will be used to determine whether the amount of tax has been calculated correctly. The collection of information is required to properly determine the amount of income or deduction to be taken into account. The respondents are sophisticated investors that enter into notional principal contracts with contingent nonperiodic payments.

Estimated total annual recordkeeping burden: 25,500 hours.

Estimated average annual burden per recordkeeper: 6 hours.

Estimated number of recordkeepers: 4,250.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

This document contains proposed amendments to 26 CFR Part 1 under section 446(b) of the Internal Revenue Code (Code). This document also contains proposed amendments under sections 162, 212 and 1234A of the Code.

In 1989, the IRS issued Notice 89-21 (1989-1 C.B. 651), to provide guidance with respect to the tax treatment of lump-sum payments received in connection with NPCs. The Notice stated that a method of accounting that properly recognizes a lump-sum payment over the life of the contract