

such property in its capacity as a dealer will be treated as directly related to the business needs of the controlled foreign corporation under paragraph (g)(2)(ii)(A) of this section.

(2) *Certain interest-bearing liabilities treated as dealer property—(i) In general.* For purposes of this paragraph (g)(2)(ii)(C), an interest-bearing liability incurred by a controlled foreign corporation that is denominated in (or determined by reference to) a non-functional currency shall be treated as dealer property if the liability, by being denominated in such currency, reduces the controlled foreign corporation's currency risk with respect to dealer property, and the liability is identified on the controlled foreign corporation's records as a liability treated as dealer property before the close of the day on which the liability is incurred.

(ii) *Failure to identify certain liabilities.* If a controlled foreign corporation identifies certain interest-bearing liabilities as liabilities treated as dealer property under the previous paragraph but fails to so identify other interest-bearing liabilities that manage its currency risk with respect to assets held that constitute dealer property, the Commissioner may treat such other liabilities as dealer property if the Commissioner determines that the failure to identify such other liabilities had as one of its principal purposes the avoidance of federal income tax.

(iii) *Effective date.* This paragraph (g)(2)(ii)(C)(2) applies only to gain or loss from an interest-bearing liability entered into by a controlled foreign corporation on or after the date § 1.954-2(g)(2)(ii)(C)(2) is published as a final regulation in the **Federal Register**.

\* \* \* \* \*

(iii) *Special rule for foreign currency gain or loss from an interest-bearing liability.* Except as provided in paragraph (g)(2)(ii)(C)(2) or (g)(5)(iv) of this section, foreign currency gain or loss arising from an interest-bearing liability is characterized as subpart F income and non-subpart F income in the same manner that interest expense associated with the liability would be allocated and apportioned between subpart F income and non-subpart F income under "1.861-9T and 1.861-12T.

\* \* \* \* \*

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*  
[FR Doc. 02-11891 Filed 5-10-02; 8:45 am]

BILLING CODE 4830-01-P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[MN63-01-7288b; FRL-7165-8]

### Approval and Promulgation of Implementation Plans; Minnesota

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

**ACTION:** Proposed rule.

**SUMMARY:** We are proposing to approve a revision to the Minnesota State Implementation Plan (SIP) that updates Minnesota's performance test rule in the SIP. This plan was submitted by the Minnesota Pollution Control Agency on December 16, 1998, and sets out the procedures for facilities that are required to conduct performance tests to demonstrate compliance with their emission limits and/or operating requirements. The request is approvable because it satisfies the requirements of the Clean Air Act. Specifically, we are proposing to approve into the SIP Minnesota Rules 7017.2001 through 2060, and to amend in the SIP Minnesota Rules 7011.0010, 7011.0105, 7011.0510, 7011.0515, 7011.0610, 7011.0710, 7011.0805, 7011.1305, 7011.1405, and 7011.1410 as adopted by the state on July 13, 1998. In addition, we are proposing to remove from the SIP Minnesota Rule 7017.2000, since this rule was repealed by the state in 1993. In the final rules section of this **Federal Register**, we are approving the SIP revision as a direct final rule without prior proposal, because we view this as a noncontroversial revision amendment and anticipate no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this proposed rule, no further activity is contemplated in relation to this proposed rule. If we receive adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. We will not institute a second comment period on this action. Any parties interested in commenting on this action should do so at this time.

**DATES:** Written comments must be received on or before June 12, 2002.

**ADDRESSES:** Written comments should be sent to: Carlton T. Nash, Chief, Regulation Development Section, Air Programs Branch (AR-18J), EPA Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604-3590.

**FOR FURTHER INFORMATION CONTACT:** Christos Panos, Regulation Development

Section, Air Programs Branch (AR-18J), EPA Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 353-8328

**SUPPLEMENTARY INFORMATION:** For additional information, see the Direct Final notice which is located in the Rules section of this **Federal Register**. Copies of the request and the EPA's analysis are available for inspection at the above address. (Please telephone Christos Panos at (312) 353-8328 before visiting the Region 5 Office.)

Dated: January 17, 2002.

**David A. Ullrich,**

*Acting Regional Administrator, Region 5.*

[FR Doc. 02-11735 Filed 5-10-02; 8:45 am]

BILLING CODE 6560-50-P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[CA 249-0349; FRL-7211-2]

### 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 conditional approval of revisions to the South Coast Air Quality Management District's portion of the California State Implementation Plan (SIP). These revisions concern oxides of nitrogen (NO<sub>x</sub>) and oxides of sulfur (SO<sub>x</sub>) emissions from facilities emitting 4 tons or more per year of NO<sub>x</sub> and/or SO<sub>x</sub> in the year 1990 or any subsequent year. We are proposing action on local rules that regulate these emission sources under the Clean Air Act as amended in 1990 (CAA or the Act). These rules compose the South Coast Air Quality Management District's Regional Clean Air Incentives Market ("RECLAIM") program. We are taking comments on this proposal and plan to follow with a final action.

**DATES:** Any comments must arrive by July 12, 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 document (TSD) 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.

South Coast Air Quality Management  
District ("SCAQMD"), 21865 E.  
Copley Dr., Diamond Bar, CA 91765–  
4182.

**FOR FURTHER INFORMATION CONTACT:**

Thomas C. Canaday, Rulemaking Office  
(AIR-4), U.S. Environmental Protection  
Agency, Region IX, (415) 947-4121.

**SUPPLEMENTARY INFORMATION:**

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

**Table of Contents**

- I. The State's Submittal
  - A. What rules did the State submit?
  - B. Are there other versions of these rules?
  - C. What is the purpose of the submitted rules?
- II. EPA's Evaluation and Action
  - A. How is EPA evaluating the rules?
  - B. Do the rules meet the evaluation criteria?

- C. What are the rule deficiencies?
- D. Proposed action and public comment.
- III. Background information
  - A. Why were these rules submitted?
- IV. Administrative Requirements

**I. The State's Submittal**

*A. What Rules Did the State Submit?*

Table 1 lists the rules addressed by this proposal with the dates that they were adopted by SCAQMD and submitted by the California Air Resources Board (CARB).

TABLE 1.—SUBMITTED RULES

| Local agency | Rule # | Rule title                                                                                                           | Adopted  | Submitted |
|--------------|--------|----------------------------------------------------------------------------------------------------------------------|----------|-----------|
| SCAQMD ..... | 2000   | General .....                                                                                                        | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2001   | Applicability .....                                                                                                  | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2002   | Allocations for Oxides of Nitrogen (NO <sub>x</sub> ) and Oxides of Sulfur (SO <sub>x</sub> ) .....                  | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2004   | Requirements .....                                                                                                   | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2005   | New Source Review for RECLAIM .....                                                                                  | 04/20/01 | 10/30/01  |
| SCAQMD ..... | 2006   | Permits .....                                                                                                        | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2007   | Trading Requirements .....                                                                                           | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2010   | Administrative Remedies and Sanctions .....                                                                          | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2011   | Requirements for Monitoring, Reporting, and Record-keeping for Oxides of Sulfur (SO <sub>x</sub> ) Emissions .....   | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2011–2 | Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO <sub>x</sub> ) Emissions .....        | 03/16/01 | 05/31/01  |
| SCAQMD ..... | 2012   | Requirements for Monitoring, Reporting, and Record-keeping for Oxides of Nitrogen (NO <sub>x</sub> ) Emissions ..... | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2012–2 | Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO <sub>x</sub> ) Emissions .....      | 03/16/01 | 05/31/01  |
| SCAQMD ..... | 2015   | Backstop Provisions .....                                                                                            | 05/11/01 | 05/31/01  |
| SCAQMD ..... | 2020   | RECLAIM Reserve .....                                                                                                | 05/11/01 | 05/31/01  |

On, July 20, 2001, these rule submittals (excepting the submittal for Rule 2005) were found to meet the completeness criteria in 40 CFR part 51 Appendix V, which must be met before formal EPA review. The rule submittal for Rule 2005 was found to be complete on January 1, 2002.

*B. Are There Other Versions of These Rules?*

We approved an amended version of Rule 2000 into the SIP on June 15, 1998. The SCAQMD adopted revisions to the SIP-approved version of Rule 2000 on February 14, 1997, and April 11, 1997, and CARB submitted them to us on August 22, 1997. The SCAQMD subsequently adopted additional revisions to the SIP-approved version of this rule on October 20, 2000, and CARB submitted those revisions to us on March 14, 2001.

We approved an amended version of Rule 2001 into the SIP on June 15, 1998. The SCAQMD adopted revisions to the SIP-approved version of Rule 2001 on February 14, 1997, and CARB submitted them to us on August 22, 1997.

We approved an amended version of Rule 2002 into the SIP on March 14, 2000.

We approved an amended version of Rule 2004 into the SIP on June 15, 1998. The SCAQMD adopted revisions to the SIP-approved version of Rule 2004 on July 12, 1996, and CARB submitted them to us on March 3, 1997.

We approved an amended version of Rule 2005 into the SIP on March 14, 2000.

We approved amended versions of Rules 2006 and 2007 into the SIP on June 15, 1998.

We approved Rule 2010, adopted by the SCAQMD on October 15, 1993, into the SIP on November 8, 1996.

We approved versions of Rules 2011 and 2011–2 into the SIP on June 15, 1998. These versions were adopted by the SCAQMD on December 7, 1995. The SCAQMD adopted revisions to the SIP-approved versions of Rule 2011 and 2011–2 on July 12, 1996, and CARB submitted them to us on March 3, 1997.

The SCAQMD adopted additional revisions to the SIP-approved versions of these rules on February 14, 1997, and CARB submitted those revisions to us on August 22, 1997. Finally, the SCAQMD adopted further revisions to the SIP-approved versions of Rules 2011 and 2011–2 on April 11, 1997, and April

9, 1999, and CARB submitted those revisions to us on July 23, 1999.

We approved versions of Rules 2012 and 2012–2 into the SIP on June 15, 1998. These versions were adopted by the SCAQMD on December 7, 1995. The SCAQMD adopted revisions to the SIP-approved versions of Rule 2012 and 2012–2 on July 12, 1996, and CARB submitted them to us on March 3, 1997. The SCAQMD adopted additional revisions to the SIP-approved versions of these rules on February 14, 1997, and April 11, 1997, and CARB submitted those revisions to us on August 22, 1997. Finally, the SCAQMD adopted further revisions to the SIP-approved versions of Rules 2012 and 2012–2 on April 9, 1999, and CARB submitted those revisions to us on July 23, 1999.

We approved an amended version of Rule 2015 into the SIP on June 15, 1998. This version had been adopted by the SCAQMD on December 7, 1995. The SCAQMD adopted revisions to the SIP-approved version of Rule 2015 on July 12, 1996, and CARB submitted them to us on March 3, 1997. The SCAQMD subsequently adopted additional revisions to the SIP-approved version of this rule on February 14, 1997, and

CARB submitted those revisions to us on August 22, 1997.

There is no previous version of Rule 2020 in the SIP. While we can act on only the most recently submitted versions of submitted rules, we have reviewed materials provided with previous submittals.

### *C. What Is the Purpose of the Submitted Rules?*

The RECLAIM program is intended to allow facilities subject to the program to meet their emission reduction requirements in the most cost-effective manner. The program was designed to provide incentives for industry to reduce emissions and develop innovative pollution control technologies, as well as give facilities added flexibility in meeting emission reduction requirements. Each facility under the program was given an allocation of RECLAIM Trading Credits ("RTCs") based on a declining balance equivalent to the emissions levels that would have occurred if the facility continued to operate under the then current command-and-control regulations. Facilities within the RECLAIM program must reconcile their emissions with their RTC holdings and have the option of doing so by either installing control equipment, modifying their activity, or purchasing RTCs from other facilities.

Beginning June 2000, RECLAIM program participants experienced a sharp and sudden increase in NO<sub>x</sub> RTC prices for both 1999 and 2000 compliance years. The program rules were amended with the intent of lowering and stabilizing RTC prices. The submitted rule revisions isolate existing large power plants (those producing 50 megawatts or more) from the rest of RECLAIM, require these plants to install emissions control equipment, limit their ability to purchase RTCs from other program participants, and impose on them a mitigation fee for emissions in excess of RTC holdings. The revisions also initiate a temporary, limited, pilot RECLAIM Air Quality Investment Program; improve registration and timely reporting of RTC trades; and modify procedures for late electronic emissions reports. The rule revisions also effect additional changes to the RECLAIM program predating and unrelated to the sudden increase in RTC prices. Some definitions in Rule 2000 were added or modified. Rule 2001 was revised to specify that RECLAIM facilities will be exempt from future amendments to certain rules listed in Rule 2001. The breakdown provisions of Rule 2004 were revised. Numerous

revisions were made to the monitoring, reporting, and recordkeeping requirements and protocols of Rule 2011, Rule 2011-2, Rule 2012, and Rule 2012-2. Rule 2015 was revised to consolidate some reporting requirements and to specify the presentation date of the annual RECLAIM audit report. The TSD has more information about these rules.

## **II. EPA's Evaluation and Action**

### *A. How Is EPA Evaluating the Rules?*

Generally, SIP rules must be enforceable (*see* section 110(a) of the Act), must require Reasonably Available Control Technology ("RACT") for major sources in nonattainment areas (*see* section 182(a)(2)(A)), and must not relax existing requirements (*see* sections 110(l) and 193). The SCAQMD regulates an ozone nonattainment area (*see* 40 CFR part 81), so the submitted rules must fulfill RACT.

We have used guidance and policy documents to help evaluate enforceability and RACT requirements consistently. Because this guidance is non-binding and does not represent final agency action, EPA uses this guidance as an initial screen to determine whether approvability issues arise. These documents include the following:

1. "State Implementation Plans; Nitrogen Oxides Supplement to the General Preamble; Clean Air Act Amendments of 1990 Implementation of Title I; Proposed Rule," (the NO<sub>x</sub> Supplement), 57 FR 55620, November 25, 1992.
2. "Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations; Clarification to Appendix D of November 24, 1987 **Federal Register** Notice," (Blue Book), notice of availability published in the May 25, 1988 **Federal Register**.
3. "Improving Air Quality with Economic Incentive Programs," January 2001, Office of Air and Radiation, EPA-452/R-01-001 ("EIP Guidance"). This guidance applies to discretionary economic incentive programs ("EIPs") and represents the agency's interpretation of what EIPs should contain in order to meet the requirements of the CAA.
4. "State Implementation Plans: Policy Regarding Excess Emissions During Malfunctions, Startup and Shutdown," EPA Office of Air and Radiation, and EPA Office of Enforcement and Compliance Assurance, September 20, 1999 ("Excess Emissions Policy").

### *B. Do the Rules Meet the Evaluation Criteria?*

These rules improve the SIP by requiring the installation of pollution control equipment and by strengthening reporting provisions. These rules are largely consistent with the relevant policy and guidance regarding enforceability, RACT, and SIP relaxations. Rule provisions which do not meet the evaluation criteria are summarized below and discussed further in the TSD.

### *C. What Are the Rule Deficiencies?*

The rules conflict with section 110 and part D of the Act and prevent full approval of the SIP revision due to their treatment of excess emissions which occur due to equipment breakdown. Rules 2000 and 2004 contain provisions which exempt, under certain circumstances, excess emissions that occur during breakdowns from being counted when a RECLAIM facility reconciles its emissions with its RTC holdings. In our EIP Guidance and our Excess Emissions Policy, EPA interprets the CAA as requiring that such emissions not be exempted.

### *D. Proposed Action and Public Comment*

On April 2, 2002, SCAQMD Executive Officer Barry R. Wallerstein submitted a commitment on behalf of the SCAQMD staff to adopt and submit revisions to the RECLAIM program rules within one year after the date of publication of EPA's final action on today's proposed conditional approval. These revisions will establish a mechanism within the RECLAIM program to mitigate all excess emissions resulting from breakdowns. RECLAIM will be revised to require monitoring and tracking of excess emissions from breakdowns and comparison of the total amount of exempted emissions to the amount of unused RTCs for that year. If total exempted breakdown emissions from all RECLAIM sources exceeds the total amount of unused RTCs program-wide in any year, RECLAIM allocations in the following year will be reduced by an amount equal to that exceedance.

As authorized in section 110(k)(4) of the Act, EPA is proposing a conditional approval of the submitted rule to improve the SIP. If finalized, this action would incorporate into the SIP both the submitted rule and the commitment to correct the identified deficiency within one year.

This conditional approval shall be treated as a disapproval if the SCAQMD fails to adopt rule revisions to correct the deficiencies within the time

allowed. If this rule is disapproved, sanctions will be imposed under section 179 of the Act unless EPA approves subsequent SIP revisions that correct the rule deficiencies within 18 months. These sanctions would be imposed according to 40 CFR 52.31. A final disapproval would also trigger the federal implementation plan (FIP) requirement under section 110(c). Note that the submitted rules have been adopted by the SCAQMD, and EPA's

final conditional approval would not prevent the local agency from enforcing it.

We will accept comments from the public on the proposed conditional approval for the next 60 days.

### III. Background Information

#### A. Why Were These Rules Submitted?

NO<sub>x</sub> helps produce ground-level ozone, smog and particulate matter

which harm human health and the environment. Section 110(a) of the CAA requires states to submit regulations that control NO<sub>x</sub> emissions. Table 2 lists some of the national milestones leading to the submittal of these local agency NO<sub>x</sub> rules.

TABLE 2.—OZONE NONATTAINMENT MILESTONES

| Date                    | Event                                                                                                                                                                                                                         |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 3, 1978 .....     | EPA promulgated a list of ozone nonattainment areas under the Clean Air Act as amended in 1977. 43 FR 8964; 40 CFR 81.305.                                                                                                    |
| May 26, 1988 .....      | EPA notified Governors that parts of their SIPs were inadequate to attain and maintain the ozone standard and requested that they correct the deficiencies (EPA's SIP-Call). See section 110(a)(2)(H) of the pre-amended Act. |
| November 15, 1990 ..... | Clean Air Act Amendments of 1990 were enacted. Pub. L. 101-549, 104 Stat. 2399, codified at 42 U.S.C. 7401–7671q.                                                                                                             |
| May 15, 1991 .....      | Section 182(a)(2)(A) requires that ozone nonattainment areas correct deficient RACT rules by this date.                                                                                                                       |

### IV. Administrative Requirements

#### A. Executive Order 12866

The Office of Management and Budget has exempted this regulatory action from Executive Order 12866, Regulatory Planning and Review.

#### B. Executive Order 13211

This proposed rule is not subject to Executive Order 13211, "Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use" (66 FR 28355 (May 22, 2001)) because it is not a significant regulatory action under Executive Order 12866.

#### C. Executive Order 13045

Executive Order 13045, entitled Protection of Children from Environmental Health Risks and Safety Risks (62 FR 19885, April 23, 1997), applies to any rule that: (1) is determined to be "economically significant" as defined under Executive Order 12866, and (2) concerns an environmental health or safety risk that EPA has reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, the Agency must evaluate the environmental health or safety effects of the planned rule on children, and explain why the planned regulation is preferable to other potentially effective and reasonably feasible alternatives considered by the Agency.

This rule is not subject to Executive Order 13045 because it does not involve decisions intended to mitigate environmental health or safety risks.

#### D. Executive Order 13132

Executive Order 13132, entitled Federalism (64 FR 43255, August 10, 1999) revokes and replaces Executive Orders 12612, Federalism and 12875, Enhancing the Intergovernmental Partnership. Executive Order 13132 requires EPA to develop an accountable process to ensure "meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications." "Policies that have federalism implications" is defined in the Executive Order to include regulations that have "substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government." Under Executive Order 13132, EPA may not issue a regulation that has federalism implications, that imposes substantial direct compliance costs, and that is not required by statute, unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by State and local governments, or EPA consults with State and local officials early in the process of developing the proposed regulation. EPA also may not issue a regulation that has federalism implications and that preempts State law unless the Agency consults with State and local officials early in the process of developing the proposed regulation.

This proposed rule will not have substantial direct effects on the States,

on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132, because it merely acts on a state rule implementing a federal standard, and does not alter the relationship or the distribution of power and responsibilities established in the Clean Air Act. Thus, the requirements of section 6 of the Executive Order do not apply to this proposed rule.

#### E. Executive Order 13175

Executive Order 13175, entitled "Consultation and Coordination with Indian Tribal Governments" (65 FR 67249, November 6, 2000), requires EPA to develop an accountable process to ensure "meaningful and timely input by tribal officials in the development of regulatory policies that have tribal implications." "Policies that have tribal implications" is defined in the Executive Order to include regulations that have "substantial direct effects on one or more Indian tribes, on the relationship between the Federal government and the Indian tribes, or on the distribution of power and responsibilities between the Federal government and Indian tribes."

This proposed rule does not have tribal implications. It will not have substantial direct effects on tribal governments, on the relationship between the Federal government and Indian tribes, or on the distribution of power and responsibilities between the Federal government and Indian tribes,

as specified in Executive Order 13175. Thus, Executive Order 13175 does not apply to this rule. In the spirit of Executive Order 13175, and consistent with EPA policy to promote communications between EPA and tribal governments, EPA specifically solicits additional comment on this proposed rule from tribal officials.

#### *F. Regulatory Flexibility Act*

The Regulatory Flexibility Act (RFA) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and small governmental jurisdictions.

This proposed rule will not have a significant impact on a substantial number of small entities because SIP approvals under section 110 and subchapter I, part D of the Clean Air Act do not create any new requirements but simply act on requirements that the State is already imposing. Therefore, because the Federal SIP approval does not create any new requirements, I certify that this action will not have a significant economic impact on a substantial number of small entities.

Moreover, due to the nature of the Federal-State relationship under the Clean Air Act, preparation of flexibility analysis would constitute Federal inquiry into the economic reasonableness of state action. The Clean Air Act forbids EPA to base its actions concerning SIPs on such grounds. *Union Electric Co. v. U.S. EPA*, 427 U.S. 246, 255–66 (1976); 42 U.S.C. 7410(a)(2).

#### *G. Unfunded Mandates*

Under section 202 of the Unfunded Mandates Reform Act of 1995 (“Unfunded Mandates Act”), signed into law on March 22, 1995, EPA must prepare a budgetary impact statement to accompany any proposed or final rule that includes a Federal mandate that may result in estimated costs to State, local, or tribal governments in the aggregate; or to private sector, of \$100 million or more. Under section 205, EPA must select the most cost-effective and least burdensome alternative that achieves the objectives of the rule and is consistent with statutory requirements. Section 203 requires EPA to establish a plan for informing and advising any small governments that may be significantly or uniquely impacted by the rule.

EPA has determined that the proposed action does not include a Federal mandate that may result in estimated costs of \$100 million or more to either State, local, or tribal governments in the aggregate, or to the private sector. This proposed Federal action acts on pre-existing requirements under State or local law, and imposes no new requirements. Accordingly, no additional costs to State, local, or tribal governments, or to the private sector, result from this action.

#### *H. National Technology Transfer and Advancement Act*

Section 12 of the National Technology Transfer and Advancement Act (NTTAA) of 1995 requires Federal agencies to evaluate existing technical standards when developing a new regulation. To comply with NTTAA, EPA must consider and use “voluntary consensus standards” (VCS) if available and applicable when developing programs and policies unless doing so would be inconsistent with applicable law or otherwise impractical.

EPA believes that VCS are inapplicable to today’s proposed action because it does not require the public to perform activities conducive to the use of VCS.

#### **List of Subjects in 40 CFR Part 52**

Environmental protection, Air pollution control, Intergovernmental relations, Nitrogen dioxide, Ozone, Reporting and recordkeeping requirements.

**Authority:** 42 U.S.C. 7401 *et seq.*

Dated: April 26, 2002.

**Wayne Nastri,**

*Regional Administrator, Region IX.*

[FR Doc. 02–11825 Filed 5–10–02; 8:45 am]

**BILLING CODE 6560–50–P**

#### **DEPARTMENT OF DEFENSE**

##### **48 CFR Parts 208 and 210**

**[DFARS Case 2002–D003]**

##### **Defense Federal Acquisition Regulation Supplement; Competition Requirements for Purchases From a Required Source**

**AGENCY:** Department of Defense (DoD).

**ACTION:** Notice of public meeting.

**SUMMARY:** The Director of Defense Procurement is sponsoring a public meeting to discuss the interim rule published at 67 FR 20687 on April 26, 2002. The rule amended the Defense Federal Acquisition Regulation Supplement (DFARS) to implement

Section 811 of the Fiscal Year 2002 National Defense Authorization Act. Section 811 requires DoD to conduct market research before purchasing a product listed in the Federal Prison Industries (FPI) catalog, to determine whether the FPI product is comparable in price, quality, and time of delivery to products available from the private sector. A listing of possible discussion topics can be found on the Defense Procurement Web site at <http://www.acq.osd.mil/dp>.

**DATES:** The meeting will be held on June 3, 2002, from 1 p.m. to 4 p.m., local time.

**ADDRESSES:** The meeting will be held in Room C–43, Crystal Mall 4, 1931 Jefferson Davis Highway, Arlington, VA 22202.

#### **FOR FURTHER INFORMATION CONTACT:**

Susan L. Schneider, Defense Acquisition Regulations Directorate, at (703) 602–0326 or [susan.schneider@osd.mil](mailto:susan.schneider@osd.mil).

**Michele P. Peterson,**

*Executive Editor, Defense Acquisition Regulations Council.*

[FR Doc. 02–11899 Filed 5–10–02; 8:45 am]

**BILLING CODE 5001–08–U**

#### **DEPARTMENT OF TRANSPORTATION**

##### **Research and Special Programs Administration**

##### **49 CFR Part 175**

**[Docket No. RSPA–02–11654 (HM–228)]**

**RIN 2137–AD18**

##### **Hazardous Materials: Revision of Requirements for Carriage by Aircraft; Extension of Comment Period**

**AGENCY:** Research and Special Programs Administration (RSPA), Department of Transportation (DOT).

**ACTION:** Advance notice of proposed rulemaking (ANPRM); extension of comment period.

**SUMMARY:** On February 26, 2002, RSPA published an advance notice of proposed rulemaking to consider changes to the requirements in the Hazardous Materials Regulations (HMR) on the transportation of hazardous materials by aircraft. These changes would modify or clarify requirements to promote safer transportation practices; promote compliance and enforcement; eliminate unnecessary regulatory requirements; convert certain exemptions into regulations of general applicability; finalize outstanding petitions for rulemaking; facilitate