

respect to contracts entered into prior to the conversion, notwithstanding section 460(b)(4)(B)(i).

(4) *Effective date.* This paragraph (g) is applicable for transactions on or after May 15, 2002.

#### **§ 1.1362-2 [Amended]**

9. In § 1.1362-2, paragraph (c)(6) Example 2, first sentence is amended by removing the language “§ 1.451-3(b)” and adding “§ 1.460-1(b)(1)” in its place, and removing the language

“§ 1.451-3(c)(1)” and adding “§ 1.460-4(b)” in its place.

#### **§ 1.1374-4 [Amended]**

10. In § 1.1374-4, paragraph (g), first sentence is amended by removing the language “§ 1.451-3(d)” and adding “§ 1.460-4(d)” in its place, and removing the language “§ 1.451-3(c)” and adding “§ 1.460-4(b)” in its place.

### **PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT**

11. The authority section for part 602 continues to read as follows:

**Authority:** 26 U.S.C. 7805.

12. In § 602.101, paragraph (b) is amended by revising the entry for 1.460-6 to read as follows:

#### **§ 602.101 OMB Control numbers.**

\* \* \* \* \*

(b) \* \* \*

CFR part or section where identified and described	Current OMB control No.
1.460-6 .....	1545-1031; ..... 1545-1572; ..... 1545-1732
* * * * *	* * * * *

**Robert E. Wenzel,**  
*Deputy Commissioner of Internal Revenue.*  
Approved: May 2, 2002.

**Pamela F. Olson,**  
*Acting Assistant Secretary of the Treasury.*  
[FR Doc. 02-11792 Filed 5-14-02; 8:45 am]  
BILLING CODE 4830-01-P

## **PENSION BENEFIT GUARANTY CORPORATION**

### **29 CFR Parts 4022 and 4044**

#### **Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Pension Benefit Guaranty Corporation's regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans prescribe interest assumptions for valuing and paying benefits under terminating single-employer plans. This final rule amends the regulations to adopt interest assumptions for plans with valuation dates in June 2002. Interest assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).

**EFFECTIVE DATE:** June 1, 2002.

**FOR FURTHER INFORMATION CONTACT:** Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (TTY/TDD users

may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:** The PBGC's regulations prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Three sets of interest assumptions are prescribed: (1) A set for the valuation of benefits for allocation purposes under section 4044 (found in appendix B to part 4044), (2) a set for the PBGC to use to determine whether a benefit is payable as a lump sum and to determine lump-sum amounts to be paid by the PBGC (found in appendix B to Part 4022), and (3) a set for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology (found in Appendix C to Part 4022).

Accordingly, this amendment (1) adds to appendix B to part 4044 the interest assumptions for valuing benefits for allocation purposes in plans with valuation dates during June 2002, (2) adds to appendix B to Part 4022 the interest assumptions for the PBGC to use for its own lump-sum payments in plans with valuation dates during June 2002, and (3) adds to Appendix C to Part 4022 the interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the

PBGC's historical methodology for valuation dates during June 2002.

For valuation of benefits for allocation purposes, the interest assumptions that the PBGC will use (set forth in appendix B to part 4044) will be 5.70 percent for the first 25 years following the valuation date and 4.25 percent thereafter. These interest assumptions represent a decrease (from those in effect for May 2002) of 0.20 percent for the first 25 years following the valuation date and are otherwise unchanged.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in appendix B to part 4022) will be 4.50 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. These interest assumptions represent a decrease (from those in effect for May 2002) of 0.25 percent for the period during which a benefit is in pay status and are otherwise unchanged.

For private-sector payments, the interest assumptions (set forth in Appendix C to part 4022) will be the same as those used by the PBGC for determining and paying lump sums (set forth in appendix B to part 4022).

The PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect, as accurately as possible, current market conditions.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during June 2002, the

PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

The PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

#### List of Subjects

##### 29 CFR Part 4022

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

##### 29 CFR Part 4044

Employee benefit plans, Pension insurance, Pensions.

In consideration of the foregoing, 29 CFR parts 4022 and 4044 are amended as follows:

#### PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS

1. The authority citation for part 4022 continues to read as follows:

**Authority:** 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

2. In appendix B to part 4022, Rate Set 104, as set forth below, is added to the table. (The introductory text of the table is omitted.)

##### Appendix B to Part 4022—Lump Sum Interest Rates For PBGC Payments

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
104	6-1-02	7-1-02	4.50	4.00	4.00	4.00	7	8

3. In appendix C to part 4022, Rate Set 104, as set forth below, is added to the table. (The introductory text of the table is omitted.)

##### Appendix C to Part 4022—Lump Sum Interest Rates For Private-Sector Payments

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
104	6-1-02	7-1-02	4.50	4.00	4.00	4.00	7	8

#### PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

**Authority:** 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

4. The authority citation for part 4044 continues to read as follows:

5. In appendix B to part 4044, a new entry, as set forth below, is added to the

table. (The introductory text of the table is omitted.)

##### Appendix B to Part 4044—Interest Rates Used to Value Benefits

\* \* \* \* \*

For valuation dates occurring in the month—	The values of it are:					
	$i_t$	for $t =$	$i_t$	for $t =$	$i_t$	for $t =$
June 2002	.0570	1-25	.0425	>25	N/A	N/A

Issued in Washington, DC, on this 10th day of May 2002.

**Steven A. Kandarian,**

*Executive Director, Pension Benefit Guaranty Corporation.*

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## DEPARTMENT OF TRANSPORTATION

### Coast Guard

#### 33 CFR Part 165

[CGD01-02-058]

RIN 2115-AA97

#### **Safety Zone; Chelsea River Safety Zone for McArdle Bridge Repairs, Chelsea River, East Boston, Massachusetts**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing a temporary safety zone for the Chelsea River to aid completion of the McArdle Bridge repairs in East Boston, MA. The safety zone will temporarily close all waters 100-yards upstream and downstream of the McArdle Bridge. The safety zone prohibits entry into or movement within this portion of the Chelsea River and is needed to facilitate repair efforts and protect the maritime public from the hazards posed.

**DATES:** This rule is effective from May 13 until July 13, 2002.

**ADDRESSES:** Documents indicated in this preamble are available for inspection or copying at Marine Safety Office Boston, 455 Commercial Street, Boston, MA between the hours of 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** LT David M. Sherry, Marine Safety Office Boston, Waterways Safety and Response Division, at (617) 223-3000.

#### **SUPPLEMENTARY INFORMATION:**

##### **Regulatory Information**

Pursuant to 5 U.S.C. 553, a notice of proposed rulemaking (NPRM) was not published for this rule. Good cause exists for not publishing an NPRM and for making this regulation effective in less than 30 days after **Federal Register** publication. Information about this event was not provided to the Coast Guard until April 25, 2002, making it impossible to draft or publish an NPRM or a final rule 30 days in advance of its effective date.

The McArdle Bridge repairs were determined necessary as a result of

recent inspections by the Massachusetts Highway Department, during which steel grating and support failures on the McArdle Bridge were discovered. Waterway closures in the vicinity of and beneath the bridge are needed because repair equipment and portions of the bridge deck will be extending over the waterway, and hotwork (welding and grinding) which will shoot sparks over the waterway in the vicinity of the bridge will be conducted. Delaying this work for sufficient time to conduct a public notice rulemaking and advanced publication would be contrary to the public interest for the reasons outlined below.

The marine industry representatives who operate on the Chelsea and Fore Rivers have stated that it is in their best interest for this work to be completed during the prescribed time period. Work is already scheduled on the Weymouth Fore River Bridge from June to August 2002, during which time the waterway underneath the Weymouth Fore River Bridge will also be periodically closed. It is in the best interest of the public and industry that these two channel closures not have a significant overlap. With the closures scheduled in this rule (Chelsea River), there will be minimal overlap between the two projects (1 week total). These two rivers receive 100 percent of the petroleum for commercial sale in the Captain of the Port (COTP) Boston, MA zone, and the majority of the petroleum for all of New England. To have a significant overlap in the lengthy closures of both of these waterways would make planning petroleum vessel arrivals and departures around the closures extremely difficult, placing unmanageable burdens on the marine industry in both rivers, and as a result negatively impacting the supply of petroleum for the entire region. Thus, due to the already scheduled Weymouth Fore River safety zones and waterway restrictions, the next available time period to schedule the McArdle Bridge repairs would be fall or winter of 2002.

Delaying the Chelsea River safety zones until the fall or winter of 2002 will introduce different problems with respect to the bridge repairs, and place more burdens on the petroleum industry in the Chelsea River, than would conducting this work in the Spring as proposed. The industry receives more vessels during the fall and winter months than any other time due to the demand for home heating oil. Potential delays in petroleum-laden vessels during the critical fall and winter months could negatively impact local oil prices and consumers. In addition, significant delays in the actual McArdle

Bridge repair work could result from cold weather during this time of year.

Further delaying this work also places the future operability of the bridge for waterway and roadway use at risk. Further delay in the structural steel work again places at risk the ability of the marine terminals on the Chelsea River to continue to receive vessels. Also, the Massachusetts Highway Department will need to restrict road traffic over the bridge to a certain tonnage if the work is not done soon. If the work is delayed further, road traffic may be completely restricted from the bridge, causing unmanageable traffic situations in Chelsea and East Boston. Thus, it is in the best interest of maintaining safe marine commerce, avoiding significant road traffic problems, and ensuring the work is completed as safely and quickly as practicable, that these closures come into effect on May 13, 2002.

This temporary safety zone is only for evening periods and should have a minimal impact on vessel transits due to the fact that the zone will be in effect only during night time when recreational boaters do not typically use the waterway, night time commercial traffic is already limited by the constraints of the regulations governing the Chelsea Street Bridge under 33 CFR 165.120, and the commercial users of the Chelsea River have stated that restricting night time use of the waterway during this time of the year will place the least burden on their operations.

##### **Discussion of Rule**

This regulation establishes a safety zone on all waters of the Chelsea River 100-yards upstream and downstream of the McArdle Bridge. The safety zone is in effect from May 13 until July 13, 2002, and will be enforced from sunset until sunrise each day during this period. This safety zone prohibits entry into or movement within this portion of the Chelsea River and is needed to provide the Middlesex Corporation sufficient time to safely complete the necessary repairs, painting, steel support, and grating work. The work is needed to ensure the continued safe operability of the McArdle Bridge. The Captain of the Port does anticipate minimal negative impact on vessel traffic due to this repair work. Public notifications will be made prior to the effective period via local notice to mariners and marine information broadcasts.

##### **Regulatory Evaluation**

This rule is not a "significant regulatory action" under section 3(f) of