

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4044

Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: The Pension Benefit Guaranty Corporation's regulation on Allocation of Assets in Single-Employer Plans prescribes interest assumptions for valuing benefits under terminating single-employer plans. This final rule amends the regulation to adopt interest assumptions for plans with valuation dates in October 1999. Interest assumptions are also published on the PBGC's web site (<http://www.pbgc.gov>).

EFFECTIVE DATE: October 1, 1999.

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. (For TTY/TDD users, 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 regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes actuarial assumptions for valuing plan benefits of terminating single-employer plans

covered by title IV of the Employee Retirement Income Security Act of 1974.

Among the actuarial assumptions prescribed in part 4044 are interest assumptions. These interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Two sets of interest assumptions are prescribed, one set for the valuation of benefits to be paid as annuities and one set for the valuation of benefit to be paid as lump sums. This amendment adds to appendix B to part 4044 the annuity and lump sum interest assumptions for valuing benefits in plans with valuation dates during October 1999.

For annuity benefits, the interest assumptions will be 6.30 percent for the first 20 years following the valuation date and 5.25 percent thereafter. The annuity interest assumptions are unchanged from those in effect for September 1999. For benefits to be paid as lump sums, the interest assumptions to be used by the PBGC will be 5.00 percent for the period during which a benefits is in pay status, 4.25 percent during the seven-year period directly preceding the benefit's placement in pay status, and 4.00 percent during any other years preceding the benefit's placement in pay status. The lump sum interest assumptions are unchanged from those in effect for September 1999.

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 valuation of benefits in plans with valuation dates during October 1999, 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 in 29 CFR Part 4044

Pension insurance, Pensions.

In consideration of the foregoing, 29 CFR part 4044 is amended as follows:

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

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

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

2. In appendix B, a new entry is added to Table I, and Rate Set 72 is added to Table II, as set forth below. The introductory text of each table is republished for the convenience of the reader and remains unchanged.

Appendix B to Part 4044—Interest Rates Used to Value Annuities and Lump Sums

TABLE I.—ANNUITY VALUATIONS

[This table sets forth, for each indicated calendar month, the interest rates (denoted by i_1, i_2, \dots , and referred to generally as i_t) assumed to be in effect between specified anniversaries of a valuation date that occurs within that calendar month; those anniversaries are specified in the columns adjacent to the rates. The last listed rate is assumed to be in effect after the last listed anniversary date.]

For valuation dates occurring in the month—	The values of i_t are:					
	i_1	for $t =$	i_2	for $t =$	i_3	for $t =$
October 1999	.0630	1-20	.0525	>20	N/A	N/A

TABLE II.—LUMP SUM VALUATIONS

[In using this table: (1) For benefits for which the participant or beneficiary is entitled to be in pay status on the valuation date, the immediate annuity rate shall apply; (2) For benefits for which the deferral period is y years (where y is an integer and $0 < y \leq n_1$), interest rate i_1 shall apply from the valuation date for a period of y years, and thereafter the immediate annuity rate shall apply; (3) For benefits for which the deferral period is y years (where y is an integer and $n_1 < y \leq n_1 + n_2$), interest rate i_2 shall apply from the valuation date for a period of $y - n_1$ years, interest rate i_1 shall apply for the following n_1 years, and thereafter the immediate annuity rate shall apply; (4) For benefits for which the deferral period is y years (where y is an integer and $y > n_1 + n_2$), interest rate i_3 shall apply from the valuation date for a period of $y - n_1 - n_2$ years, interest rate i_2 shall apply for the following n_2 years, interest rate i_1 shall apply for the following n_1 years, and thereafter the immediate annuity rate shall apply.]

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
*	*		*	*	*	*	*	*
72	10-1-99	11-1-99	5.00	4.25	4.00	4.00	7	8

Issued in Washington, DC, on this 7th day of September 1999.

David M. Strauss,

Executive Director, Pension Benefit Guaranty Corporation.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 51

[FRL-6437-3]

Notice of Direct Final Rule Revisions to Emissions Budgets Set Forth in EPA's Finding of Significant Contribution and Rulemaking for Purposes of Reducing Regional Transport of Ozone for the States of Connecticut, Massachusetts and Rhode Island

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: On October 27, 1998, EPA published a final action requiring 22 States and the District of Columbia to submit State implementation plan (SIP) revisions to prohibit specified amounts of emissions of oxides of nitrogen (NO_x)—one of the precursors to ozone (smog) pollution—for the purpose of reducing NO_x and ozone transport across State boundaries in the eastern half of the United States. This action is referred to as the NO_x SIP Call.

Subsequent to that rulemaking, three States, Connecticut, Massachusetts and Rhode Island, approached EPA with concerns about the distribution of the emission reduction requirements to the three States. While the States agreed that the amount of the overall emission reductions that EPA was requiring from the three State region was appropriate, the States had concerns about the specific emission reductions that EPA was requiring from each of the three

individual States. In particular, the States were concerned that the emission reduction requirements were inconsistent with the emission reductions that those States were requiring in connection with an existing multi-state effort to reduce NO_x and ozone transport across State boundaries in the northeastern portion of the United States.

In response to these concerns, EPA and the States of Connecticut, Massachusetts and Rhode Island signed a memorandum of understanding (MOU) in February 1999. This MOU required EPA to take action to redistribute the NO_x emission reduction requirements among the three States. In the MOU, the three States and EPA agreed that EPA would propose a specific redistribution of the combined electric generating stationary source (EGU) portion of the budget for the three States.

Subsequent to the signing of the MOU, EPA took a final action that changed the EGU portion of the budget for the three States in a Technical Amendment to the NO_x SIP Call published on May 14, 1999. EPA is now taking direct final action to redistribute the States' budgets. The final redistribution that EPA is promulgating is slightly different than the redistribution as stated in the MOU to reflect and remain consistent with the May 14, 1999 changes to the budgets.

DATES: This rule is effective on November 1, 1999 without further notice, unless EPA receives adverse comment by October 5, 1999. If such comments are received, EPA will publish a timely withdrawal in the **Federal Register** informing the public that this rule will not take effect.

ADDRESSES: Any written comments must be identified with Docket No. A-99-13, must be identified as comments on the direct final rule and companion proposal and must be submitted in

duplicate to: EPA Air Docket (6102), Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460. The docket is available for public inspection and copying between 8:30 a.m. and 3:30 p.m., Monday through Friday, at the address given above. A reasonable fee may be charged for copying.

FOR FURTHER INFORMATION CONTACT: Kathryn Petrillo, Acid Rain Division (6204J) U.S. Environmental Protection Agency, 401 M Street SW, Washington DC 20460, telephone number (202) 564-9093; e-mail: petrillo.kathryn@epa.gov.

SUPPLEMENTARY INFORMATION: EPA is publishing this rule without prior proposal because EPA views this redistribution of the EGU portions of Connecticut, Massachusetts and Rhode Island's NO_x budgets as noncontroversial and anticipates no adverse comment. EPA believes this rule is not controversial for the following reasons: (1) Connecticut, Massachusetts, Rhode Island and EPA signed an MOU agreeing to the action taken by this rule; (2) the rule does not result in an overall increase in NO_x emissions; (3) the rule is consistent with the final State budgets published in the May 14, 1999 Technical Amendment to the NO_x SIP Call; and (4) the rule is consistent with the goals of the NO_x SIP Call. However, in the "Proposed Rules" section of today's **Federal Register** EPA is publishing a separate document that will serve as a proposed rule to redistribute the EGU portions of these States' budgets if EPA receives any timely adverse comment. If EPA receives timely adverse comment, EPA will publish a withdrawal in the **Federal Register** informing the public that the direct final rule will not take effect. EPA will then address all significant public comments in a subsequent final rule based on the proposed rule. EPA will not institute a second comment period on this action.