

before deleting the information.¹⁹³ In drafting the Rule, the Commission carefully considered what level of identification would be appropriate for these two requirements. Erroneously disclosing a child's actual personal information to a purported parent poses a high risk to that child's privacy because the purported parent receives the actual personal information of the child.¹⁹⁴ In contrast, erroneously deleting a child's actual personal information poses a lower risk because the purported parent never receives the information.¹⁹⁵ The Commission thus concluded that the former, but not the latter, situation warrants verifying the purported parent's identity.¹⁹⁶ After reconsideration, the Commission concludes that no modification to this requirement is warranted.

5. Section 312.7: Prohibition Against Conditioning a Child's Participation on the Collection of More Personal Information Than Is Necessary

Section 312.7 of the Rule prohibits operators from conditioning a child's participation in an activity on disclosing more personal information than is reasonably necessary to participate in that activity. The Commission asked whether this prohibition is effective, if its benefits outweigh its costs, and what changes, if any, should be made to it. The Commission received one comment addressing this provision of the Rule. The commenter raised no concerns and cited this provision as one way in which the Rule has "succeeded in providing more privacy protections and safeguards for both children and their parents."¹⁹⁷ The Commission concludes that no changes to this provision are warranted.

6. Section 312.8: Confidentiality, Security, and Integrity of Personal Information Collected From a Child

Section 312.8 of the Rule requires operators to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from a child. The Commission asked whether this requirement is effective, if its benefits outweigh its costs, and what changes, if any, should be made to it. The FTC also specifically asked if the term "reasonable procedure" is sufficiently clear. The Commission received no comments addressing this

provision of the Rule. The FTC concludes that no modifications to this requirement are necessary.

7. Section 312.10: Safe Harbors

Section 312.10 of the Rule provides that an operator will be deemed in compliance if the operator complies with Commission-approved self-regulatory guidelines. The Commission asked if this "safe harbor" approach is effective, if its benefits outweigh its costs, and what changes, if any, should be made to it. In addressing the Rule's safe harbor provision, commenters uniformly lauded the part played by COPPA safe harbors in making successful the Commission's effort to protect children's online safety and privacy.¹⁹⁸ In addition, one commenter stated that the COPPA safe harbors "are an important educational resource on children's privacy issues, and serve to heighten awareness of children's privacy issues more generally."¹⁹⁹ Another commenter said, "the Safe Harbor program demonstrates the benefits of a self-regulatory scheme and mechanism for industry to maintain high standards with limited government intervention."²⁰⁰

One commenter, a COPPA safe harbor, suggested that the Commission encourage greater participation in COPPA safe harbor programs by amending the Rule to provide that "membership in good standing in a Commission-approved safe harbor program is an affirmative defense to an enforcement action" under COPPA.²⁰¹ As this commenter recognized, the Rule already provides that operators "in compliance" with an approved safe harbor program "will be deemed to be in compliance" with the Rule and the Commission will consider an operator's participation in a safe harbor program in determining whether to open an investigation or file an enforcement action, and what remedies to seek.²⁰² The commenter did not provide any evidence demonstrating that these current incentives to participate in safe harbor programs are inadequate. The Commission thus concludes that no changes to the safe harbor provision are necessary.

IV. Conclusion

For the foregoing reasons, the Commission has determined to retain the Children's Online Privacy Protection Rule without modification.

¹⁹⁸ DMA 2 at 5; ESRB at 3-4; Mattel 2 at 5-6; TRUSTe at 1-3.

¹⁹⁹ DMA 2 at 5.

²⁰⁰ Mattel 2 at 5-6.

²⁰¹ TRUSTe at 3.

²⁰² 16 CFR 312.10(a) and 312.10(b)(4).

List of Subjects in 16 CFR Part 312

Communications, Computer technology, Consumer protection, Infants and Children, Privacy, Reporting and recordkeeping requirements, Safety, Science and technology, Trade practices, Youth.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 06-2356 Filed 3-14-06; 8:45 am]

BILLING CODE 6750-01-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 April 2006. Interest assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).

DATES: Effective April 1, 2006.

FOR FURTHER INFORMATION CONTACT: Catherine B. Klion, Attorney, Legislative and Regulatory Department, 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

¹⁹³ In conducting this verification, operators are required to use the same methods that they must use to obtain verifiable parental consent. 16 CFR 312.6(a)(3)(i).

¹⁹⁴ 64 FR at 59904.

¹⁹⁵ *Id.* at 59904-05.

¹⁹⁶ 16 CFR 312.6(a)(1) and (2).

¹⁹⁷ CUNA 2 at 2.

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).

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 April 2006, (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 April 2006, 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 April 2006.

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 5.60 percent for the first 20 years following the valuation date and 4.75 percent thereafter. These interest assumptions represent a decrease (from those in effect for March 2006) of 0.10 percent for the first 20 years following the valuation date and are otherwise unchanged. These interest assumptions reflect the PBGC's recently updated mortality assumptions, which are effective for terminations on or after

January 1, 2006. See the PBGC's final rule published December 2, 2005 (70 FR 72205), which is available at <http://www.pbgc.gov/docs/05-23554.pdf>. Because the updated mortality assumptions reflect improvements in mortality, these interest assumptions are higher than they would have been using the old mortality assumptions.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 2.75 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 no change from those in effect for March 2006.

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 April 2006, 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 150, as set forth below, is added to the table.

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
*	*	*	*	*	*	*	*	*
150	4-1-06	5-1-06	2.75	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, Rate Set 150, as set forth below, is added to the table.

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
*	*	*	*	*	*	*	*	*
150	4-1-06	5-1-06	2.75	4.00	4.00	4.00	7	8

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

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

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

■ 5. In appendix B to part 4044, a new entry for April 2006, as set forth below, is added to the table.

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

* * * * *

For valuation occurring in the month—	The values of i_t are:					
	i_t	for t =	i_t	for t =	i_t	for t =
April 20060560	1–20	.0475	>20	N/A	N/A

Issued in Washington, DC, on this 8th day of March 2006.

Vincent K. Snowbarger,

Deputy Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. 06–2458 Filed 3–14–06; 8:45 am]

BILLING CODE 7709–01–P

DEPARTMENT OF THE TREASURY

31 CFR Part 103

RIN 1506–AA64

Financial Crimes Enforcement Network; Amendment to the Bank Secrecy Act Regulations—Imposition of Special Measure Against Commercial Bank of Syria, Including Its Subsidiary, Syrian Lebanese Commercial Bank, as a Financial Institution of Primary Money Laundering Concern

AGENCY: Financial Crimes Enforcement Network, Department of the Treasury.

ACTION: Final rule.

SUMMARY: The Financial Crimes Enforcement Network is issuing a final rule imposing a special measure against Commercial Bank of Syria as a financial institution of primary money laundering concern, pursuant to the authority contained in 31 U.S.C. 5318A of the Bank Secrecy Act.

DATES: This final rule is effective on April 14, 2006.

FOR FURTHER INFORMATION CONTACT: Regulatory Policy and Programs Division, Financial Crimes Enforcement Network, (800) 949–2732.

SUPPLEMENTARY INFORMATION:

I. Background

A. Statutory Provisions

On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107–56 (USA PATRIOT Act). Title III of the USA PATRIOT Act

amends the anti-money laundering provisions of the Bank Secrecy Act, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–5314 and 5316–5332, to promote the prevention, detection, and prosecution of money laundering and the financing of terrorism. Regulations implementing the Bank Secrecy Act appear at 31 CFR part 103.¹ The authority of the Secretary of the Treasury (“the Secretary”) to administer the Bank Secrecy Act and its implementing regulations has been delegated to the Director of the Financial Crimes Enforcement Network.² The Act authorizes the Director to issue regulations to require all financial institutions defined as such in the Act to maintain or file certain reports or records that have been determined to have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counter-intelligence activities, including analysis, to protect against international terrorism, and to implement anti-money laundering programs and compliance procedures.³

Section 311 of the USA PATRIOT Act added section 5318A to the Bank Secrecy Act, granting the Secretary the authority, after finding that reasonable grounds exist for concluding that a foreign jurisdiction, institution, class of transactions, or type of account is of “primary money laundering concern,”

¹ The statute generally referred to as the “Bank Secrecy Act,” Titles I and II of Public Law 91–508, as amended, is codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–5314, 5316–5332. In pertinent part, regulations implementing Title II of the Bank Secrecy Act appear at 31 CFR Part 103.

² Therefore, references to the authority of the Secretary of the Treasury under section 311 of the USA PATRIOT Act apply equally to the Director of the Financial Crimes Enforcement Network.

³ Language expanding the scope of the Bank Secrecy Act to intelligence or counter-intelligence activities to protect against international terrorism was added by section 358 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (“USA PATRIOT”) Act of 2001, Public Law 107–56 (October 26, 2001).

to require domestic financial institutions and domestic financial agencies to take certain “special measures” against the primary money laundering concern. Section 311 identifies factors for the Secretary to consider and Federal agencies to consult before we may find that reasonable grounds exist for concluding that a jurisdiction, institution, class of transactions, or type of account is of primary money laundering concern. The statute also provides similar procedures, including factors and consultation requirements, for selecting the specific special measures to be imposed against the primary money laundering concern.

Taken as a whole, section 311 provides the Secretary with a range of options that can be adapted to target specific money laundering and terrorist financing concerns most effectively. These options give us the authority to bring additional and useful pressure on those jurisdictions and institutions that pose money-laundering threats and allow us to take steps to protect the U.S. financial system. Through the imposition of various special measures, we can gain more information about the concerned jurisdictions, institutions, transactions, and accounts; monitor more effectively the respective jurisdictions, institutions, transactions, and accounts; and ultimately protect U.S. financial institutions from involvement with jurisdictions, institutions, transactions, or accounts that pose a money laundering concern.

Before making a finding that reasonable grounds exist for concluding that a foreign financial institution is of primary money laundering concern, the Secretary is required by the Bank Secrecy Act to consult with both the Secretary of State and the Attorney General.

In addition to these consultations, when finding that a foreign financial institution is of primary money laundering concern, the Secretary is required by section 311 to consider “such information as [we] determine to