

deductions on its debt instrument are subject to deferral under section 108(i)(2)(A). However, because only a portion of the proceeds from P's debt instrument are used by S to reacquire its applicable debt instrument, only a portion of P's total OID deductions will be deferred under section 108(i)(2)(A). See section 108(i)(2)(B).

Accordingly, a maximum of \$17,500 (\$40,000 × \$70,000/\$160,000) of P's \$40,000 total OID deductions is subject to deferral under section 108(i)(2)(A). Under paragraph (b) of this section, the amount of P's deferred OID deduction each taxable year under section 108(i)(2)(A) is equal to the product of the amount of OID that accrues in the taxable year under section 1272 for the debt instrument and a fraction (\$70,000/\$160,000). As a result, P's deferred OID deductions are the following amounts: \$4,015.99 for 2010 (\$ 9,179.40 × \$70,000/\$160,000); \$4,246.39 for 2011 (\$9,706.04 × \$70,000/\$160,000); \$4,490.01 for 2012 (\$10,262.88 × \$70,000/\$160,000); and \$4,747.61 for 2013 (\$10,851.68 × \$70,000/\$160,000).

Example 2. (i) Facts. The facts are the same as in *Example 1*, except that S makes a section 108(i) election for only \$10,000 of the \$30,000 of COD income.

(ii) *Analysis.* The maximum amount of P's deferred OID deductions under section 108(i)(2)(A) is \$10,000 rather than \$17,500 because S made a section 108(i) election for only \$10,000 of the \$30,000 of COD income. Under section 108(i)(2)(A), because the amount of OID that accrues prior to 2014 attributable to the portion of the debt instrument issued to indirectly reacquire S's applicable debt instrument under paragraph (b) of this section (\$17,500) exceeds the amount of deferred COD income under section 108(i) (\$10,000), P's deferred OID deductions are the following amounts: \$4,015.99 for 2010; \$4,246.39 for 2011; \$1,737.62 for 2012; and \$0 for 2013.

Example 3. (i) Facts. The facts are the same as in *Example 1*, except that P pays \$200,000 in cash to the lenders/holders on December 31, 2012, to retire the debt instrument. P did not directly or indirectly obtain the funds to retire the debt instrument from the issuance of another debt instrument with OID.

(ii) *Analysis.* Under paragraph (c)(1) of this section, the retirement of P's debt instrument is not an acceleration event for the deferred OID deductions of \$4,015.99 for 2010, \$4,246.39 for 2011, and \$4,490.01 for 2012. Except as provided in § 1.108(i)-1T(b)(4), these amounts will be taken into account during the inclusion period. P, however, paid a repurchase premium of \$10,851.68 in 2012 (\$200,000 minus the adjusted issue price of \$189,148.32) to retire the debt instrument. If otherwise allowable, P may deduct this amount in 2012 under § 1.163-7(c).

(e) *Effective/applicability dates.* For effective/applicability dates, see § 1.108(i)-0T(b).

(f) *Expiration date.* This section expires August 9, 2013.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

■ **Par. 5.** The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

■ **Par. 6.** In § 602.101, paragraph (b) is amended by adding the following entry in numerical order to the table to read as follows:

§ 602.101 OMB Control numbers.

CFR part or section where identified and described	Current OMB control No.
* * * * *	
(b) * * *	
* * * * *	
1.108(i)-1T	1545-2147
* * * * *	
* * * * *	

Steven T. Miller,
Deputy Commissioner for Services and Enforcement.

Approved: August 6, 2010.

Michael Mundaca,
Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2010-20060 Filed 8-11-10; 11:15 am]

BILLING CODE 4830-01-P

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4022

Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: Pension Benefit Guaranty Corporation's regulation on Benefits Payable in Terminated Single-Employer Plans prescribes interest assumptions for valuing and paying certain benefits under terminating single-employer plans. This final rule amends the benefit payments regulation to adopt interest assumptions for plans with valuation dates in September 2010. Interest assumptions are also published on PBGC's Web site (<http://www.pbgc.gov>).

DATES: Effective September 1, 2010.

FOR FURTHER INFORMATION CONTACT: Catherine B. Klion, Manager, Regulatory and Policy Division, 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: 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.

These interest assumptions are found in two PBGC regulations: The regulation on Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) and the regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044). Assumptions under the asset allocation regulation are updated quarterly; assumptions under the benefit payments regulation are updated monthly. This final rule updates only the assumptions under the benefit payments regulation.

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

This amendment (1) adds to Appendix B to Part 4022 the interest assumptions for PBGC to use for its own lump-sum payments in plans with valuation dates during September 2010, and (2) 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 PBGC's historical methodology for valuation dates during September 2010.

The interest assumptions that PBGC will use for its own lump-sum payments (set forth in Appendix B to Part 4022) will be 2.25 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. In comparison with the interest assumptions in effect for August 2010, these interest assumptions are unchanged. For private-sector payments, the interest assumptions (set forth in Appendix C to part 4022) will be the same as those used by PBGC for determining and paying lump sums (set forth in Appendix B to Part 4022).

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 current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during September 2010, PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

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 4022

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

■ In consideration of the foregoing, 29 CFR Part 4022 is 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 203, is added to the table, as set forth below:

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
*	*		*	*	*	*	*	*
203	9-1-10	10-1-10	2.25	4.00	4.00	4.00	7	8

■ 3. In appendix C to Part 4022, Rate Set 203, is added to the table, as set forth below:

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
*	*		*	*	*	*	*	*
203	9-1-10	10-1-10	2.25	4.00	4.00	4.00	7	8

Issued in Washington, DC, on this 6th day of August 2010.

Vincent K. Snowbarger,
Deputy Director for Operations, Pension Benefit Guaranty Corporation.

[FR Doc. 2010-20000 Filed 8-12-10; 8:45 am]

BILLING CODE 7709-01-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Parts 1, 114, 115, 116, 117, and 118

[Docket No. USCG-2010-0351]

RIN 1625-ZA25

Navigation and Navigable Waters; Technical, Organizational, and Conforming Amendments, Bridges

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: This rule makes non-substantive changes throughout our regulations. The purpose of this rule is to make conforming amendments and technical corrections to Coast Guard bridge and navigable waters regulations. This rule will have no substantive effect on the regulated public.

DATES: This final rule is effective August 13, 2010.

ADDRESSES: Comments and material received from the public, as well as documents mentioned in this preamble as being available in the docket, are part of docket USCG-2010-0351 and are available for inspection or copying at the Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also

find this docket on the Internet by going to <http://www.regulations.gov>, inserting USCG-2010-0351 in the “Keyword” box, and then clicking “Search.”

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call or e-mail Diane LaCumsky, Coast Guard; telephone 202-372-1025, e-mail Diane.M.LaCumsky@uscg.mil. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

Regulatory History

We did not publish a notice of proposed rulemaking (NPRM) for this rule. Under 5 U.S.C. 553(b)(3)(A), the Coast Guard finds this rule is exempt from notice and comment rulemaking requirements because these changes involve rules of agency organization, procedure, or practice. In addition, the Coast Guard finds notice and comment