

of the temporary guarantee period based on the performance of stocks, other equity instruments, or equity-based derivatives.

(4) *Non-equity-indexed modified guaranteed contract.* A non-equity-indexed MGC is an MGC, as defined in paragraph (a)(1) of this section, that provides a return during or at the end of the temporary guarantee period not based on the performance of stocks, other equity instruments, or equity-based derivatives.

(5) *Current market rate for non-equity-indexed modified guaranteed contracts.* The current market rate for a non-equity-indexed MGC issued by an insurer (whether issued in that tax year or a previous one) is the appropriate Treasury constant maturity interest rate published by the Board of Governors of the Federal Reserve System for the month containing the last day of the insurer's taxable year. The appropriate rate is that rate published for Treasury securities with the shortest published maturity that is greater than (or equal to) the remaining duration of the current temporary guarantee period under the MGC.

(6) *Current market rate for equity-indexed modified guaranteed contracts.* [Reserved]

(b) *Applicable interest rates for non-equity-indexed modified guaranteed contracts—(1) Tax reserves during temporary guarantee period.* An insurance company is required to determine the tax reserves for an MGC under sections 807(c)(3) or (d)(2). During a non-equity-indexed MGC's temporary guarantee period, the applicable interest rate to be used under sections 807(c)(3) and (d)(2)(B) is the current market rate, as defined in paragraph (a)(5) of this section.

(2) *Required interest during temporary guarantee period.* During the temporary guarantee period of a non-equity-indexed MGC, the applicable interest rate to be used to determine required interest under section 812(b)(2)(A) is the same current market rate, defined in paragraph (a)(5) of this section, that applies for that period for purposes of sections 807(c)(3) or (d)(2)(B).

(3) *Application of section 811(d).* An additional reserve computation rule applies under section 811(d) for contracts that guarantee certain interest payments beyond the end of the taxable year. Section 811(d) is not modified or waived for the taxable year in which a non-equity-indexed MGC is issued. The current market rate, as defined in paragraph (a)(5) of this section, is to be applied to the remaining years of the MGC's temporary guarantee period.

(4) *Periods after the end of the temporary guarantee period.* For periods after the end of the temporary guarantee period, sections 807(c)(3), 807(d)(2)(B), 811(d) and 812(b)(2)(A) are not modified when applied to non-equity-indexed MGCs. None of these sections are affected by the definition of current market rate contained in paragraph (a)(5) of this section once the temporary guarantee period has expired.

(5) *Examples.* The following examples illustrate this paragraph (b):

Example 1. (i) *IC*, a life insurance company as defined in section 816, issues a MGC (the Contract) on August 1 of 1996. Assume that the conditions invoking the application of section 811(d) are not present. The Contract is an annuity contract that gives rise to life insurance reserves, as defined in section 816(b). *IC* is a calendar year taxpayer. The Contract guarantees that interest will be credited at 8 percent per year for the first 8 contract years and 4 percent per year thereafter. During the 8-year temporary guarantee period, the Contract provides for a market value adjustment based on changes in a published bond index and not on the performance of stocks, other equity instruments or equity based derivatives. *IC* has chosen to avail itself of the provisions of these regulations for 1996 and taxable years thereafter. The 10-year Treasury constant maturity interest rate published for December of 1996 was 6.30 percent. The next shortest maturity published for Treasury constant maturity interest rates is 7 years. As of the end of 1996, the remaining duration of the temporary guarantee period for the Contract was 7 years and 7 months.

(ii) To determine under section 807(d)(2) the end of 1996 reserves for the Contract, *IC* must use a discount interest rate of 6.30 percent for the temporary guarantee period. The interest rate to be used in computing required interest under section 812(b)(2)(A) for 1996 reserves is also 6.30 percent.

(iii) The discount rate applicable to periods outside the 8-year temporary guarantee period is determined under sections 807(c)(3), 807(d)(2)(B), 811(d) and 812(b)(2)(A) without regard to the current market rate.

Example 2. Assume the same facts as in *Example 1* except that it is now the last day of 1998. The remaining duration of the temporary guarantee period under the Contract is now 5 years and 7 months. The 7-year Treasury constant maturity interest rate published for December of 1998 was 4.65 percent. The next shortest duration published for Treasury constant maturity interest rates is 5 years. A discount rate of 4.65 percent is used for the remaining duration of the temporary guarantee period for the purpose of determining a reserve under section 807(d) and for the purpose of determining required interest under section 812(b)(2)(A).

Example 3. Assume the same facts as in *Example 1* except that it is now the last day of 2001. The remaining duration of the temporary guarantee period under the Contract is now 2 years and 7 months. The

3-year Treasury constant maturity interest rate published for December of 2001 was 3.62 percent. The next shortest duration published for Treasury constant maturity interest rates is 2 years. A discount rate of 3.62 percent is used for the remaining duration of the temporary guarantee period for the purpose of determining a reserve under section 807(d) and for the purpose of determining required interest under section 812(b)(2)(A).

(c) *Applicable interest rates for equity-indexed modified guaranteed contracts.* [Reserved.]

(d) *Effective date.* Paragraphs (a), (b) and (d) of this proposed regulation are effective on the date this notice is filed as a final regulation in the **Federal Register**. However, pursuant to section 7805(b)(7), taxpayers may elect to apply the final regulations retroactively for all taxable years beginning after December 31, 1995, the effective date of section 817A.

Robert E. Wenzel,

Deputy Commissioner of Internal Revenue.

[FR Doc. 02-13848 Filed 5-31-02; 8:45 am]

BILLING CODE 4830-01-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[AK-02-001; FRL-7220-3]

Approval and Promulgation of Carbon Monoxide Implementation Plan; State of Alaska; Anchorage

AGENCY: Environmental Protection Agency.

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) proposes to approve a State Implementation Plan (SIP) revision submitted by the State of Alaska. This revision provides for attainment of the carbon monoxide (CO) national ambient air quality standards (NAAQS) in the Anchorage CO nonattainment area.

DATES: Comments must be received on or before July 3, 2002.

ADDRESSES: Written comments should be addressed to: Connie Robinson, EPA, Office of Air Quality (OAQ-107), 1200 Sixth Avenue, Seattle, Washington 98101.

Copies of the State's submittal, and other information relevant to this proposal are available for inspection during normal business hours at the following locations: EPA, Office of Air Quality (OAQ-107), 1200 Sixth Avenue, Seattle, Washington 98101, and the Alaska Department of Environmental

Conservation, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801-1795.

FOR FURTHER INFORMATION CONTACT:

Connie Robinson, Office of Air Quality (OAQ-107), EPA, 1200 Sixth Avenue, Seattle, Washington 98101, (206) 553-1086.

SUPPLEMENTARY INFORMATION:

Throughout this document, wherever “we,” “us,” or “our” is used, we mean EPA. This supplementary information is organized as follows:

I. Background information

- A. *What NAAQS is being considered in today's proposal?*
- B. *What is the history behind this proposal?*
- C. *What statutory, regulatory, and policy requirements must be met to approve this proposal?*

II. EPA's review of the Anchorage CO plan

- A. *Does the Anchorage CO Plan meet all the procedural requirements as required by Section 110(a)(2) of the Act?*
- B. *Does the Anchorage CO plan include a comprehensive, accurate, current base year inventory from all sources as required in section 187(a)(1)?*
- C. *Does the Anchorage CO plan include periodic inventories as required in section 187(a)(5) of the Act?*
- D. *Does the Anchorage CO plan meet the requirement of section 187(a)(7) of the Act that serious CO areas submit an Attainment Demonstration which includes annual emissions reductions necessary for reaching attainment by the deadline?*
- E. *Has Anchorage adopted transportation control measures (TCMs) for the purpose of reducing CO emissions as required by section 182(d)(1) and described in section 108(f)(1)(A) of the Act?*
- F. *Does the Anchorage CO plan include a forecast of vehicle miles traveled (VMT) for each year before the attainment year of 2000 as required by 187(a)(2)(A) of the Act?*
- G. *Does the Anchorage CO plan include contingency measures required by Section 187(a)(3) of the Act?*
- H. *Does the Anchorage CO plan provide for reasonable further progress (RFP) as required by Section 172(c)(2) and Section 171(1) of the Act?*
- I. *Is the motor vehicle emission budget approvable as required by Section 176(c)(2)(A) of the Act and outlined in conformity rules, 40 CFR 93.118(e)(4)?*
- J. *Does Anchorage have an I/M program in place that meets EPA requirements in section 182(a)(2)(B) of the Act?*
- K. *Are there controls on stationary sources of CO as required by Section 172(c)(5) of the Act?*
- L. *Has Anchorage implemented an oxygenated fuel program as described in Section 187(b)(3)?*

III. Summary of EPA's proposal

IV. Administrative Requirements

I. Background Information

A. What NAAQS Is Considered in Today's Proposal?

CO is among the ambient air pollutants for which EPA has established a health-based standard and is the pollutant that is the subject of this proposal. CO is a colorless, odorless gas emitted in combustion processes. CO enters the bloodstream through the lungs and reduces oxygen delivery to the body's organs and tissues. Exposure to elevated CO levels is associated with impairment of visual perception, work capacity, manual dexterity, and learning ability, and with illness and death for those who already suffer from cardiovascular disease, particularly angina or peripheral vascular disease.

Under section 109(a)(1)(A) of the Act, we have established primary, health-related NAAQS for CO: 9 parts per million (ppm) averaged over an 8-hour period, and 35 ppm averaged over 1 hour. Anchorage has never exceeded the 1-hour NAAQS; therefore, the State CO Implementation Plan (Anchorage CO plan), and this proposal address only the 8-hour CO NAAQS. Attainment of the 8-hour CO NAAQS is achieved if the non-overlapping 8-hour average per monitoring site does not exceed 9 ppm (values below 9.5 are rounded down to 9.0 and are not considered exceedances) more than once per year during a consecutive 2-year period.

B. What Is the History Behind This Proposal?

Upon enactment of the 1990 Act, areas meeting the requirements of section 107(d) of the Act were designated nonattainment for CO by operation of law. Under section 186(a) of the Act, each CO nonattainment area was also classified by operation of law as either moderate or serious depending on the severity of the area's air quality problems. Anchorage was classified as a moderate CO nonattainment area. Moderate CO nonattainment areas were expected to attain the CO NAAQS as expeditiously as practicable but no later than December 31, 1995. Anchorage did not have the two years of clean data required to attain the standard by the required attainment date for CO moderate areas, and under section 186(a)(4) of the Act, Alaska requested and EPA granted a one-year extension of the attainment date deadline to December 31, 1996 (61 FR 33676, June 28, 1996). If a moderate CO nonattainment area was unable to attain the CO NAAQS by the attainment date deadline, the area was reclassified as a serious CO nonattainment area by operation of law. Anchorage was unable

to meet the CO NAAQS by December 31, 1996, and was reclassified as a serious nonattainment area effective July 13, 1998. As a result of the reclassification, the State had 18 months or until January 13, 2000, to submit a new Anchorage CO plan demonstrating attainment of the CO NAAQS as expeditiously as practicable but no later than December 31, 2000, the Act attainment date for all serious CO areas.

The required Anchorage CO plan was not submitted by January 13, 2000, and we made a finding of failure to submit the required plan (*See* 65 FR 43700, July 14, 2000) which triggered the 18-month time clock for mandatory application of sanctions and a 2-year time clock for additional sanctions and the requirement for a Federal Implementation Plan under the Act.

On July 12, 2001, EPA made a determination based on air quality data that the Anchorage CO nonattainment area in Alaska attained the NAAQS for CO by December 31, 2000, the deadline required by the Act. (*See* 66 FR 36476, July 12, 2001.)

On January 4, 2002, the Alaska Department of Environmental Conservation (ADEC) submitted the Anchorage CO plan as a revision to the Alaska SIP. A complete Anchorage CO plan was due by January 13, 2002, to stop the sanctions clocks. We determined the revision to be complete and stopped the sanctions' clocks effective January 11, 2002.

C. What Statutory, Regulatory, and Policy Requirements Must Be Met To Approve This Action?

Section 172 of the Act contains general requirements applicable to SIP revisions for nonattainment areas. Sections 186 and 187 of the Act set out additional air quality planning requirements for CO nonattainment areas.

EPA has issued a “General Preamble” describing the agency's preliminary views on how EPA intends to review SIP revisions submitted under Title I of the Act. *See* generally 57 FR 13498 (April 16, 1992) and 57 FR 18070 (April 28, 1992). The reader should refer to the General Preamble for a more detailed discussion of the interpretations of Title I requirements. In this proposed rulemaking, we are applying these policies to the Anchorage CO plan, taking into consideration specific factual issues presented.

II. EPA's Review of the Anchorage CO Plan

A. Does the Anchorage CO Plan Meet All the Procedural Requirements as Required by Section 110(a)(2) of the Act?

Yes. The Act requires States to observe certain procedural requirements in developing implementation plans and revisions for submission to EPA. Section 110(a)(2) of the Act provides that each implementation plan submitted by a State must be adopted after reasonable notice and public

hearing. Public notice for a public meeting held on October 1, 2001, occurred through advertisements in the Anchorage Daily News and the Internet. The SIP submittal includes a description of the public meeting where the public had the opportunity to comment on the issues addressed in the plan. Also included are the comments received from the public and the response developed by the ADEC staff. Following the required public participation, the State adopted the Anchorage CO plan on December 20, 2001.

B. Does the Anchorage CO Plan Include a Comprehensive, Accurate, Current Base Year Inventory From All Sources as Required in Section 187(a)(1)?

Yes. ADEC submitted a base year inventory for 1996 based on EPA guidance that determined that an inventory for 1996 would satisfy the requirement for a base year inventory. The inventory contains point, area, on-road and non-road mobile source data, and documentation. The inventory was prepared for a typical winter day.

TABLE 1.—1996 BASE YEAR EMISSIONS

Emission category	Point sources	Area sources	Non-road mobile sources	On-road mobile sources	Total emissions (tons/day)
Base Year 1996	1.42	8.79	14.92	71.68	96.81

The methodologies used to prepare the emissions inventory, as described in the Anchorage CO plan, are acceptable. A discussion of how the inventory meets the requirements needed for approval is in the technical support document (TSD) for this proposal. Detailed inventory data is contained in the docket maintained by EPA.

C. Does the Anchorage CO Plan Include Periodic Inventories as Required in Section 187(a)(5) of the Act?

Yes. Section 187(a)(5) of the Act requires the submission of periodic emission inventories at three year intervals until an area is redesignated to attainment. ADEC submitted a 2000 attainment year inventory with the Anchorage CO Plan and has agreed to submit periodic inventories at three-year intervals until Anchorage is redesignated to attainment.

D. Does the Anchorage CO Plan Meet the Requirement of Section 187(a)(7) of the Act That Serious CO Areas Submit an Attainment Demonstration Which Includes Annual Emissions Reductions Necessary for Reaching Attainment by the Deadline?

Yes. The Anchorage CO Plan contains an attainment demonstration using rollback modeling to show that emission reductions resulting from implementation of control measures are sufficient to "roll back" the design value to a concentration at or below the NAAQS for CO of 9 ppm. Alaska showed that the 8-hour design value concentration of 9.0 predicted for 2000, the attainment year, documents attainment of the 8-hour CO NAAQS.

A summary of the EPA approved emission reductions for the control measures contained in the Anchorage CO Plan is listed in Table 2.

TABLE 2.—SUMMARY OF ATTAINMENT YEAR 2000 EMISSION REDUCTIONS FOR LOCAL CONTROL MEASURES

Control measure	Tons/day reduction—percent
I/M Program	7.48
Ethanol blended gasoline	7.61
Share-A-Ride Program	.24
Promotion of Engine Preheaters	.48
Free Winter Transit Service	.21
Total	16.02–16.5%

The emission reductions reduced the total emissions for 2000 to 82.46 tons per day. Reductions to 82.57 tons per day were needed to show attainment. Our full review of all of the control measures is contained in the TSD for this proposal.

E. Has the State Adopted Transportation Control Measures (TCMs) for the Purpose of Reducing CO Emissions as Required by Section 182(d)(1) and Described in Section 108(f)(1)(A) of the Act?

Yes. Section 187(b)(2) of the Act requires States with serious CO nonattainment areas to submit a SIP revision that includes transportation control strategies and measures to offset any growth in emissions due to growth in vehicle miles traveled (VMT) or vehicle trips. In developing such strategies, a State must consider measures specified in section 108(f) of

the Act and choose and implement such measures as are necessary to demonstrate attainment with the NAAQS. TCMs are designed to reduce mobile pollutant emissions by either improving transportation efficiency or reducing single-occupant vehicle trips. The EPA has reviewed two new TCMs in the Anchorage CO plan and proposes to approve them. Following is a brief description of the new TCMs included in the plan. Our full review is included in the TSD for this proposal.

Promotion of Engine Preheaters

Engine preheaters are used extensively throughout Anchorage to ensure vehicles can be easily started under extremely cold conditions. Vehicle emission testing in Alaska has confirmed that preheating vehicles, a practice commonly referred to as "plugging-in," provides a substantial reduction in motor vehicle idling time and cold start emissions as described in section 108(f)(1)(A)(xi) and (xii). Recognizing the many benefits of plugging-in, the Municipality of Anchorage (MOA) conducted a public awareness campaign to urge motorists to use their engine block heaters prior to their morning commute and when parked at parking spaces with electrical outlets. During the winters of 1999–2000 and 2000–2001, television commercials, radio advertising and newspaper inserts were used to promote the advantages of using block heaters. Telephone surveys were conducted at the end of each winter's campaign. Results of the survey show that plug-in rates increased from 10% prior to the campaign to 20% by the end of the 2000–2001 winter. This amounts to a

reduction of approximately 1.1% in the year 2000 motor vehicle emissions.

Free Winter Transit Service

Free Winter Transit Service was provided during the winters of 1999–2000, 2000–2001. Ridership surveys conducted by the Transit Department show that transit usage increased by as much as 35%. The number of daily trips increased from an average of 11,000 to an average of 14,000.

EPA previously approved the Share-A-Ride Program (51 FR 32638, September 15, 1986).

F. Does the Anchorage CO Plan Include a Forecast of Vehicle Miles Traveled (VMT) for Each Year Before the Attainment Year of 2000 as Required by 187(a)(2) (A) of the Act?

Because this plan is for the 1996–2000 period, actual count-based VMT estimates from the Highway Performance Monitoring System were available for comparison with the model forecasts used to develop the year 2000 attainment projection. Modeled VMT estimates for 2000 fall within the 3% margin of error allowed by EPA guidance.

The MOA has committed to preparing annual VMT estimates and forecasts and to submitting VMT tracking reports to EPA until Anchorage is redesignated to attainment. Under section 187(a)(3) of the Act, annual VMT tracking reports provide a potential basis for triggering implementation of contingency measures in the event that estimates of actual VMT exceed the forecasts contained in the prior annual VMT tracking report.

G. Does the Anchorage CO Plan Include Contingency Measures Required by Section 187(a)(3) of the Act?

Yes. Section 187(a)(3) of the Act requires serious CO nonattainment areas, such as Anchorage, to submit a plan revision that provides for contingency measures. The Act specifies that such measures are to be implemented if any estimate of VMT submitted in an annual VMT tracking report exceeds the VMT predicted in the most recent prior forecast or if the area fails to attain the NAAQS by the attainment date. As a general rule, contingency measures must be structured to take effect without further action by the State or EPA upon the occurrence of certain triggering events.

ADEC has committed to implementing an enhanced I/M evader enforcement program. ADEC will be implementing this program whether or not they have a violation which automatically triggers contingency

measures. Funding for this program is included in the current MOA Transportation Improvement Program.

The 1990 Act does not specify how many contingency measures are needed or the magnitude of emission reductions (or VMT reductions) they must provide. However, if the contingency measures do not provide enough benefit, additional contingency measures will, within one year of finding VMT levels are exceeding forecasts, be included in a required plan revision. Thus, the submittal satisfies EPA's minimum criteria for contingency measure effectiveness.

H. Does the Anchorage CO Plan Provide for Reasonable Further Progress (RFP) as Required by Section 172(c)(2) and Section 171(1) of the Act?

Under the Act, states have the responsibility to inventory emissions contributing to NAAQS nonattainment, to track these emissions over time, and to ensure that control strategies are being implemented that reduce emissions and move areas toward attainment. Section 172(c)(1) of the Act requires all nonattainment plans to contain provisions to provide for "the implementation of all reasonably available control measures as expeditiously as practicable" and to provide for the attainment of the applicable national ambient standard. Further, section 172(c)(2) states that such plan provisions shall require RFP.

Anchorage has made considerable progress in reducing carbon monoxide emissions over the past three decades. CO concentrations have decreased from a second-high eight-hour average of 26.3 ppm and 66 exceedances in 1980 to a second high eight-hour average of 10.5 ppm and 6 exceedances in 1996, and to a second-high eight-hour average of 5.5 ppm and zero exceedances in calendar year 2000. The implementation of local control programs contributed to these reductions. These programs in combination with state and federal programs such as the Federal Motor Vehicle Control Program and activity changes have produced a 16.5% reduction in total emissions in the nonattainment area between 1996, and 2000, and RFP has been demonstrated.

I. Is the Motor Vehicle Emission Budget Approvable as Required by Section 176(c)(2)(A) of the Act and Outlined in Conformity Rules, 40 CFR 93.118(e)(4)?

Yes. Section 176(c)(2)(A) of the Act requires regional transportation plans to be consistent with the motor vehicle emissions budget contained in the applicable air quality plans for the Anchorage area. We propose to approve

the motor vehicle emissions budget that is established for Anchorage.

ANCHORAGE MOTOR VEHICLE EMISSIONS BUDGET

Source category	CO emissions for 2000 (tons/day)
On-Road Sources—Initial Idle ..	22.98
On-Road Sources—Traveling ..	33.07
Motor Vehicle Emissions Budget (total on-road source emissions)	56.05

The TSD summarizes how the CO motor vehicle emissions budget meets the criteria contained in the conformity rule (40 CFR 93.118(e)(4)). The initial idle emissions are based on actual vehicle testing and the traveling emissions are based on an emissions model.

A previous action approved the use of the "CO Emissions Model" for SIP development purposes (67 FR 5064, February 4, 2002). The CO Emissions Model is an on-road motor vehicle emission factor model that was specifically developed for cases like the Anchorage CO plan.

The CO Emissions Model is considered an interim update to MOBILE5b developed to take advantage of the best information available on CO emissions, particularly for cold climates, such as Alaska. As such, the CO Emissions Model is not required to be used for SIP development in any area, however, it was approved for use on a voluntary basis for SIP development prior to the official release of MOBILE6, EPA's newest motor vehicle emission factor model. MOBILE6 was not available at the time that the Anchorage CO plan was being developed to meet Anchorage's regulatory time constraints. However, since EPA released MOBILE6 on January 29, 2002, MOBILE6 should be used for the next control strategy SIP for Anchorage. Anchorage must rely upon either the CO Emissions Model or MOBILE6 for new conformity analyses that begin prior to the end of the grace period for use of MOBILE6, which EPA established under 40 CFR 93.111 as two years after MOBILE6's official release. After the end of the MOBILE6 conformity grace period, all new conformity analyses must be based on MOBILE6.

J. Does Anchorage Have an Inspection and Maintenance (I/M) Program in Place That Meets EPA Requirements in Section 182(a)(2)(B) of the Act?

Yes. Anchorage's I/M program was initially implemented in 1985. Since then, Anchorage has continued to improve its performance. Improved program elements include: test equipment and procedures, quality assurance and quality control procedures, vehicle repair requirements and enforcement. The Anchorage I/M program, improvements and amendments, have been adopted through previous SIP revisions (51 FR 8203, September 15, 1986; 54 FR 31522, July 31, 1989; 60 FR 17232, April 5, 1995; 64 FR 72940, December 29, 1999, 67 FR 822, January 8, 2002).

K. Are There Controls on Stationary Sources of CO as Required by Section 172(c)(5) of the Act?

Yes. Section 172(c)(5) of the Act requires States with nonattainment areas to include in their SIPs a permit program for the construction and operation of new or modified major stationary sources in nonattainment areas. In a separate, prior action, we approved the new source review permit program for Alaska. (See 60 FR 8943, February 16, 1995.)

L. Has Anchorage Implemented an Oxygenated Fuel Program as Described in Section 187(b)(3)?

Yes. In a separate, prior action, we approved the oxygenated gasoline program for Anchorage (61 FR 24712, May 16, 1996).

III. Summary of EPA's Proposal

We are proposing approval of the following elements of the Anchorage CO Attainment Plan, as submitted on January 4, 2002:

A. Procedural requirements, under section 110(a)(1) of the Act;

B. Base year emission inventory, periodic emission inventory and commitments under sections 187(a)(1) and 187(a)(5) of the Act;

C. Attainment demonstration, under section 187(a)(7) of the Act;

D. The TCM programs under 182(d)(1) and 108(f)(1)(A) of the Act

E. Contingency measures under section 187(a)(3) of the Act.

F. RFP demonstration, under sections 171(1) and 172(c)(2) of the Act; and

H. The conformity budget under section 176(c)(2)(A) of the Act and § 93.118 of the transportation conformity rule (40 CFR part 93, subpart A).

IV. Administrative Requirements

Under Executive Order 12866 (58 FR 51735, October 4, 1993), this proposed action is not a "significant regulatory action" and therefore is not subject to review by the Office of Management and Budget. For this reason, this action is also not subject to Executive Order 13211, "Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use" (66 FR 28355, May 22, 2001). This proposed action merely proposes to approve state law as meeting Federal requirements and imposes no additional requirements beyond those imposed by state law. Accordingly, the Administrator certifies that this proposed rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). Because this rule proposes to approve pre-existing requirements under state law and does not impose any additional enforceable duty beyond that required by state law, it does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4).

This proposed rule also does not have tribal implications because it will not have a substantial direct effect on one or more Indian tribes, 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 by Executive Order 13175 (65 FR 67249, November 9, 2000). This action also does not have Federalism implications because it does 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 (64 FR 43255, August 10, 1999). This action merely proposes to approve 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. This proposed rule also is not subject to Executive Order 13045 "Protection of Children from Environmental Health Risks and Safety Risks" (62 FR 19885, April 23, 1997), because it is not economically significant.

In reviewing SIP submissions, EPA's role is to approve state choices, provided that they meet the criteria of the Clean Air Act. In this context, in the absence of a prior existing requirement

for the State to use voluntary consensus standards (VCS), EPA has no authority to disapprove a SIP submission for failure to use VCS. It would thus be inconsistent with applicable law for EPA, when it reviews a SIP submission, to use VCS in place of a SIP submission that otherwise satisfies the provisions of the Clean Air Act. Thus, the requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) do not apply. This proposed rule does not impose an information collection burden under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Reporting and recordkeeping requirements.

Dated: May 22, 2002.

Elbert Moore,

Acting Regional Administrator, Region 10.

[FR Doc. 02-13698 Filed 5-31-02; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 141

[FRL-7221-8]

RIN 2040-AD61

Announcement of Preliminary Regulatory Determinations for Priority Contaminants on the Drinking Water Contaminant Candidate List

AGENCY: Environmental Protection Agency.

ACTION: Notice of preliminary regulatory determination.

SUMMARY: The Safe Drinking Water Act (SDWA), as amended in 1996, directs the Environmental Protection Agency (EPA) to publish a list of contaminants (referred to as the Contaminant Candidate List, or CCL) to assist in priority-setting efforts. SDWA also directs the Agency to select five or more contaminants from the current CCL and determine by August 2001 whether or not to regulate these contaminants with a National Primary Drinking Water Regulation (NPDWR). Today's action presents the preliminary regulatory determinations for nine contaminants and describes the supporting rationale for each.

DATES: Comments must be received on or before August 2, 2002.