

significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

#### Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for March 23, 2004, in the 7th floor auditorium of the Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC. Due to building security procedures, visitors must enter at the Constitution Avenue entrance. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit written comments and an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by March 2, 2003. A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

#### Drafting Information

The principal author of these regulations is Norma Rotunno, Office of the Associate Chief Counsel (Income

Tax & Accounting). However, other personnel from the IRS and Treasury Department participated in their development.

#### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

#### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

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

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

2. Section 1.461-2 is amended by revising paragraphs (c)(1), (e)(2), (e)(3), and (g) to read as follows:

#### § 1.461-2 Contested liabilities.

[The text of proposed paragraphs (c)(1), (e)(2), (e)(3), and (g) is the same as the text of § 1.461-2T(c)(1), (e)(2), (e)(3), and (g) published elsewhere in this issue of the **Federal Register**.]

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 03-29043 Filed 11-19-03; 8:45 am]

**BILLING CODE 4830-01-P**

#### DEPARTMENT OF THE TREASURY

#### Internal Revenue Service

#### 26 CFR Part 1

[REG-106486-98]

RIN 1545-AW33

#### Guidance Regarding the Treatment of Certain Contingent Payment Debt Instruments With One or More Payments That Are Denominated in, or Determined by Reference to, a Nonfunctional Currency; Hearing Cancellation

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Cancellation of notice of public hearing on proposed rulemaking.

**SUMMARY:** This document cancels a public hearing on proposed regulations under section 1275 of the Internal Revenue Code regarding the treatment of contingent payment debt instruments for which one or more payments are denominated in, or determined by reference to, a currency other than the taxpayer's functional currency.

**DATES:** The public hearing originally scheduled for December 3, 2003, at 10 a.m., is cancelled.

**FOR FURTHER INFORMATION CONTACT:** Sonya M. Cruse of the Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedures and Administration), at (202) 622-4693 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking, notice of public hearing and withdrawal of previous proposed regulations sections that appeared in the **Federal Register** on Friday, August 29, 2003 (68 FR 51944), announced that a public hearing was scheduled for December 3, 2003 at 10 a.m., in room 6718, Internal Revenue Service Building, 1111 Constitution Avenue, NW., Washington, DC. The subject of the public hearing is proposed regulations under section 1275 of the Internal Revenue Code. The public comment period for these regulations expired on November 12, 2003. The notice of proposed rulemaking, notice of public hearing, and withdrawal of previous proposed regulations section, instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed. As of Tuesday, November 18, 2003, no one has requested to speak. Therefore, the public hearing scheduled for December 3, 2003 is cancelled.

**La Nita Van Dyke,**

*Acting Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedures and Administration).*

[FR Doc. 03-29165 Filed 11-20-03; 8:45 am]

**BILLING CODE 4830-01-P**

#### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 52

[Region II Docket No. NJ64-268, FRL-7587-2]

#### Approval and Promulgation of Implementation Plans; New Jersey 1-Hour Ozone Control Programs

**AGENCY:** Environmental Protection Agency.

**ACTION:** Proposed rule.

**SUMMARY:** The Environmental Protection Agency (EPA) proposes approval of a request from New Jersey to revise its State Implementation Plan to incorporate revisions to Subchapter 16 "Control and Prohibition of Air Pollution by Volatile Organic Compounds." These revisions relate to the control of volatile organic compounds from mobile equipment repair and refinishing operations, solvent cleaning operations and

refueling of motor vehicles at gasoline service stations. The intended effect is to reduce the emissions of volatile organic compounds (VOC) and thereby reduce ozone concentrations in the lower atmosphere.

**DATES:** Comments must be received on or before December 22, 2003.

**ADDRESSES:** Comments may be submitted either by mail or electronically. Written comments should be mailed to Raymond Werner, Chief, Air Programs Branch, Environmental Protection Agency, Region 2 Office, 290 Broadway, New York, New York 10007-1866. Electronic comments could be sent either to [Werner.Raymond@epa.gov](mailto:Werner.Raymond@epa.gov) or to <http://www.regulations.gov>, which is an alternative method for submitting electronic comments to EPA. Go directly to <http://www.regulations.gov>, then select "Environmental Protection Agency" at the top of the page and use the "go" button. Please follow the on-line instructions for submitting comments.

Copies of the state submittal are available at the following addresses for inspection during normal business hours:

Environmental Protection Agency,  
Region II Office, Air Programs Branch,  
290 Broadway, 25th Floor, New York,  
New York 10007-1866.  
New Jersey Department of  
Environmental Protection and Energy,  
Office of Air Quality Management,  
Bureau of Air Quality Planning, 401  
East State Street, CN418, Trenton,  
New Jersey 08625.

**FOR FURTHER INFORMATION CONTACT:** Paul Truchan, Air Programs Branch, Environmental Protection Agency, 290 Broadway, 25th Floor, New York, New York 10007-1866, (212) 637-3711 or [truchan.paul@epa.gov](mailto:truchan.paul@epa.gov).

#### **SUPPLEMENTARY INFORMATION:**

##### **I. What Action Is EPA Taking Today?**

EPA is proposing to approve a revision to New Jersey's ozone State Implementation Plan (SIP) submitted on June 4, 2003. This SIP incorporates revisions to Subchapter 16 "Control and Prohibition of Air Pollution by Volatile Organic Compounds," which revised three control measures. New Jersey committed to adopt two of these control measures to meet the emission reduction short fall that EPA identified in its 1-hour ozone attainment demonstration.

##### **II. What Did New Jersey Submit?**

On June 4, 2003, New Jersey submitted a SIP revision which incorporated amendments to Title 7,

Chapter 27, "Subchapter 16 Control and Prohibition of Air Pollution from Volatile Organic Compounds" which was adopted on April 30, 2003. This adoption was published in the New Jersey Register on June 2, 2003 and became operational on June 29, 2003. New Jersey amended Subchapter 16 to include revisions to three control programs: solvent cleaning operations, mobile equipment repair and refinishing operations, and gasoline transfer operations. The Subchapter 16 revisions are applicable to the entire State of New Jersey.

#### **III. What Do the New Provisions Require?**

##### *A. Solvent Cleaning Operations*

The new provisions for solvent cleaning operations require more stringent equipment standards, improved operating requirements and volatility restrictions that go beyond those included in the Control Techniques Guidelines (CTG) developed for this source category. These new requirements are based on the Ozone Transport Commission (OTC) model rule and federal Maximum Achievable Control Technology (MACT) standards. Cold cleaners and heated cleaning machines are now prohibited from using solvents with vapor pressures of one millimeter of mercury or greater measured at 20 degrees centigrade. Operating procedures are expanded to minimize evaporation of cleaning solvent both during use and when idle. Equipment standards, such as freeboard height, have been increased.

##### *B. Mobile Equipment Repair and Refinishing Facilities*

The new provisions establish more stringent requirements for mobile equipment repair and refinishing facilities or automobile refinishing shops and are based on the OTC model rule. They require the use of coating application equipment with higher transfer efficiency and lower rates of coating waste, such as high volume and low pressure spray guns and enclosed spray gun cleaning equipment. Requirements also include minimum training for spray gun operators and use of VOC paint content limits consistent with EPA national regulations. The test procedures have been modified to clarify that all Federal test methods may be used to determine compliance with the VOC content limits. In addition, alternate test procedures may be used on a case-by-case basis when necessary with the approval of New Jersey and EPA.

##### *C. Stage II Vapor Control Systems*

Stage II vapor control systems are designed to capture the gasoline vapors that are released to the atmosphere when motor vehicles are refueled. Gasoline dispensing facilities or gasoline stations are required to have State-approved emission control systems. New Jersey relied on certification of vapor control equipment carried out by the California Air Resources Board (CARB) in determining which equipment is approvable. CARB, however, modified its certification procedures necessitating changes to New Jersey's procedures. New Jersey will still rely on CARB standards, but will adopt CARB requirements only in part. The revisions incorporate the more readily available, cost and environmentally effective elements of CARB's new requirements.

The capture systems are now required to increase the control efficiency from 90 to 98 percent. In addition, gasoline dispensing facilities must install pressure/vacuum relief valves on atmospheric vent pipes, improve maintenance of the Stage II vapor recovery systems to ensure that such systems are vapor tight and leak free and must perform annual testing of the vapor recovery system to ensure its integrity. Finally, new gasoline stations are now required to use unihoses fuel delivery systems (one hose for multiple grades of gasoline). These new requirements go beyond the Clean Air Act requirement for an approved Stage II vapor recovery system.

##### *D. Other Changes*

New Jersey also made changes to the definitions section to include terms necessary to implement the new requirements. In addition, other terms were revised to make them consistent with other rules and to improve their clarity. Organizational changes were made to existing provisions to accommodate the new provisions.

#### **IV. What Role Does This Rule Play in the Ozone SIP?**

When EPA evaluated New Jersey's 1-hour ozone attainment demonstrations, EPA determined that additional emission reductions were needed for the two severe nonattainment areas in order for them to attain the 1-hour ozone standard with sufficient surety (December 16, 1999, 64 FR 70380). EPA provided that the States in the Ozone Transport Region could achieve these emission reductions through regional control programs. New Jersey decided to participate with the other states in the Northeast in an Ozone Transport

Commission (OTC) regulatory development effort which developed six model control programs. This rulemaking incorporates two of the OTC model control programs into the SIP: Solvent cleaning operations, and mobile equipment repair and refinishing operations. The emission reductions from these control measures will provide for achievement of a portion of the additional emission reductions needed to attain the 1-hour ozone standard.

#### V. What Are EPA's Conclusions?

EPA has evaluated the submitted revisions for consistency with its provisions, EPA regulations and EPA policy. The proposed control measures go beyond the reasonably available control technology (RACT) level controls that were previously approved for these source categories. These new control programs will strengthen the SIP by providing additional VOC emission reductions. Accordingly, EPA is proposing to approve the Subchapter 16 revisions as adopted on April 30, 2003.

#### VI. Statutory and Executive Order Reviews

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 (Pub. L. 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, Ozone, Reporting and recordkeeping requirements, Volatile organic compounds.

**Authority:** 42 U.S.C. 7401 *et seq.*

Dated: November 5, 2003.

**Jane M. Kenny,**

*Regional Administrator, Region 2.*

[FR Doc. 03-29181 Filed 11-20-03; 8:45 am]

**BILLING CODE 6560-50-P**

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 63

[OAR-2003-0188; FRL-7587-5]

RIN A2060-0013

### List of Hazardous Air Pollutants, Petition Process, Lesser Quantity Designations, Source Category List

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The EPA proposes to amend the list of hazardous air pollutants (HAP) contained in section 112(b)(1) of the Clean Air Act (CAA) by removing the compound ethylene glycol monobutyl ether (EGBE) (2-Butoxyethanol) (Chemical Abstract Service (CAS) No. 111-76-2) from the group of glycol ethers. Today's action is being taken in response to a petition to delete EGBE from the HAP list submitted by the Ethylene Glycol Ethers Panel of the American Chemistry Council (formerly the Chemical Manufacturers Association) on behalf of EGBE producers and consumers. Petitions to delete a substance from the HAP list are permitted under section 112(b)(3) of the CAA.

The proposed rule is based on EPA's evaluation of the available information concerning the potential hazards and projected exposures to EGBE. We have made an initial determination that there are adequate data on the health and environmental effects of EGBE to determine that emissions, ambient concentrations, bioaccumulation, or deposition of EGBE may not reasonably be anticipated to cause adverse human health or environmental effects. Today's action includes a detailed rationale for removing EGBE from the glycol ethers group of HAP under section 112(b)(1) list of HAP.

**DATES:** *Comments.* Written comments on the proposed rule must be received by January 20, 2004.

*Public Hearing.* A public hearing will be held if requests to speak are received by the EPA on or before December 8, 2003. If requested, a public hearing will be held on December 19, 2003.

**ADDRESSES:** *Comments.* Comments may be submitted electronically, by mail, or through hand delivery/courier. Electronic comments may be submitted on-line at <http://www.epa.gov/edocket/>. Written comments sent by U.S. mail should be submitted (in duplicate if possible) to: Air and Radiation Docket and Information Center (Mail Code 6102T), Attention Docket ID Number