

compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

Special Flight Permit Prohibition

(c) Special flight permits may NOT be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Note 5: The subject of this AD is addressed in Israeli emergency airworthiness directive 25-01-12-17, dated December 18, 2001.

Effective Date

(d) This amendment becomes effective on January 30, 2002.

Issued in Renton, Washington, on January 7, 2002.

Vi L. Lipski,

*Manager, Transport Airplane Directorate,
Aircraft Certification Service.*

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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 February 2002. Interest assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).
EFFECTIVE DATE: February 1, 2002.

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. (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 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).

Accordingly, 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 February 2002, (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 February 2002, 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 February 2002.

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 5.80 percent for the first 25 years following the valuation date and 4.25 percent thereafter. These interest assumptions are unchanged from those in effect for January 2002.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 4.75 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 an increase (from those in effect for January 2002) of 0.25 percent for the period during which a benefit is in pay status and are otherwise unchanged.

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 February 2002, 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 100, as set forth below, is added to the table. (The introductory text of the table is omitted.)

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 |
| 100 | 2-1-02 | 3-1-02 | 4.75 | 4.00 | 4.00 | 4.00 | 7 | 8 |

3. In appendix C to part 4022, Rate Set 100, as set forth below, is added to the table. (The introductory text of the table is omitted.)

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 |
| 100 | 2-1-02 | 3-1-02 | 4.75 | 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, as set forth below, is added to the table. (The introductory text of the table is omitted.)

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

| For valuation dates occurring in the month— | The values of i_t are: | | | | | |
|---|--------------------------|-----------|-------|-----------|-------|-----------|
| | i_t | for $t =$ | i_t | for $t =$ | i_t | for $t =$ |
| February 2002 | .0580 | 1-25 | .0425 | >25 | N/A | N/A |

Issued in Washington, DC, on this 10th day of January, 2002.

Steven A. Kandarian,

Executive Director, Pension Benefit Guaranty Corporation.

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 203

RIN 1010-AC71

Relief or Reduction in Royalty Rates—Deep Water Royalty Relief for OCS Oil and Gas Leases Issued After 2000

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: This rule revises regulations on royalty relief for oil and gas producers on the Outer Continental

Shelf (OCS). It provides for suspension or reduction of royalty on a case-by-case basis for certain additional categories of OCS leases under part 203 of this title. Also, it identifies circumstances when we may consider royalty relief apart from our end-of-life and deepwater royalty relief (DWRR) programs.

DATES: This final rule is effective February 14, 2002.

FOR FURTHER INFORMATION CONTACT: Marshall Rose, Economics Division, at (703) 787-1536.

SUPPLEMENTARY INFORMATION: On November 16, 2000, we published a proposed rule in the **Federal Register** (65 FR 69259). For leases that lie in water 200 meters or deeper in the Gulf of Mexico (GOM) wholly west of 87 degrees, 30 minutes West longitude and issued after November 2000, it provided a process to apply for supplemental royalty relief. Also, it proposed to modify the relief qualification process. Some proposed modifications apply only to leases issued after November

2000 (newly issued leases) while others apply both to leases issued before the DWRR Act (pre-Act leases) and to newly issued leases. These proposed modifications sought to combine more opportunity, certainty, and flexibility for applicants with a royalty relief determination process more focused on future costs and benefits. We requested comments on these proposed changes.

We also finalized in the **Federal Register** on February 23, 2001 (66 FR 11512) regulations on the way we implement OCS leasing incentives on newly issued leases. The opportunity for newly issued leases to qualify for royalty relief that supplements lease-term incentives when we issued them is an important part of the change in these incentives.

Several comments on the proposed rulemaking addressed the changed leasing incentives and the modifications to the royalty relief qualification process. This final rule makes changes from the proposed rule in response to