Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Small Business Administration for comment on its impact on small business.

Drafting information. The principal author of these regulations is Betty J. Clary, Office of Associate Chief Counsel (Employee Benefits and Exempt Organizations), IRS. Other personnel from the IRS and the Treasury Department also participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

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

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

Par. 2. In § 1.79–1, paragraph (d)(7) is revised to read as follows:

§ 1.79–1 Group-term life insurance—general rules.

* * * * *

(d) * * *

(7) *Example.* The provisions of this paragraph may be illustrated by the following example:

Example. An employer provides insurance to employee A under a policy that meets the requirements of this section. Under the policy, A, who is 47 years old, received $70,000 of group-term life insurance and elects to receive a permanent benefit under the policy. A pays $2 for each $1,000 of group-term life insurance through payroll deductions and the employer pays the remainder of the premium for the group-term life insurance. The employer also pays one half of the premium specified in the policy for the permanent benefit. A pays the other half of the premium for the permanent benefit through payroll deductions. The policy specifies that the annual premium paid for the permanent benefit is $300. However, the amount of premium allocated to the permanent benefit by the formula in paragraph (d)(2) of this section is $350. A is a calendar year taxpayer; the policy year begins January 1. In year 2000, $200 is includible in A's income because of insurance provided by the employer. This amount is computed as follows:

(1) Cost of permanent benefits	$350
(2) Amounts considered paid by A for permanent benefits (½ × $300)	150
(3) Line (1) minus line (2)	200
(4) Cost of $70,000 of group-term life insurance under Table I of § 1.79–3	126
(5) Cost of $50,000 of group-term life insurance under Table I of § 1.79–3	90
(6) Cost of group-term insurance in excess of $50,000 (line (4) minus line(5))	36
(7) Amount considered paid by A for group-term life insurance (70 × $2)	140
(8) Line (6) minus line (7) (but not less than 0)	0
(9) Amount includible in income (line (3) plus line (8))	200

* * * * *

Par. 3. Section 1.79–3 is amended as follows:

1. Paragraph (d)(2) is revised.
2. Paragraphs (e) and (f) are redesignated as paragraphs (f) and (g), respectively.
3. New paragraph (e) is added.

The revision and addition read as follows:

§ 1.79–3 Determination of amount equal to cost of group-term life insurance.

* * * * *

(d) * * *

(2) For the cost of group-term life insurance provided after June 30, 1999, the following table sets forth the cost of $1,000 of group-term life insurance provided for one month, computed on the basis of 5-year age brackets. See 26 CFR 1.79–3(d)(2) in effect prior to July 1, 1999, and contained in the 26 CFR part 1 edition revised as of April 1, 1999, for a table setting forth the cost of group-term life insurance provided before July 1, 1999. For purposes of Table I, the age of the employee is the employee's attained age on the last day of the employee's taxable year.

TABLE I.—UNIFORM PREMIUMS FOR $1,000 OF GROUP-TERM LIFE INSURANCE PROTECTION

5-year age bracket	Cost per $1,000 of protection for one month
Under 25	$0.05
25 to 29	.06
30 to 34	.08
35 to 39	.09
40 to 44	.10
45 to 49	.15
50 to 54	.23
55 to 59	.43
60 to 64	.66
65 to 69	1.27
70 and above	2.06

* * * * *

(e) *Effective date*—(1) *General effective date for table.* Except as provided in paragraph (e)(2) of this section, the table in paragraph (d)(2) of this section is applicable July 1, 1999. Until January 1, 2000, an employer may calculate imputed income for all its employees under age 30 using the 5-year age bracket for ages 25 to 29.

(2) *Effective date for table for purposes of § 1.79–0.* For a policy of life insurance issued under a plan in existence on June 30, 1999, which would not be treated as carried directly or indirectly by an employer under § 1.79–0 (taking into account the Table I in effect on that date), until January 1, 2003, an employer may use either the table in paragraph (d)(2) of this section or the table in effect prior to July 1, 1999 (as described in paragraph (d)(2) of this section) for determining if the policy is carried directly or indirectly by the employer.

* * * * *

Robert E. Wenzel,

Deputy Commissioner of Internal Revenue.

Approved: May 25, 1999.

Donald C. Lubick,

Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 99–13833 Filed 5–28–99; 11:22 am]

BILLING CODE 4830–01–U

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CA 009–0130a; FRL–6331–8]

Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; Kern County Air Pollution Control District, Modoc County Air Pollution Control District, Mojave Desert Air Quality Management District, Northern Sonoma County Air Pollution Control District, San Joaquin Valley Unified Air Pollution Control District, Santa Barbara County Air Pollution Control District and Siskiyou County Air Pollution Control District

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is taking direct final action to approve revisions to the California State Implementation Plan (SIP). The revisions concern rules from the following seven districts: Kern County Air Pollution Control District, Modoc County Air Pollution Control District, Mojave Desert Air Quality Management District, Northern Sonoma County Air Pollution Control District, San Joaquin Valley Unified Air

Pollution Control District, Santa Barbara County Air Pollution Control District, and Siskiyou County Air Pollution Control District. These revisions concern the adoption of various administrative and other rules. This approval action will incorporate these rules into the Federally approved SIP. The intended effect of approving these rules is to update and clarify the SIP in accordance with the requirements of the Clean Air Act (CAA or the Act). Thus, EPA is finalizing the approval of these revisions into the California SIP under provisions of the CAA regarding EPA action on SIP submittals, SIPs for national primary and secondary ambient air quality standards and plan requirements for nonattainment areas.

DATES: This rule is effective on August 2, 1999 without further notice, unless EPA receives adverse comments by July 6, 1999. If EPA receives such comment, it will publish a timely withdrawal in the **Federal Register** informing the public that this rule will not take effect.

ADDRESSES: Written comments must be submitted to Andrew Steckel at the Region IX office listed below. Copies of the rule revisions and EPA's evaluation report of each rule are available for public inspection at EPA's Region IX office during normal business hours. Copies of the submitted rule revisions are also available for inspection at the following locations:

Rulemaking Office (AIR–4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105.

Environmental Protection Agency, Air Docket (6102), 401 ''M'' Street, S.W., Washington, D.C. 20460

California Air Resources Board, Stationary Source Division, Rule Evaluation Section, 2020 ''L'' Street, Sacramento, CA 95812.

Kern County Air Pollution Control District, 2700 ''M'' Street, Suite 302, Bakersfield, CA 93301–2370.

Modoc County Air Pollution Control District, 202 West Fourth Street, Alturas, CA 96101–3915.

Mojave Desert Air Quality Management District, 15428 Civic Drive, Suite 200, Victorville, CA 92392–2383.

Northern Sonoma County Air Pollution Control District, 150 Matheson Street, Healdsburg, CA 95448–4908.

San Joaquin Valley Unified Air Pollution Control District, 1999 Tuolumne Street, Suite 200, Fresno, California, 93721, and

Santa Barbara County Air Pollution Control District, 26 Castilian Drive, Suite B23, Goleta, CA 93117.

Siskiyou County Air Pollution Control District, 525 South Foothill Drive, Yreka, California, 96097–3036.

FOR FURTHER INFORMATION CONTACT: Andrew Steckel, Rulemaking Office (AIR–4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105–3901, Telephone: (415) 744–1185.

SUPPLEMENTARY INFORMATION:

I. Applicability

The following is a list of the rules being approved into the California SIP by District.

Kern County APCD—Rule 101, Title; Rule 112, Circumvention; Rule 113, Separation and Combination; Rule 114, Severability; and Rule 115, Applicability of Emission Limits. These rules were adopted on May 2, 1996, submitted to EPA as a SIP revision on July 23, 1996, and found complete on October 30, 1996.[1]

Modoc County APCD—Rule 4.1–2, Uncombined Water; Rule 4.6, Circumvention; Rule 4.6–1, Exception to Circumvention; and Rule 4.9, Separation of Emissions. These rules were adopted on January 3, 1989, submitted to EPA as a SIP revision on December 31, 1990, and found complete on July 7, 1990.

Mojave Desert AQMD—Rule 103, Description of the District Boundaries was adopted on June 28, 1995, submitted to EPA as a SIP revision on August 10, 1995, and found complete on October 4, 1995.

Northern Sonoma County APCD—Unnumbered rule, known as Appendix A; Unnumbered rule, known as Appendix B; Unnumbered rule, formerly Appendix C, now known as Appendix A; and Unnumbered rule, formerly Appendix D, now known as Appendix B. These appendices were adopted on February 22, 1984 and submitted to EPA as a SIP revision on October 16, 1985.

San Joaquin Valley Unified APCD—Rule 1010, Title and Rule 1130, Severability were adopted on June 18, 1992, submitted to EPA as a SIP revision on September 28, 1994, and found complete on March 30, 1995.

Santa Barbara County APCD—Rule 105, Applicability adopted on July 30, 1991, submitted to EPA as a SIP revision on October 25, 1991, and found complete on December 18, 1991.

Siskiyou County APCD—Rule 4.10, Reduction of Animal Matter, adopted on January 24, 1989, submitted to EPA as a revision to the SIP on March 26, 1990, and found complete on February 28, 1991.

II. Background

The Clean Air Act of 1970 (CAA or the Act) requires the states to develop state implementation plans to enable local districts to attain and maintain national ambient air quality standards. Most of the rules listed above do not directly affect emission reductions. They were adopted, however, to help clarify the procedures and requirements of local air pollution control programs.

III. EPA Evaluation and Action

In determining the approvability of each local rule, EPA must evaluate the rule for consistency with the requirements of the CAA and EPA regulations, as found in section 110 and Part D of the CAA, and 40 CFR Part 51. The EPA interpretation of these requirements, which forms the basis for this action, appears in various EPA policy guidance documents; see, in particular, ''Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations, Clarification to Appendix D of November 24, 1987 **Federal Register** document'' (Blue Book).

These rules involve the names and boundaries of the local districts, prohibitions against circumvention of the rules, and directions on severing sections of the rules that might be unlawful. A more detailed description of the rules, the SIP modifications, and the basis for EPA's approval can be found in the evaluation report for this action.

EPA is publishing these rules without prior proposal because the Agency views these as noncontroversial amendments and anticipates no adverse comments. However, in the proposed rules section of this **Federal Register** publication, EPA is publishing a separate document that will serve as the proposal to approve the SIP revision should adverse comments be filed. This rule will be effective August 2, 1999 without further notice unless the Agency receives adverse comments by July 6, 1999.

If the EPA receives such comments, then EPA will publish a timely withdrawal in the **Federal Register**, informing the public that the rule will not take effect. All public comments received will then be addressed in a subsequent final rule based on the proposed rule. The EPA will not institute a second comment period on this rule. Any parties interested in

[1] The submitted rules were found to be complete pursuant to EPA's completeness criteria that are set forth in 40 CFR part 51 Appendix V. EPA adopted the completeness criteria on February 16, 1990 (55 FR 5830) and, pursuant to section 110(k)(1)(A) of the CAA, revised the criteria on August 26, 1991 (56 FR 42216).

commenting on this rule should do so at this time. If no such comments are received, the public is advised that this rule will be effective on August 2, 1999 and no further action will be taken on the proposed rule.

IV. Administrative Requirements

A. Executive Orders 12866

The Office of Management and Budget (OMB) has exempted this regulatory action from Executive Order (E.O.) 12866, entitled ''Regulatory Planning and Review.''

B. Executive Order 12875

Under E.O. 12875, EPA may not issue a regulation that is not required by statute and that creates a mandate upon a state, local, or tribal government, unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by those governments. If EPA complies by consulting, Executive Order 12875 requires EPA to provide to the Office of Management and Budget a description of the extent of EPA's prior consultation with representatives of affected state, local, and tribal governments, the nature of their concerns, copies of written communications from the governments, and a statement supporting the need to issue the regulation. In addition, E.O. 12875 requires EPA to develop an effective process permitting elected officials and other representatives of state, local, and tribal governments ''to provide meaningful and timely input in the development of regulatory proposals containing significant unfunded mandates.'' Today's rule does not create a mandate on state, local or tribal governments. The rule does not impose any enforceable duties on these entities. Accordingly, the requirements of section 1(a) of E.O. 12875 do not apply to this rule.

C. Executive Order 13045

''Protection of Children from Environmental Health Risks and Safety Risks,'' (62 FR 19885, April 23, 1997), applies to any rule that: (1) Is determined to be ''economically significant'' as defined under E.O. 12866, and (2) concerns an environmental health or safety risk that EPA has reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, the Agency must evaluate the environmental health and safety effects of the planned rule on children, and explain why the planned regulation is preferable to other potentially effective and reasonably feasible alternatives considered by the Agency.

This rule is not subject to E.O. 13045 because it does not involve decisions intended to mitigate environmental health and safety risks.

D. Executive Order 13084

Under E.O. 13084, EPA may not issue a regulation that is not required by statute, that significantly affects or uniquely affects the communities of Indian tribal governments, and that imposes substantial direct compliance costs on those communities, unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by the tribal governments. If the EPA complies by consulting, Executive Order 13084 requires EPA to provide to the Office of Management and Budget, in a separately identified section of the preamble to the rule, a description of the extent of EPA's prior consultation with representatives of affected tribal governments, a summary of the nature of their concerns, and a statement supporting the need to issue the regulation. In addition, representatives of Indian tribal governments ''to provide meaningful and timely input in the development of regulatory policies on matters that significantly or uniquely affect their communities.'' Today's rule does not significantly or uniquely affect the communities of Indian tribal governments. Accordingly, the requirements of section 3(b) of E.O. 13084 do not apply to this rule.

E. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and small governmental jurisdictions. This final rule will not have a significant impact on a substantial number of small entities because SIP approvals under section 110 and subchapter I, part D of the Clean Air Act do not create any new requirements but simply approve requirements that the State is already imposing. Therefore, because the Federal SIP approval does not create any new requirements, I certify that this action will not have a significant economic impact on a substantial number of small entities. Moreover, due to the nature of the Federal-State relationship under the Clean Air Act, preparation of flexibility analysis would constitute Federal inquiry into the economic reasonableness of state action. The Clean Air Act forbids EPA to base its actions concerning SIPs on such grounds. *Union Electric Co.* v. *U.S. EPA*, 427 U.S. 246, 255–66 (1976); 42 U.S.C. 7410(a)(2).

F. Unfunded Mandates

Under section 202 of the Unfunded Mandates Reform Act of 1995 (''Unfunded Mandates Act''), signed into law on March 22, 1995, EPA must prepare a budgetary impact statement to accompany any proposed or final rule that includes a Federal mandate that may result in estimated annual costs to State, local, or tribal governments in the aggregate; or to private sector, of $100 million or more. Under section 205, EPA must select the most cost-effective and least burdensome alternative that achieves the objectives of the rule and is consistent with statutory requirements. Section 203 requires EPA to establish a plan for informing and advising any small governments that may be significantly or uniquely impacted by the rule.

EPA has determined that the approval action promulgated does not include a Federal mandate that may result in estimated annual costs of $100 million or more to either State, local, or tribal governments in the aggregate, or to the private sector. This Federal action approves pre-existing requirements under State or local law, and imposes no new requirements. Accordingly, no additional costs to State, local, or tribal governments, or to the private sector, result from this action.

G. Submission to Congress and the Comptroller General

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the **Federal Register**. This rule is not a ''major'' rule as defined by 5 U.S.C. 804(2).

H. Petitions for Judicial Review

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by August 2, 1999. Filing a petition for reconsideration by

the Administrator of this final rule does not affect the finality of this rule for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Ozone, Particulate matter, Reporting and recordkeeping requirements, Volatile organic compounds.

Note: Incorporation by reference of the State Implementation Plan for the State of California was approved by the Director of the Federal Register on July 1, 1982.

Dated: March 22, 1999.

Alexis Strauss,

Acting Regional Administrator, Region IX.

Part 52, Chapter I, Title 40 of the Code of Federal Regulations is amended as follows:

PART 52—[AMENDED]

1. The authority citation for Part 52 continues to read as follows:

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

Subpart F—California

2. Section 52.220 is amended by adding paragraphs (c)(164)(i)(B)(*2*), (179)(i)(E)(*2*), (182)(i)(F), (186)(i)(E), (199)(i)(D)(*4*), (224)(i)(C)(*2*), (239)(i)(C), and (239)(i)(D) introductory text to read as follows:

§ 52.220 Identification of plan.

* * * * *

(c) * * *

(164) * * *

(i) * * *

(B) * * *

(*2*) Appendices A and B adopted on February 22, 1984.

* * * * *

(179) * * *

(i) * * *

(E) * * *

(*2*) Rule 4.10 adopted on January 24, 1989.

* * * * *

(182) * * *

(i) * * *

(F) Modoc County Air Pollution Control District.

(*1*) Rules 4.1–2, 4.6, 4.6–1, and 4.9 adopted on January 3, 1989.

* * * * *

(186) * * *

(i) * * *

(E) Santa Barbara County Air Pollution Control District.

(*1*) Rule 105 adopted on July 30, 1991.

* * * * *

(199) * * *

(i) * * *

(D) * * *

(*4*) Rule 1010 adopted on June 18, 1992 and Rule 1130 adopted on June 18, 1992 and amended on December 17, 1992.

* * * * *

(224) * * *

(i) * * *

(C) * * *

(2) Rule 103 amended on June 28, 1995.

* * * * *

(239) * * *

(i) * * *

(C) Kern County Air Pollution Control District.

(*1*) Rules 101, 112, 113, 114, and 115 amended on May 2, 1996.

(D) Ventura County Air Pollution Control District.

* * * * *

[FR Doc. 99–13657 Filed 6–2–99; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TX83–1–7340a; FRL–6349–9]

Approval and Promulgation of Air Quality Implementation Plans; Texas; Revision to the State Implementation Plan (SIP) Addressing Sulfur Dioxide in Harris County

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: We are approving two revised Commission Orders modifying the sulfur dioxide (SO_2) allowable emissions at two stationary sources in Harris County, Texas. The Orders are separate, enforceable agreements between Simpson Pasadena Paper Company, Lyondel-Citgo Refining Company, and the Texas Natural Resource Conservation Commission (TNRCC). This action will incorporate these two Orders into the federally approved State Implementation Plan (SIP). The intention of this action is to regulate SO_2 emissions in accordance with the requirements of the Clean Air Act, as amended in 1990 (the Act).

DATES: This action is effective on August 2, 1999 without further notice, unless EPA receives relevant adverse comments by July 6, 1999. If adverse comments are received, EPA will publish a timely withdrawal of the direct final rule in the **Federal Register** informing the public that the rule will not take effect.

ADDRESSES: Written comments must be submitted to Mr. Thomas Diggs, Chief of Air Planning Section, EPA Region 6, 1445 Ross Avenue, Suite 1200 (6PD–L), Dallas, Texas 75202–2733. Copies of the technical support document are available for public review at the EPA Region 6 office during normal business hours. Copies of documents relative to this action are available for public inspection during normal business hours at the following locations. The interested persons wanting to examine these documents should make an appointment with the appropriate office at least 24 hours before the visiting day.

Environmental Protection Agency, Region 6, Air Planning Section, 1445 Ross Avenue, Suite 1200, 6PD–L, Dallas, Texas 75202–2733, telephone (214) 665–7214.

Texas Natural Resource Conservation Commission, 12100 Park 35 Circle, Austin, Texas 78753, telephone (512) 239–1461.

Documents which are incorporated by reference are available for public inspection at the Air and Radiation Docket and Information Center, Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460.

FOR FURTHER INFORMATION CONTACT: Ms. Petra Sanchez, Air Planning Section, (6PD–L), Multimedia Planning and Permitting Division, Environmental Protection Agency, Region 6, 1445 Ross Avenue, Suite 1200, Dallas, Texas 75202–2733, telephone: (214) 665–6686.

SUPPLEMENTARY INFORMATION:

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I. Background Information
- A. What Action is EPA Taking in This Rulemaking?
- B. Why Were Changes In Emission Rates Necessary?
- C. What Is A SIP?
- D. What Are the Procedural Requirements Texas Must Follow for EPA Approval?
- E. What Are the Health Effects Associated With This Criteria Pollutant?
- F. What Are the NAAQS for SO_2?

II. Final Action

III. Administrative Requirements

I. Background Information

A. What Action Is EPA Taking in This Rulemaking?

The EPA is adopting two Agreed Commission Orders containing new emission limits at two facilities into the Harris County SIP for SO_2. The facilities are Simpson Pasadena Paper Company located at North Shaver Street at