

We are not adopting any rule modifying the policy statement's standards, because we cannot conclude from the record in this proceeding that the benefits of the proposed modifications would exceed their costs, as discussed above. The record does not demonstrate that the disclosure requirements for travel agency service fees established by the existing policy statement and the exemption granted Orbitz are causing any significant consumer harm. Some travel agencies, moreover, contend that the proposed change would unreasonably interfere with their business practices while not providing any significant consumer benefit. Therefore, we are not imposing any additional costs.

#### *Regulatory Flexibility Statement*

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601 *et seq.*, was enacted by Congress to ensure that small entities are not unnecessarily and disproportionately burdened by government regulations. The act requires agencies to publish a final regulatory flexibility analysis for regulations that may have a significant economic impact on a substantial number of small entities.

Our notice of proposed rulemaking, which assumed that the relevant small entities included smaller U.S. airlines and travel agencies, included an initial regulatory flexibility analysis. That notice, which focused on the proposed amendments to the CRS rules, also set forth the reasons for our rule proposals and their objectives and legal basis. The notice's analysis relied in part on the factual, policy, and legal analysis set forth in the remainder of the notice, as allowed by 5 U.S.C. 605(a). We invited comments on our initial regulatory flexibility analysis. 67 FR 69424.

The Regulatory Flexibility Act requires us to publish a final regulatory flexibility analysis that considers such matters as the impact of a final rule on small entities if the rule will have "a significant economic impact on a substantial number of small entities." 5 U.S.C. 605(b). Our proposed changes to the policy statement would have affected the systems and travel agencies. None of the systems is a small entity, but most travel agencies are small entities. 69 FR 1030–1031. Since we are not adopting any new rules regulating travel agency operations, I certify that our withdrawal will not have a significant economic impact on a substantial number of small entities. No final regulatory flexibility analysis is therefore required for this action.

#### *Assistance for Small Entities*

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104–121, we want to assist small entities in understanding our decision so that they can better evaluate its effects on them and take it into account in operating their businesses. If the decision affects your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or requirements, please consult Thomas Ray at (202) 366–4731.

#### *Paperwork Reduction Act*

The withdrawal of the rule proposals will create no collection-of-information requirements subject to the Paperwork Reduction Act, Public Law 96–511, 44 U.S.C. Chapter 35. See 57 FR at 43834.

#### *Federalism Implications*

The Department's withdrawal will have no 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. Therefore, in accordance with Executive Order 13132, dated August 4, 1999, we have determined that this decision does not present sufficient federalism implications to warrant consultations with State and local governments.

#### *Taking of Private Property*

Our withdrawal will not effect a taking or private property or otherwise have taking implications under Executive Order 12630, Government Actions and Interference with Constitutionally Protected Property Rights.

#### *Civil Justice Reform*

Our withdrawal meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

#### *Protection of Children*

We have analyzed our withdrawal under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. The withdrawal does not concern an environmental risk to health or risk to safety that may disproportionately affect children.

#### *Consultation and Coordination With Tribal Governments*

This withdrawal will not have tribal implications, will not impose substantial direct compliance costs on

Indian tribal governments, and will not preempt tribal law. Therefore, it is exempt from the consultation requirements of Executive Order 13175. No tribal implications were identified.

#### *Energy Effects*

We have analyzed our withdrawal under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not classified as a "significant energy action" under that order because it would not have a significant adverse effect on the supply, distribution, or use of energy.

#### *Environment*

Our withdrawal will have no significant impact on the environment. Therefore, an Environmental Impact Statement is not required under the National Environmental Policy Act of 1969.

Issued in Washington, DC on April 14, 2004, under authority delegated by 49 CFR 1.56a(h)2.

**Michael W. Reynolds,**

*Deputy Assistant Secretary for Aviation and International Affairs.*

[FR Doc. 04–9058 Filed 4–20–04; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–139792–02]

RIN 1545–BB11

#### Partner's Distributive Share: Foreign Tax Expenditures

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

**ACTION:** Notice of proposed rule making by cross-reference to temporary regulations and notice of public hearing.

**SUMMARY:** This document contains proposed regulations relating to the proper allocation of partnership expenditures for foreign taxes. The proposed regulations affect partnerships and their partners. In the rules and regulations portion of this issue of the **Federal Register**, the IRS is issuing temporary regulations that modify the rules relating to the proper allocation of creditable foreign taxes. The text of the temporary regulations also serves as the text of these proposed regulations. This document also contains a notice of public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by Tuesday, August 24, 2004. Outlines of topics to be discussed at the public hearing scheduled for Tuesday, September 14, 2004, at 10 a.m., must be received by Tuesday, August 24, 2004.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-139792-02), room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-139792-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit electronic comments directly to the IRS Internet site at <http://www.irs.gov/regs> or <http://www.regulations.gov>. The public hearing will be held in the Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Beverly M. Katz, (202) 622-3050; concerning submissions and the hearing, Treena Garrett, (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Background**

The temporary regulations amend the rules in 26 CFR part 1 regarding the allocation of foreign taxes among partners under section 704(b). The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the regulation.

**Special Analyses**

It has been determined that this notice of proposed rulemaking is not a 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 these regulations do not impose on small entities a collection of information requirement, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue 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 (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. All comments will be available for public inspection and copying.

A public hearing has been scheduled for Tuesday, September 14, 2004, at 10 a.m. in the Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. 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 on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** portion of this preamble. The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments must submit written or electronic comments by Tuesday, August 24, 2004, and an outline of the topics to be discussed and the time to be devoted to each topic (a signed original and eight (8) copies) by Tuesday, August 24, 2004. 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 this regulation is Beverly M. Katz, Office of the Associate Chief Counsel (Passthroughs & Special Industries). However, other personnel from the IRS and Treasury Department participated in its 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 1.704-1 is amended as follows:

1. Paragraphs (b)(1)(ii)(b) and (b)(4)(xi) are added.

2. Paragraph (b)(5) is amended by adding *Example 25* through *Example 28*.

The additions and revisions read as follows.

**§ 1.704-1 Partner's distributive share.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(ii) \* \* \*

(b) [The text of this proposed amendment is the same as the text of § 1.704-1T(b)(1)(ii)(b) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(4) \* \* \*

(xi) [The text of this proposed amendment is the same as the text of § 1.704-1T(b)(4)(xi) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(5) [The text of this proposed amendment of § 1.704-1(b)(5) is the same as the text of § 1.704-1T(b)(5) published elsewhere in this issue of the **Federal Register**.]

**John M. Dalrymple,**

*Acting Deputy Commissioner for Services and Enforcement.*

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**POSTAL SERVICE**

**39 CFR Part 111**

**Standards Governing the Design of Wall-Mounted Centralized Mail Receptacles**

**AGENCY:** Postal Service.

**ACTION:** Proposed rule.

**SUMMARY:** The Postal Service™ is proposing to replace United States Postal Service® Standard 4B, *Receptacles, Apartment House, Mail*, which governs the design of wall-mounted centralized mail receptacles whether used in commercial, residential, mixed residential, or other types of structures. The proposed standard was developed through a consensus process and was agreed to by a committee of representatives from mailbox manufacturers; mailbox distributors; mailbox installers and servicers; Postal Service customers; multiunit residential and commercial property builders, owners, and managers; and the Postal Service. Proposed provisions in the *Domestic Mail Manual* would provide manufacturers and customers with notice of the specifications.