

**PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS**

1. The authority citation for 14 CFR part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

**§ 71.1 [Amended]**

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9N, *Airspace Designations and Reporting Points*, dated September 1, 2005, and effective September 15, 2005, is to be amended as follows:

\* \* \* \* \*

*Paragraph 6002 Class E airspace designated as surface areas.*

\* \* \* \* \*

**AAL AK E2 Cold Bay, AK [Revised]**

Cold Bay Airport, AK  
(Lat. 55°12'19" N., long. 162°43'28" W)

Within a 4.6-mile radius of the airport and within 1.7 miles each side of the 150° bearing extending from the 4.6-mile radius to 7.7 miles southeast of the airport and within 3 miles west and 4 miles east of the 335° bearing extending from the 4.6-mile radius to 12.2 miles northwest of the airport.

*Paragraph 6005 Class E airspace extending upward from 700 feet or more above the surface of the earth.*

\* \* \* \* \*

**AAL AK E5 Cold Bay, AK [Revised]**

Cold Bay Airport, AK  
(Lat. 55°12'19" N., long. 162°43'28" W)

That airspace extending upward from 700 feet above the surface within a 4.6-mile radius of the Cold Bay Airport and within 1.7 miles each side of the 150° bearing from the airport extending from the 4.6-mile radius to 7.7 miles southeast of the airport and within 3 miles west and 4 miles east of the 335° bearing from the airport extending from the 4.6-mile radius to 12.2 miles northwest of the airport; and that airspace extending upward from 1,200 feet above the surface within a 10.6-mile radius of the airport and within 9 miles east and 4.3 miles west of the 321° bearing from the airport extending from the 10.6-mile radius to 20 miles northwest of the airport and 4 miles each side of the 070° bearing from the airport extending from the 10.6-mile radius to 13.6 miles northeast of the airport.

\* \* \* \* \*

Issued in Anchorage, AK, on January 13, 2006.

**Anthony M. Wylie,**  
*Manager, Safety, Area Flight Service Operations.*

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**BILLING CODE 4910–13–P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

**[REG–138879–05]**

**RIN 1545–BE87**

**Treatment of Excess Loss Accounts**

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

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations that provide guidance under section 1502 that governs certain basis determinations and adjustments of subsidiary stock in certain transactions involving members of a consolidated group. The text of those regulations also serves as the text of these proposed regulations.

**DATES:** Written or electronic comments, and a request for a public hearing, must be received by April 26, 2006.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–138879–05), 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–138879–05), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically, via the IRS internet site at <http://www.irs.gov/regs> or via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS and REG–138879–05).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Theresa M. Kolish, (202) 622–7530, concerning submissions of comments, Sonya Cruse, (202) 622–4693 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Background and Explanation of Provisions**

Temporary Regulations in the Rules and Regulations section of this issue of the **Federal Register** amend 26 CFR part 1 relating to section 1502. The temporary regulations add § 1.1502–19T. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments included in these proposed regulations.

**Special Analysis**

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. Further, it is hereby certified that these proposed regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that these regulations will primarily affect affiliated groups of corporations that have elected to file consolidated returns, which tend to be larger business. Moreover, the number of taxpayers affected and the average burden are minimal. Accordingly, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. 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 Requests for a Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight copies) that are submitted timely to the IRS. Alternatively, taxpayers may submit comments electronically via the IRS Internet site at <http://www.irs.gov/regs> or via the Federal eRulemaking Portal at <http://www.regulations.gov>. 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 may be scheduled if requested in writing by any person who timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place of the hearing will be published in the **Federal Register**.

**Drafting Information**

The principal authors of these regulations are Emidio J. Forlini, Jr. and Theresa M. Kolish of the Office of Associate Chief Counsel (Corporate). Other personnel from Treasury and the IRS 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**

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

**Authority:** 26 U.S.C. 7805 \* \* \*  
Section 1.1502-19 also issued under 26 U.S.C. 1502. \* \* \*

**Par. 2.** Section 1.1502-19 is amended by:

1. Revising paragraph (d).
2. Revising paragraph (g) *Example 2*.
3. Revising the paragraph heading for paragraph (h).
4. Adding paragraph (h)(2)(iv).
5. Adding new paragraph (h)(3).

The revisions and additions read as follows:

**§ 1.1502-19 Excess Loss Accounts.**

[The text of the proposed § 1.1502-19 is the same as the text for § 1502-19T published elsewhere in this issue of the **Federal Register**].

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 06-586 Filed 1-23-06; 11:43 am]

**BILLING CODE 4820-01-P**

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Part 1**

[REG-146459-05]

RIN 1545-BF04

**Designated Roth Accounts Under Section 402A**

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations under sections 402(g), 402A, 403(b), and 408A of the Internal Revenue Code (Code) relating to designated Roth accounts. These regulations will affect administrators of, employers maintaining, participants in, and beneficiaries of section 401(k) and section 403(b) plans, as well as owners and beneficiaries of Roth IRAs and trustees of Roth IRAs.

**DATES:** Written or electronic comments and requests for a public hearing must be received by April 26, 2006.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-146459-05), room 5203, Internal Revenue Service, POB 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-146459-05), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically directly to the IRS Internet site at <http://www.irs.gov/regs>, or via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS-REG-146459-05).

**FOR FURTHER INFORMATION CONTACT:**

Concerning the regulations, R. Lisa Mojiri-Azad, 202-622-6060 or Cathy A. Vohs, 202-622-6090; Concerning the submission of comments or to request a public hearing, Richard Hurst at [Richard.A.Hurst@irs.counsel.treas.gov](mailto:Richard.A.Hurst@irs.counsel.treas.gov) or (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:****Paperwork Reduction Act**

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP; Washington, DC 20224. Comments on the collection of information should be received by March 27, 2006. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of service to provide information.

The collection of information in this proposed regulation is in 26 CFR 1.402A-2. This information is required to comply with the separate accounting and recordkeeping requirements of

section 402A. This information will be used by the IRS and employers maintaining designated Roth accounts to insure compliance with the requirements of section 402A. The collection of information is required to obtain a benefit. The likely recordkeepers are state or local governments, business or other for-profit institutions, nonprofit institutions, and small businesses or organizations.

*Estimated total annual recordkeeping burden:* 828,000 hours.

*Estimated average annual burden hours per recordkeeper:* 2.3 hours.

*Estimated number of recordkeepers:* 357,000.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

**Background**

This document contains proposed regulations under sections 402(g), 402A, 403(b), and 408A of the Internal Revenue Code. Section 402A, which sets forth rules for designated Roth contributions, was added to the Code by section 617(a) of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16 (115 Stat. 103) (EGTRRA), effective for taxable years beginning after December 31, 2005.

Section 401(k) sets forth rules for qualified cash or deferred arrangements under which an employee may make an election between cash and an employer contribution to a plan qualified under section 401(a) and section 403(b) permits a similar salary reduction agreement under which payments are made to a section 403(b) plan. Section 402(e)(3) provides that an amount is not includible in an employee's income merely because the employee has an election whether these contributions will be made to the trust or annuity or received by the employee in cash.

Amounts contributed pursuant to these qualified cash or deferred arrangements and salary reduction agreements are defined in section 402(g)(3) as elective deferrals and section 402(g)(1) provides a limit on the amount of elective deferrals that may be excluded from an employee's income for a taxable year. Section 402(g)(2)