

system with a User ID/Pin/Password is a valid application for an annuity or lump sum.

4. Section 217.15 of Subpart C is amended by adding a new paragraph (c) to read as follows:

**§ 217.15 Where to file.**

\* \* \* \* \*

(c) *Electronic filing.* An application for an annuity or lump sum may be filed electronically through the Board's Web site, [www.rrb.gov](http://www.rrb.gov) utilizing a User ID/Pin/Password.

5. Section 217.16 of Subpart C is amended by adding a new paragraph (f) to read as follows:

**§ 217.16 Filing date.**

\* \* \* \* \*

(f) On the date that the electronic filing of an application for an annuity or lump sum is accepted as submitted by the Board's electronic system.

6. Section 217.17 of Subpart C is amended by adding a new paragraph (f) to read as follows:

**§ 217.17 Who may sign an application.**

\* \* \* \* \*

(f) An application for an annuity or lump sum that is filed electronically through the Board's Web site, <http://www.rrb.gov>, utilizing a User ID/Pin/Password. The use by the applicant of his/her self-selected password in conjunction with the Board's User ID/PIN/Password system has the same validity as a signature on a paper application.

(Approved by the Office of Management and Budget under control numbers 3220-0002, 3220-0030, 3220-0031, and 3220-0042)

7. Section 217.18 of Subpart C is amended by adding a new paragraph (d) to read as follows:

**§ 217.18 When application is not acceptable.**

\* \* \* \* \*

(d) *Electronic filing.* If an application for an annuity is filed through the Board's electronic system and it is rejected by that system, the claimant must submit another application. If the new application, electronic or paper, is submitted within 30 days from the notification that the initial filing was rejected, the Board will set the filing date of the subsequent application as the date the rejected application was attempted to be filed.

Dated: December 12, 2002.

By Authority of the Board.

For the Board.

**Beatrice Ezerski,**

*Secretary to the Board.*

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

**[REG-151043-02]**

**RIN 1545-BB44**

**Rents and Royalties**

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations relating to the inclusion in gross income of advance rentals. The proposed regulations authorize the Commissioner to provide rules allowing for the inclusion of advance rentals in gross income in a year other than the year of receipt. The proposed regulations will affect taxpayers that receive advance payments for the use of certain items (such as intellectual property) to be designated by the Commissioner.

**DATES:** Written or electronic comments and requests for a public hearing must be received by February 18, 2003.

**ADDRESSES:** Send submissions to: CC:ITA:RU (REG-151043-02), Room 5226, 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:ITA:RU (REG-151043-02), 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 [www.irs.gov/regs](http://www.irs.gov/regs).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Edwin B. Cleverdon, at (202) 622-7900; concerning submissions of comments, Guy Traynor, at (202) 622-7190 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Background**

This document contains proposed amendments to 26 CFR part 1 relating to the inclusion in gross income of advance rentals under section 61.

**Explanation of Provisions**

Currently § 1.61-8(b) provides that, except as provided in section 467 and

the regulations thereunder, advance rentals must be included in gross income in the year of receipt regardless of the period covered or the method of accounting employed by the taxpayer. The proposed amendments authorize the Commissioner to provide, through administrative guidance, rules for deferring income inclusion of advance rentals to a taxable year other than the year of receipt. This amendment will ensure that the Commissioner, in modifying Rev. Proc. 71-21 (1971-2 C.B. 549), may provide deferral rules for licenses of intellectual property.

**Proposed Effective Date**

The regulations, as proposed, are effective on the date of publication of a Treasury decision adopting these rules as final regulations in the **Federal Register**.

**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 has also 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 regulations do 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 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 Requests for a Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight copies) or electronic comments that are submitted timely to the IRS. The IRS and the Treasury Department specifically request comments on the clarity of the proposed regulations 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 that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

**Drafting Information**

The principal author of these regulations is Edwin B. Cleverdon,

Office of Associate Chief Counsel (Income Tax and 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 Amendment 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 \* \* \*

**Par. 2.** In § 1.61–8, the first sentence of paragraph (b) is revised to read as follows:

#### § 1.61–8 Rents and royalties.

\* \* \* \* \*

(b) \* \* \* Except as provided in section 467 and the regulations thereunder, and except as otherwise provided by the Commissioner in published guidance (see § 601.601(d)(2) of this chapter), gross income includes advance rentals, which must be included in income for the year of receipt regardless of the period covered or the method of accounting employed by the taxpayer. \* \* \*

\* \* \* \* \*

David A. Mader,

*Assistant Deputy Commissioner of Internal Revenue.*

[FR Doc. 02–31858 Filed 12–17–02; 8:45 am]

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#### DEPARTMENT OF AGRICULTURE

#### Forest Service

#### 36 CFR Part 215

RIN 0596–AB89

#### Notice, Comment, and Appeal Procedures for Projects and Activities on National Forest System Lands

**AGENCY:** Forest Service, USDA.

**ACTION:** Proposed rule; request for comment.

**SUMMARY:** The Forest Service is proposing to amend the rule adopted in 1994 for the notice, comment, and appeal procedures for projects and activities implementing land and resource management plans on National Forest System lands. The proposed rule changes current procedures to clarify certain provisions and reduce

complexity in the current rule, improve efficiency of processing appeals, encourage early and effective public participation in the environmental analysis of projects and activities, and ensure consistency with the provisions of the statutory authority. Topics addressed include emergency situations; 30-day notice and comment procedures; site-specific comments; who may appeal; and the formal disposition process. Public comment is invited and will be considered in development of the final rule.

**DATES:** Comments must be received in writing by February 18, 2003.

**ADDRESSES:** Send written comments to USDA FS, Appeal Rule Content Analysis Team, P.O. Box 9079, Missoula, MT 59807; by electronic mail to [215appeals@fs.fed.us](mailto:215appeals@fs.fed.us); or by facsimile to (406) 329–3556. To aid in our analysis of comments, it would be helpful if comments are organized section by section. Please note that all comments, including names and addresses when provided, are placed in the record and are available for public inspection and copying. The agency cannot confirm receipt of comments. Individuals wishing to inspect the comments should call (406) 329–3038 to facilitate an appointment. Additional information is provided at <http://www.fs.fed.us/emc/applit/index.htm>.

**FOR FURTHER INFORMATION CONTACT:** Ginger Hamilton, Program Manager, Content Analysis Team (406) 329–3038.

#### SUPPLEMENTARY INFORMATION:

#### Background

The Forest Service has a long-term commitment to promoting effective public involvement in both planning and project level decisionmaking. For example, in 1977, the proposed National Forest Management Act (NFMA) regulations directed that forest plan approvals, although subject to mandatory public involvement, would not be subject to administrative appeal. 44 FR 25554, 25589 (May 4, 1979). The final regulations adopted in 1979 dropped the no appeal provision and such appeals were allowed. In 1989 the Forest Service again undertook a major revision of its appeal regulations splitting its appeal regulations into two major rules, one for the general public (36 CFR part 217) and one for holders of special use permits (36 CFR 251.80). By 1992, the Forest Service had determined that the process had become too complex, confrontational and costly.

In 1992, the Forest Service undertook a year-long review and evaluation of its administrative appeal procedures. The 1992 review uncovered many problems with the procedures and led to the

publication of a proposed rule to amend 36 CFR part 217 to continue allowing forest plan-level appeals but substituting an expanded pre-decisional public involvement opportunity to replace post-decisional administrative appeals of environmental assessments (57 FR 10444) and eliminating appeals of categorical exclusions for projects. The Forest Service received over 30,000 comments on the proposed rule. Before a final rule was published, however, Congress, operating through an annual appropriation rider, enacted section 322 of Interior and Related Agencies Appropriation Act of Fiscal Year 1993, Pub. L. 102–381, 106 Stat. 1419, (hereinafter “Appeals Reform Act”) (ARA) instructing the Secretary of Agriculture to establish a notice, comment and appeal process modifying the existing appeal regulations.

The ARA contains relatively little specific guidance beyond the statutorily established timelines. The Forest Service was, therefore, tasked with establishing the process that would lay out the particulars of the appeals procedures. The origins of the ARA derive primarily from an amendment co-sponsored by Senators Craig and DeConcini. The Craig-DeConcini amendment was subsequently amended by the conference committee with a consensus from both parties of Congress. The Senate floor colloquy during consideration of the conference committee report contains revealing statements which support the conclusion that Congress intended to allow the agency to determine the appropriate scope and other details regarding the appeal process to be developed by the Secretary. Senator Craig described “a reasonable and balanced approach to resolve the debate over the future of the Forest Service’s appeal process.” 138 Cong. Rec. S15848 (Sept. 30, 1992). While Congress was clearly taking matters into its own hands regarding whether there should be an appeal system and the specific timeframes for how long such an appeal could take, Congress did not provide a detailed legislative framework. In fact, the legislative history shows that Congress even intended for the agency to address a statutory drafting error regarding the duration of administrative stays through the agency regulations.

The Forest Service has a continuing commitment to periodically review its regulations, identify specific problems in administering them, and determine whether they meet Congressional intent, as well as agency and public needs. Experience with the procedures at 36