

references B-N Group Ltd. Britten-Norman Service Bulletin SB number 303, Issue 1, dated May 14, 2004, for information on required actions.

Issued in Kansas City, Missouri, on May 30, 2006.

**David R. Showers,**

*Acting Manager, Small Airplane Directorate, Aircraft Certification Service.*

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## SOCIAL SECURITY ADMINISTRATION

### 20 CFR Parts 401 and 402

RIN 0960-AG14

#### Privacy and Disclosure of Official Records and Information

**AGENCY:** Social Security Administration.

**ACTION:** Notice of Proposed Rulemaking.

**SUMMARY:** We propose to amend our privacy and disclosure rules to help preserve the anonymity of, and help protect the physical well-being of, SSA employees who reasonably believe that they are at risk of injury or other harm if certain employment information about them is disclosed. These changes in the regulations would ensure uniform application of the policy for at-risk employees.

**DATES:** To be sure that your comments are considered, we must receive them no later than August 7, 2006.

**ADDRESSES:** You may give us your comments by: using our Internet facility (*i.e.*, Social Security Online) at <http://policy.ssa.gov/erm/rules.nsf/Rules+Open+To+Comment> or the Federal eRulemaking Portal at <http://www.regulations.gov>; e-mail to [regulations@ssa.gov](mailto:regulations@ssa.gov); by telefax to (410) 966-2830, or letter to the Commissioner of Social Security, P.O. Box 17703, Baltimore, MD 21235-7703. You may also deliver them to the Office of Regulations, Social Security Administration, 100 Altmeyer Building, 6401 Security Boulevard, Baltimore, MD, 21235-6401, between 8 a.m. and 4:30 p.m. on regular business days. Comments are posted on our Internet site, or you may inspect them on regular business days by making arrangements with the contact person shown in this preamble.

**FOR FURTHER INFORMATION CONTACT:** Edie McCracken, Social Insurance Specialist, Office of Public Disclosure, 3-A-6 Operations Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-6117 or TTY (410) 965-5609. For information on eligibility or filing for benefits, call our national toll-free

number, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet Website, Social Security Online, at <http://www.socialsecurity.gov>.

#### SUPPLEMENTARY INFORMATION:

##### Electronic Version

The electronic file of this document is available on the date of publication in the **Federal Register** at <http://www.gpoaccess.gov/fr/index.html>.

##### Background

Former Commissioner Kenneth S. Apfel approved a recommendation of the National Health and Safety Partnership Committee for Security (NHSPCS) to implement a nationwide program to enhance the safety and security of SSA employees who are victims, or potential victims, of domestic violence. The NHSPCS' proposed program was developed, during the era of "partnership", by a joint union/management workgroup. It was intended to safeguard the anonymity of at-risk employees when requests for their work location and/or phone number were received, by delaying the disclosure of the information when certain conditions were met. This would have entailed a change in SSA policy that now permits such information requests to be honored. No action was ever taken on the recommendation when the "partnership" was dissolved by Executive Order 13203 on February 17, 2001. We are now proposing a modified approach to strengthening our privacy and disclosure rules to better safeguard at-risk employees.

##### Explanation of Changes

We propose to amend subsection (b)(3)(c)(4) of Appendix A to Part 401 and add a new subsection (e) to § 402.45 to permit SSA to exercise its discretion, consistent with the Freedom of Information Act and the rules of the Office of Personnel Management (5 CFR part 293), to withhold the work location and telephone number of employees who reasonably believe that they are at risk of injury or other harm by the disclosure of such information. These proposed changes would clarify our procedures for access to, and disclosure of, personally identifiable information regarding employees and enhance our ability to maintain adequate safeguards against disclosures in situations in which an employee may be at risk or fear for his/her physical safety.

We propose to amend Part 401, Appendix A, (b)(3)(c)(4) by removing the first sentence, "Location of duty station, including room number and telephone number." We also propose to

revise § 402.45 by adding a new subsection (e). New subsection § 402.45(e) will fully describe the rules governing the release of personally identifiable information as it pertains to employees' telephone numbers and duty stations (including room numbers, bay designations, or other identifying information regarding buildings or places of employment).

##### Clarity of These Proposed Rules

Executive Order 12866, as amended by Executive Order 13258, requires each agency to write all rules in plain language. In addition to your substantive comments on these proposed rules, we invite your comments on how to make these proposed rules easier to understand. For example:

- Have we organized the material to suit your needs?
- Are the requirements in the rules clearly stated?
- Do the rules contain technical language or jargon that is not clear?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the rules easier to understand?
- Would more (but shorter) sections be better?
- Could we improve clarity by adding tables, lists, or diagrams?
- What else could we do to make the rules easier to understand?

##### Regulatory Procedures

###### *Executive Order 12866*

We have consulted with the Office of Management and Budget (OMB) and determined that these proposed rules would meet the criteria for a significant regulatory action under Executive Order 12866, as amended by Executive Order 13258. Thus, they were subject to OMB review.

###### *Regulatory Flexibility Act*

We certify that these proposed rules would not have a significant economic impact on a substantial number of small entities because they affect only individuals or entities acting on their behalf. Thus, a regulatory flexibility analysis as provided in the Regulatory Flexibility Act, as amended, is not required.

###### *Paperwork Reduction Act*

These proposed rules impose no reporting or record keeping requirements subject to OMB clearance.

(Catalog of Federal Domestic Assistance Program Nos. 96.001, Social Security-Disability Insurance; 96.002, Social Security-Retirement Insurance; 96.004, Social

Security-Survivors Insurance; 96.006, Supplemental Security Income).

### List of Subjects in 20 CFR Parts 401 and 402

Administrative practice and procedure, Freedom of information, Privacy.

Dated: February 27, 2006.

Jo Anne B. Barnhart,

Commissioner of Social Security.

For the reasons set out in the preamble, we propose to amend subpart C of part 401 and part 402 of chapter III of title 20 of the Code of Federal Regulations as set forth below:

### PART 401—PRIVACY AND DISCLOSURE OF OFFICIAL RECORDS AND INFORMATION

1. The authority citation for part 401 continues to read as follows:

**Authority:** Secs. 205, 702(a)(5), 1106, and 1141 of the Social Security Act (42 U.S.C. 405, 902(a)(5), 1306, and 1320b-11); 5 U.S.C. 552 and 552a; 8 U.S.C. 1360; 26 U.S.C. 6103; 30 U.S.C. 923.

#### Appendix A to Part 401—[Amended]

2. Appendix A, paragraph (b)(3)(c)(4) is amended by removing the first sentence.

### PART 402—AVAILABILITY OF INFORMATION AND RECORDS TO THE PUBLIC

1. The authority citation for part 402 continues to read as follows:

**Authority:** Secs. 205, 702(a)(5), and 1106 of the Social Security Act; (42 U.S.C. 405, 902(a)(5), and 1306); 5 U.S.C. 552 and 552a; 8 U.S.C. 1360; 18 U.S.C. 1905; 26 U.S.C. 6103; 30 U.S.C. 923b; 31 U.S.C. 9701; E.O. 12600, 52 FR 23781, 3 CFR, 1987 Comp., p. 235.

2. Section 402.45 is amended by adding paragraph (e) to read as follows:

#### § 402.45 Availability of records.

\* \* \* \* \*

(e) *Federal employees.* The agency will generally not disclose information when the data sought is a list of telephone numbers and/or duty stations of one or more Federal employees which, as determined by the official responsible for custody of the information:

(1) Is selected in such a way that would reveal more about the employee on whom information is sought than the aforementioned items, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; or

(2) Would otherwise be protected from mandatory disclosure under an exemption of the FOIA.

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-112994-06]

RIN 1545-BF47

### Guidance Under Section 7874 Regarding Expatriated Entities and Their Foreign Parents

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

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulation and notice of public hearing.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations relating to the determination of whether a foreign entity shall be treated as a surrogate foreign corporation under section 7874(a)(2)(B) of the Code. The text of those regulations also serves as the text of these proposed regulations. This document also provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by September 5, 2006. Outlines of topics to be discussed at the public hearing scheduled for October 24, 2006, at 10 a.m., must be received by October 3, 2006.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-112994-06), room 5203, Internal Revenue Service, PO 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-112994-06), 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-REG-112994-06). 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, Milton Cahn at (202) 622-3860; concerning submission and delivery of

comments and the public hearing, Treena Garrett, (202) 622-7180 (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 the Income Tax Regulations (26 CFR part 1) relating to section 7874. The temporary regulations set forth rules relating to the determination of whether a foreign entity shall be treated as a surrogate foreign corporation under section 7874(a)(2)(B) of the Code. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

#### 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. Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that this regulation will not have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required. The nature of the businesses that are most likely to consider corporate expatriation transactions, as well as the complexity and the costs of structuring and implementing those transactions, makes it unlikely that a substantial number of small entities will engage in such transactions. In addition, any economic impact to entities affected by section 7874, large or small, is derived from the operation of the statute or its intended application, not the proposed regulations in this notice of proposed rulemaking. 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 Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and 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.