

extent do they have similar controls on goods and technology on a worldwide basis or to specific destinations)?

3. Information on licensing policies or practices by our foreign trade partners which are similar to U.S. foreign policy controls, including license review criteria, use of conditions, requirements for pre and post shipment verifications (preferably supported by examples of approvals, denials and foreign regulations).

4. Suggestions for revisions to foreign policy controls that would (if there are any differences) bring them more into line with multilateral practice.

5. Comments or suggestions as to actions that would make multilateral controls more effective.

6. Information that illustrates the effect of foreign policy controls on the trade or acquisitions by intended targets of the controls.

7. Data or other information as to the effect of foreign policy controls on overall trade, either for individual firms or for individual industrial sectors.

8. Suggestions as to how to measure the effect of foreign policy controls on trade.

9. Information on the use of foreign policy controls on targeted countries, entities, or individuals.

BXA is also interested in comments relating generally to the extension or revision of existing foreign policy controls.

Parties submitting comments are asked to be as specific as possible. All comments received before the close of the comment period will be considered by BXA in reviewing the controls and developing the report to Congress.

All information relating to the notice will be a matter of public record and will be available for public inspection and copying. In the interest of accuracy and completeness, BXA requires written comments. Oral comments must be followed by written memoranda, which will also be a matter of public record and will be available for public review and copying.

Copies of the public record concerning these regulations may be requested from: Bureau of Export Administration, Office of Administration, U.S. Department of Commerce, Room 6883, 14th and Constitution Avenue, NW, Washington, DC 20230; (202) 482-0637. This component does not maintain a separate public inspection facility. Requesters should first view BXA's website (which can be reached through <http://www.bxa.doc.gov>). If requesters cannot

access BXA's website, please call the number above for assistance.

James J. Jochum,

Assistant Secretary for Export Administration.

[FR Doc. 01-27878 Filed 11-6-01; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

23 CFR Part 1331

[Docket No. NHTSA-2001-10917]

RIN 2127-AG-91

Withdrawal of Proposed Rule on State-Issued Driver's Licenses and Comparable Identification Documents

AGENCY: National Highway Traffic Safety Administration (NHTSA), DOT.

ACTION: Withdrawal of proposed rule.

SUMMARY: This document withdraws a proposed rule that was intended to implement the requirements contained in section 656(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. Section 656(b) of the Act, entitled State-Issued Driver's Licenses and Comparable Identification Documents, provided that a Federal agency could only accept as proof of identity a driver's license or identification document that conformed to specific requirements, in accordance with regulations issued by the Secretary of Transportation. Congress subsequently repealed section 656(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

DATES: The proposed rule is withdrawn as of November 7, 2001.

FOR FURTHER INFORMATION CONTACT: Ms. Christine Holdsworth, Acting Chief, Driver Register and Traffic Records Division, NTS-32, NHTSA, 400 Seventh Street, S.W., Washington, D.C. 20590; telephone (202) 366-4800, or Ms. Heidi L. Coleman, Assistant Chief Counsel for General Law, NCC-30, NHTSA, 400 Seventh Street, S.W., Washington, DC 20590; telephone (202) 366-1834.

SUPPLEMENTARY INFORMATION: The Omnibus Consolidated Appropriations Act for Fiscal Year 1997, Pub. L. 104-208, was signed into law on September 30, 1996. The Omnibus Act included, as Title VI of Division C, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (hereinafter, the "Immigration Reform Act"). The purpose of the Immigration Reform Act

was to improve deterrence of illegal immigration into the United States.

Section 656(b) of the Act, entitled State-Issued Driver's Licenses and Comparable Identification Documents, provided that, after October 1, 2000, Federal agencies could not accept driver's licenses, or other comparable identification documents issued by a State, as proof of identity unless the driver's license or identification document conformed to certain requirements.

A. Statutory Requirements

Section 656(b) established three requirements that State-issued driver's licenses or other comparable identification documents had to meet, to be acceptable as proof of identity:

1. *Application Process*—The application process for the driver's license or identification document was to include the presentation of such evidence of identity as required by regulations promulgated by the Secretary of Transportation, after consultation with the American Association of Motor Vehicle Administrators (AAMVA).

2. *Form*—The driver's license or identification document was to be in a form consistent with requirements set forth in regulations promulgated by the Secretary of Transportation, after consultation with AAMVA. The form was to contain security features designed to limit tampering, counterfeiting, photocopying, or otherwise duplicating, the driver's license or identification document for fraudulent purposes and to limit the use of the driver's license or identification document by imposters.

3. *Social Security Number*—The driver's license or identification document was required to contain a social security number that could be read visually or by electronic means, unless the State issuing such driver's license or identification document met certain conditions.

To meet the conditions, the State that did not require the driver's license or identification document to contain a social security number would have had to require every applicant for a driver's license or identification documents to submit his or her social security number. The State would also have had to verify the validity of the social security number with the Social Security Administration (SSA).

B. Proposed Regulations

The Immigration Reform Act required that the Secretary of Transportation issue regulations governing State-issued driver's licenses and comparable

identification documents after consulting with the American Association of Motor Vehicle Administrators (AAMVA).

NHTSA consulted with AAMVA, and with interested Federal agencies before issuing a notice of proposed rulemaking (NPRM) on June 17, 1998, 63 FR33220, to implement Section 656(b). The proposed requirements related to such matters as evidence of identity, form and security features, use of the social security number, certification of compliance, and the availability of grants to assist States in meeting these requirements.

The agency received a total of 2,591 comments, the vast majority of which strongly opposed the agency's proposal. The most frequent objections were based on privacy and civil liberty concerns.

Congress also received an overwhelming number of negative comments regarding section 656(b) and the agency's proposal to implement that section. On October 9, 1999, Congress repealed section 656(b) Pub. L. 106-69, 113 Stat. 1027. Accordingly, the proposed rule to implement the requirements contained in section 656(b), published on June 17, 1998, at 63 FR 33220, entitled State-Issued Driver's Licenses and Comparable Identification Documents, is hereby withdrawn.

Issued on: November 1, 2001.

Jeffrey W. Runge,
Administrator.

[FR Doc. 01-28007 Filed 11-6-01; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-125161-01]

RIN 1545-BA05

Conforming Amendments to Section 446

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: On July 18, 1995, the Treasury and the IRS published final regulations governing the intercompany transaction system of the consolidated return regulations. Those regulations state that the timing rules of the intercompany transaction system are a method of accounting. At the time of the publication of those regulations, no

amendment was made to the regulations promulgated under section 446 to coordinate with that statement. This document contains proposed regulations confirming that the timing rules of the intercompany transaction regulations are a method of accounting.

DATES: Written or electronic comments and requests for a public hearing must be received by January 7, 2002.

ADDRESSES: Send submissions to: CC:ITA:RU, room 5226 (REG-125161-01), Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may also be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to: CC:ITA:RU, room 5226 (REG-125161-01), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet directly to the IRS Internet site at http://www.irs.gov/tax_regs/reglist.html.

FOR FURTHER INFORMATION CONTACT: Concerning the regulation, Marie C. Milnes-Vasquez or Frances Kelly, (202) 622-7770, or Jeffery G. Mitchell (202) 622-4930; concerning submissions and/or requests for a public hearing, Guy Traynor, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation

On July 18, 1995, the Treasury and the IRS published in the **Federal Register** (60 FR 36671 [1995-2 C.B. 147]) final regulations under § 1.1502-13 governing the intercompany transaction system of the consolidated return regulations. Included in such regulations was an express statement that "[t]he timing rules of [the intercompany transaction regulations] are a method of accounting for intercompany transactions, to be applied by each member in addition to the member's other methods of accounting." § 1.1502-13(a)(3)(i). At the time of the publication of those final regulations, no amendment was made to the regulations promulgated under section 446 to coordinate with the statement in § 1.1502-13(a)(3)(i) that the timing rules of § 1.1502-13 are a method of accounting.

In *General Motors v. Commissioner*, 112 T.C. 270 (1999), the Tax Court determined that the timing rule of former § 1.1502-13(b)(2) was not a method of accounting for purposes of section 446(e). The proposed regulations included in this document amend § 1.446-1 to confirm the IRS's position that the timing rules of current § 1.1502-13 are a method of accounting.

Proposed Effective Date

The regulations in this section are proposed to apply to consolidated return years beginning on or after November 7, 2001.

Special Analyses

It has been determined that this notice of proposed rule making 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) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, because the proposed rule does not impose a collection of information on small entities, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their 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 timely submitted to the IRS. All comments will be made 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 proposed regulations is Marie C. Milnes-Vasquez, Office of the Associate Chief Counsel (Corporate). 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 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 * * *