

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Pub. L. 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Notice 2002-69, Interest Rates and Appropriate Foreign Loss Payment Patterns For Determining the Qualified Insurance Income of Certain Controlled Corporations under Section 954(j).

**DATES:** Written comments should be received on or before December 17, 2002 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6411, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of notice should be directed to Carol Savage, (202) 622-3945, or through the internet ([CAROL.A.SAVAGE@irs.gov](mailto:CAROL.A.SAVAGE@irs.gov)), Internal Revenue Service, room 6407, 1111 Constitution Avenue NW., Washington, DC 20224.

**SUPPLEMENTARY INFORMATION:**

*Title:* Interest Rates and Appropriate Foreign Loss Payment Patterns For Determining the Qualified Insurance Income of Certain Controlled Corporations under Section 954(j).

*OMB Number:* 1545-1799.

*Notice Number:* Notice 2002-69.

*Abstract:* Notice 2002-69 allows U.S. shareholders of a foreign insurance company to use the foreign insurance company's historical loss payment patterns in computing the company's insurance reserves provided the company has a certain number of years of data and makes an election to use that data. A domestic insurance company can elect to use its own historical data in computing its reserves provided certain requirements are satisfied and an election is made. This notice allows a foreign insurance company to elect to calculate its insurance reserves in a manner similar to a domestic insurance company. Also, this notice provides guidance on how to determine a foreign insurance company's foreign loss payment patterns.

*Current Actions:* There are no changes being made to the notice at this time.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations.

*Estimated Number of Respondents:* 300.

*Estimated Time Per Respondent:* 1 hour.

*Estimated Total Annual Burden Hours:* 300.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. 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.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: October 15, 2002.

**Glenn P. Kirkland,**

*IRS Reports Clearance Officer.*

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**[EE-147-87]**

**Proposed Collection; Comment Request for Regulation Project**

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

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort

to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Pub. L. 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning an existing final regulation, EE-147-87 (TD 8376), Qualified Separate Lines of Business (§§ 1.414(r)-3, 1.414(r)-4, and 1.414(r)-6).

**DATES:** Written comments should be received on or before December 17, 2002 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6411, 1111 Constitution Avenue, NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of regulations should be directed to Carol Savage, (202) 622-3945, or through the internet ([CAROL.A.SAVAGE@irs.gov](mailto:CAROL.A.SAVAGE@irs.gov)), Internal Revenue Service, room 6407, 1111 Constitution Avenue, NW., Washington, DC 20224.

**SUPPLEMENTARY INFORMATION:**

*Title:* Qualified Separate Lines of Business.

*OMB Number:* 1545-1221.

*Regulation Project Number:* EE-147-87.

*Abstract:* Section 414(r) of the Internal Revenue Code requires that employers who wish to test their qualified retirement plans on a separate line of business basis, rather than on a controlled group basis, provide notice to the IRS that the employer treats itself as operating qualified separate lines of business. Additionally, an employer may request an IRS determination that such lines satisfy administrative scrutiny. This regulation elaborates on the notice requirement and the determination process.

*Current Actions:* There is no change to this existing regulation.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations.

*Estimated Number of Respondents:* 253.

*Estimated Time Per Respondent:* 3 hours, 27 minutes.

*Estimated Total Annual Burden Hours:* 899.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information

unless the collection of information displays a valid OMB control number. 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.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: October 15, 2002.

**Glenn P. Kirkland,**

*IRS Reports Clearance Officer.*

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## DEPARTMENT OF VETERANS AFFAIRS

### Privacy Act of 1974; System of Records

**AGENCY:** Department of Veterans Affairs (VA).

**ACTION:** Notice of establishment of new system of records.

**SUMMARY:** The Privacy Act of 1974 (5 U.S.C. 552(e) (4)) requires that all agencies publish in the **Federal Register** a notice of the existence and character of their systems of records. Notice is hereby given that the Department of Veterans Affairs (VA) is establishing a new system of records entitled "Education Debt Reduction Program—VA" (115VA10).

**DATES:** Comments on the establishment of this system of records must be received no later than November 18, 2002. If no public comment is received, the new system will become effective November 18, 2002.

**ADDRESSES:** You may mail or hand-deliver written comments concerning the proposed new system of records to the Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420; or fax comments to (202) 273-9289; or email comments to "OGCRegulations@mail.va.gov". All relevant material received before November 18, 2002 will be considered. Comments will be available for public inspection at the above address in the Office of Regulations Management, Room 1158, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays).

**FOR FURTHER INFORMATION CONTACT:** Veterans Health Administration (VHA) Privacy Act Officer, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, telephone (727) 320-1839.

#### SUPPLEMENTARY INFORMATION:

#### I. Description of Proposed System of Records

The Education Debt Reduction Program (EDRP) allows VA to provide education debt reduction payments to employees with qualifying loans who occupy certain health care positions for which recruitment and retention of qualified personnel is difficult. The specific health care professions that are covered by the EDRP include: physician, dentist, podiatrist, licensed pharmacist, licensed practical/vocational nurse, expanded-function dental auxiliary, registered nurse, certified registered nurse anesthetist, physician assistant, optometrist, physical therapist, occupational therapist, certified respiratory therapy technician, and registered respiratory therapist. The purpose of the program is to help VA meet its needs for qualified health care staff.

The Education Debt Reduction Program—VA (115VA10) system of records contains personal identification information related to the application material, to education loan verification documentation, to award processes, to employment status, and to service periods covered by an award such as name, address, social security number, employing facility name, job title, grade, education level, education debt reduction payment amounts, service periods covered by education debt reduction payments, name and address of the lending institution, original loan amount, current loan amount, and loan payment amount. It also contains individual information about applicants who have been denied awards and award recipients who have been

terminated from program participation. Additionally, it may contain information about why an applicant declined to accept an award. Since applicants typically are denied awards because they do not meet the eligibility requirements to participate in the program, the specific nature of an applicant's ineligibility would be another element of information contained in the system of records. The information in this system of records is maintained in electronic and hard copy format and is periodically updated through recurring reports provided by local VA facilities about the progress of their program participants. This information is necessary to effectively administer the educational assistance program. It is used to determine and document an individual applicant's initial eligibility for education debt reduction awards; calculate the payment amounts and related service periods for award recipients; ensure that award amounts are consistent with applicable law, regulations and policy; monitor the amount of principal and interest that a participant paid to reduce the balance on a qualifying loan during each service period covered by the award; monitor the employment status of award recipients during their service periods; and evaluate and report program results and effectiveness. Any information in this system may be used by local VA supervisory officials and program coordinators to ensure that it is accurate and that award recipients are in compliance with the terms for participating in the program. Data about individual program participants may change (e.g., changes in employment status), and that could impact certain terms of their awards such as the amounts of the education debt reduction payments and/or the beginning and ending dates of their service periods. Data changes may also impact assessments of the effectiveness of the educational assistance program. Accordingly, local supervisory officials and program coordinators must periodically review individual data in the system of records to ensure its accuracy. There are no debts to recover since each award payment is made at the conclusion of a service period. An individual who leaves before completing a service period is eligible to receive a pro-rata share of the payment for an entire service period based on the amount of time actually served in paid status during the service period.

#### II. Proposed Routine Use Disclosures of Data in the System

We are proposing to establish the following routine use disclosures of