between brake pipe and main reservoir pressure, a minimum of 15 psi. UP seeks to set the main reservoir safety valve at 150 psi and the maximum working air pressure (brake pipe) at 125 psi.

Interested parties are invited to participate in these proceedings by submitting written views, data, or comments. FRA does not anticipate scheduling a public hearing in connection with these proceedings since the facts do not appear to warrant a hearing. If any interested party desires an opportunity for oral comment, they should notify FRA, in writing, before the end of the comment period and specify the basis for their request.

All communications concerning these proceedings should identify the appropriate docket number (*e.g.*, Waiver Petition Docket Number FRA–2005–21179) and must be submitted to the Docket Clerk, DOT Central Docket Management Facility, Room PL–401, 400 7th Street, SW., Washington, DC 20590–0001. Communications received within 45 days of the date of this notice will be considered by FRA before final action is taken. Comments received after that date will be considered as far as practicable. All written communications concerning these proceedings are available for examination during regular business hours (9 a.m.–5 p.m.) at the above facility. All documents in the public docket are also available for inspection and copying on the Internet at the docket facility's Web site at *http://dms.dot.gov.*

Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (volume 65, number 70; pages 19477–78). The Statement may also be found at *http://dms.dot.gov.*

Issued in Washington, DC, on June 2, 2005.

Grady C. Cothen, Jr.,

Deputy Associate Administrator for Safety Standards and Program Development.

[FR Doc. 05–11413 Filed 6–7–05; 8:45 am]

BILLING CODE 4910–06–P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[FTA Docket No. FTA 2005–21382]

Notice of Request for a New Collection

AGENCY: Federal Transit Administration, DOT.

ACTION: Notice of request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the intention of the Federal Transit Administration (FTA) to request the Office of Management and Budget (OMB) to approve a new collection: 49 U.S.C. Section 3037 Job Access and Reverse Commute Programs.

DATES: Comments must be submitted before August 8, 2005.

ADDRESSES: All written comments must refer to the docket number that appears at the top of this document and be submitted to the United States Department of Transportation, Central Dockets Office, PL–401, 400 Seventh Street, SW., Washington, DC 20590. All comments received will be available for examination at the above address from 10 a.m. to 5 p.m., e.t., Monday through Friday, except federal holidays. Those desiring notification of receipt of comments must include a self-addressed, stamped postcard/envelope.

FOR FURTHER INFORMATION CONTACT: Mr. Gregory D. Brown, Office of Program Management, (202) 366–2053.

SUPPLEMENTARY INFORMATION: Interested parties are invited to send comments regarding any aspect of this information collection, including: (1) The necessity and utility of the information collection for the proper performance of the functions of the FTA; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the collected information; and (4) ways to minimize the collection burden without reducing the quality of the collected information. Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection.

49 U.S.C. Section 3037 Job Access and Reverse Commute Programs

Background: 49 U.S.C. Section 3037 Job Access and Reverse Commute (JARC) Program authorizes the Secretary of Transportation to make grants to State and local governments and public transportation authorities to transport welfare recipients and other low-income individuals to and from jobs and activities related to employment. Grant recipients are required to make information available to the public and to publish a program of projects for affected citizens to comment on the proposed program and performance of the grant recipients at public hearings. Notices of hearings must include a brief description of the proposed project and must be published in a newspaper circulated in the affected area. FTA uses the information to determine eligibility for funding and to monitor the grantees' progress in implementing and completing project activities. FTA also collects grantee performance information annually. A web-based contractor, who collects the grantee information electronically and develops JARC information tables as needed, performs this information collection activity. The information submitted ensures FTA's compliance with applicable federal laws and OMB Circular A–102.

Respondents: State & local government, private non-profit organizations and public transportation authorities.

Estimated Annual Burden on Respondents: 251 hours for each respondent.

Estimated Total Annual Burden: 78,609 hours.

Frequency: Annual.

Issued: June 2, 2005.

Ann Linnertz,

Deputy Associate Administrator for Administration.

[FR Doc. 05–11319 Filed 6–7–05; 8:45 am]

BILLING CODE 4910–57–P

DEPARTMENT OF TRANSPORTATION

Maritime Administration

[Docket No. MARAD–2005–21380]

Title XI Remedies

AGENCY: Maritime Administration, Department of Transportation.

ACTION: Notice and request for comments on New Title XI Remedies.

SUMMARY: In response to the 2004 Follow-Up Audit of the Title XI Loan Guarantee Program conducted by the Inspector General of the Department of Transportation, the Maritime Administration (MARAD) committed to include certain new remedies as part of the documentation for loan guarantees issued under Title XI of the Merchant Marine Act of 1936, as amended (Act). This notice sets out the remedies which MARAD has developed to fulfill its commitment to the Department's Office of Inspector General (OIG). MARAD is requesting public comments from parties who may wish to express their views on the proposed changes or who wish to suggest alternatives to the draft language developed by MARAD.

DATES: MARAD will consider comments received not later than July 8, 2005.

FOR FURTHER INFORMATION CONTACT: Richard Lorr, Esq., Maritime Administration, telephone: (202) 366–

5882, fax (202) 366–3511, or e-mail *Richard.Lorr@marad.dot.gov.*

ADDRESSES: You may submit comments [identified by DOT DMS Docket Number MARAD–2005–21380] by any of the following methods:

- Web site: *http://dms.dot.gov.* Follow the instructions for submitting comments on the DOT electronic docket site.
- Mail: Docket Management Facility; U.S. Department of Transportation, 400 7th St., SW., Nassif Building, Room PL–401, Washington, DC 20590–001.
- Hand Delivery: Room PL–401 on the plaza level of the Nassif Building, 400 7th St., SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays.

Instructions: All submissions must include the agency name and docket number for this action. Note that all comments received will be posted without change to *http://dms.dot.gov* including any personal information provided.

Privacy Act: Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (Volume 65, Number 70; Pages 19477–78) or you may visit *http://dms.dot.gov.*

Docket: For access to the docket to read background documents or comments received, go to *http://dms.dot.gov* at any time or to Room PL–401 on the plaza level of the Nassif Building, 400 7th St., SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays.

SUPPLEMENTARY INFORMATION: In response to the 2004 Follow-Up Audit of the Title XI Loan Guarantee Program conducted by the Inspector General of the Department of Transportation, the Maritime Administration (MARAD) committed to include certain new remedies as part of the documentation for loan guarantees issued under Title XI of the Merchant Marine Act of 1936, as amended (Act). This notice sets out the remedies which MARAD has developed to fulfill its commitment to the Department's Office of Inspector General. MARAD intends that these new remedies will provide intermediate remedies by which MARAD can achieve compliance with Title XI agreements without the requirement that MARAD, on behalf of the United States Government, must first advance payment to obligees under MARAD's guarantee. These new remedies will apply to any new Title XI transaction and the renegotiation of existing transactions where appropriate.

The proposed changes are designed to: (1) Clarify that MARAD may exercise a full range of creditor remedies immediately upon the occurrence of a default under the Security Agreement typically executed by a Title XI obligor in favor of MARAD, whether or not MARAD has paid under the Title XI guarantee or has assumed the underlying debt; (2) ensure that MARAD is authorized to take immediate steps to protect its interests fully if a Title XI company fails to make its Reserve Fund deposits or any other payment required by the Title XI documentation or fails to take any other action required by the Security Agreement for the benefit of MARAD; and (3) require the owners of closely held Title XI companies who receive funds paid in derogation of a Title XI company's covenants and obligations under the Title XI documents to be financially responsible and legally liable for the repayment of such funds, and require that board members and other key officials of publicly held Title XI companies be financially responsible and legally liable for the repayment of improperly disbursed funds if such persons have caused the publicly held Title XI company to violate its covenant and obligations under the Title XI documents.

For example, MARAD has experienced a limited number of cases of improper distributions. The remedial changes would require that if an owner, at any tier, of a closely held company receives a distribution from the company at a time when such distributions are not allowed pursuant to the company's Title XI agreements with MARAD, the owner would be required to pay back such distribution to the company. If, on the other hand, the company were a publicly traded entity, the new remedial changes would require the board member, officer or controlling shareholder to reimburse the company for the improper payments caused by its actions, instead of requiring a potentially large number of innocent shareholders to return the funds. In either case, MARAD's new remedies would create an environment of accountability which should produce better compliance by Title XI companies in meeting their obligations under the Title XI documents.

In addition, this notice also sets out changes to MARAD's Reserve Fund and Financial Agreement as it relates to distributions by certain closely held entities to their owners for income tax liability which the Federal Tax Code places on the owner and not on the business entity, such as the income tax treatment of Subchapter S corporations, limited liability companies, and other entities enjoying the benefits of pass-through taxation under the Federal Tax Code. Although MARAD's implementation of these changes was instituted as a part of its own review of the effectiveness of this aspect of the Title XI program, and was not prompted by any of the OIG audits, MARAD is also requesting public comment about these new tax provisions.

No Federal statute, regulation or agency administrative practice requires MARAD to make any formal announcement prior to implementing changes to its Title XI closing documentation. Typically, MARAD negotiates any changes from its standard form Title XI documentation with the individual Title XI applicants, on a case-by-case basis. However, in this case, MARAD has determined it would be interested in receiving public comments from parties who may wish to express their views on the proposed changes or who wish to suggest alternatives to the draft language developed by MARAD. Until MARAD has fully considered the comments proposed in response to this Notice, MARAD will continue to negotiate Title XI closing agreements on a case-by-case basis, incorporating the proposed new remedies as appropriate. The draft language for the remedial changes is set forth below. Proposed amendments and other highlighted text are in *italics* and new sections are noted in headings.

New Remedies and Defaults

1. Amendments to Section 6.04 of the Security Agreement

Amend Section 6.04(a) to read as follows: Section 6.04. Remedies After Default. (a) *In the event of a Default, the Secretary* shall have the right to take the Vessels without legal process wherever the same may be (and the Shipowner or other Person in possession shall forthwith surrender possession of the Vessels to the Secretary upon demand) and hold, lay up, lease, charter, operate, or otherwise use the Vessels for such time and upon such terms as the Secretary may reasonably deem to be in the Secretary's best interest, accounting only for the net profits, if any, arising from the use of the Vessels, and charging against all receipts from the use of the Vessels, all reasonable charges and expenses relating to such Vessel's use.

Amend Sections 6.04(b)(1) and (2) to read as follows:

(b) *In the event of a Default, the Secretary shall also have the right to:*

(1) Exercise all the rights and remedies in foreclosure and otherwise given to mortgagees by Chapter 313;

(2) Bring suit at law, in equity or in admiralty to recover judgment for any and all amounts due *or to enforce any right* under the Secretary's Note, this Security Agreement, *the Mortgage, the Depository Agreement, and the Financial Agreement* to collect the same out of any and all of Shipowner's property, whether or not the same is subject to the lien of the Mortgage, and in connection therewith, obtain a decree ordering the sale of any Vessel in accordance with paragraph (b)(4) of this Section;

2. Amendments to Section 6.02 of the Security Agreement, the Secretary's Note and the Guaranteed Obligation To Conform to the Amendment of Section 6.04 of the Security Agreement

Amend Section 6.02 to read as follows: Section 6.02. Acceleration of Maturity of the Secretary's Note. The Secretary may, by giving written notice to the Shipowner, declare the principal of the Secretary's Note and interest accrued thereon to be immediately due and payable, at any time after the Secretary *determines that a Default has occurred and is continuing under the terms of this Security Agreement.* Thereupon, the principal of and interest on the Secretary's Note, shall become immediately due and payable, together with interest at the same rates specified in the Secretary's Note.

Amendment to the last paragraph of the Secretary's Note: ''The unpaid balance of the principal of this Secretary's Note and the interest may be declared or may become immediately due and payable by declaration of the Secretary *at any time after the Secretary determines that a Default has occurred and is continuing under the terms of the Security Agreement.* Thereupon, the unpaid balance of the principal of and the interest on this Secretary's Note shall become due and payable, together with interest thereon at the Obligation rate plus *two* percent.''

Amendment to the sentence appearing in the third to last paragraph of the guaranteed obligation: ''So long as the Guarantee is in effect, *the Obligees shall have* no recourse against the Shipowner.''

3. Amendments to Section 8(b) of the Reserve Fund and Financial Agreement

Section 8(b). Supplemental Covenants. *If a Default has occurred and is continuing under the Security Agreement or this Agreement or* unless, after giving effect to such transaction or transactions, during any fiscal year of the Company, (i) the Company's Working Capital is not equal to at least one dollar, (ii) the Company's Long-Term Debt is more than two times the Company's Net Worth, and (iii) the Company's Net Worth is less than the amount specified in Attachment A hereto, the Company shall not, without the Secretary's prior written consent:

Amend Section 8(b)(5) to read as follows: (5) Make any investments in the securities of any Related Party *or make any payments whatsoever to a Related Party, except for (i) distributions permitted by Section 8(b)(3) above or (ii) salary paid in the ordinary course of business for services;*

4. New Sections 8(c), 8(d) and 8(e) of the Reserve Fund and Financial Agreement

Section 8(c). Closely Held Entities. In the event the Secretary determines that the Company, if its stock is not publicly traded, has paid any amounts to any Shareholder in violation of any of the covenants contained in this Agreement, the Secretary may, in the manner set forth below, require such Shareholder to repay the Company such amounts it has received in derogation of the Company's obligations hereunder, and the Shareholders, by their signatures below, agree to repay the Company in full any such amounts they may so receive, with interest at the Obligation rate plus 2%, accruing from the date of receipt to the date of payment. Upon receipt of a written notice from the Secretary, the Shareholders shall promptly pay any amounts that are due under this Subsection 8(c) directly to the Secretary and the Secretary shall deposit said sums into the Deposit Fund, as property of the Company and security of the Secretary. The Shareholders hereby waive any rights they may have against the Company for indemnification, contribution or reimbursement with respect to the amounts herein required to be repaid to the Company. The Shareholders acknowledge and agree that the Secretary shall have the right to maintain a civil action to collect the sums due hereunder in the United States District Court for the District of Columbia and they further agree that service of process on the Company will be deemed service of process on each of them.

Section 8(d). Publicly Held Entities. (1) In the event the Secretary determines that the Company, if its stock is publicly traded, has paid any amounts in violation of any of the covenants contained in this Agreement, the Secretary may require Key Officials to repay the Company such amounts if they (or their delegees or appointees) have authorized or otherwise have permitted payments by the Company in derogation of the Company's obligations hereunder, and the Key Officials, by their signatures below, agree (i) to repay the Company in full any such sums they permitted to be paid, with interest at the Obligation rate plus 2%, accruing from the date of receipt to the date of payment and (ii) to be bound by the provisions of Subsection 8(e) below; provided, however, that Key Officials shall not be liable hereunder if the Company, no more than 5 business days prior to making such a payment, delivers to the Secretary (a) the certificate of an independent certified public accountant stating that the Company's action will not be in violation of Section 8 of this Agreement, and (b) a certificate from the Key Official that the Company's action will not violate Section 8 of this Agreement, both of which certificates must be in form and substance satisfactory to the Secretary.

(2) Upon receipt of a written notice from the Secretary, the Key Officials shall promptly pay any amounts that are due under this Subsection 8(d) directly to the Secretary and the Secretary shall deposit said sums into the Deposit Fund, as property of the Company and security of the Secretary. The Key Officials hereby waive any rights they may have against the Company for indemnification, contribution or reimbursement with respect to the amounts herein required to be repaid to the Company. The Key Officials acknowledge and agree that the Secretary shall have the right to maintain a civil action to collect the sums due hereunder in the United States District Court for the District of Columbia and they further agree that service of process on the Company will be deemed service of process on each of them.

Section 8(e). Shipowner agrees that no Person may be appointed as a Successor Key Official until that Person has agreed to be bound by the provisions of Subsection 8(d) hereof. Failure to provide the Secretary with an original signed agreement, in form and substance satisfactory to the Secretary, of a Successor Key Official to be bound under Subsection 8(d) prior to that Person's appointment, or prior to that Person's commencing the duties of that position, shall make the Key Officials who appointed the Successor Key Official, or allowed the Successor Key Official to commence those duties,

liable for the actions of the Successor Key Official under Subsection 8(d).

5. New Definitions in Schedule X To Conform to New Sections 8(c), 8(d), 8(e) Above and 8(f) in Paragraph 12 Below

''Shareholders'' shall mean (i) any Person who directly or indirectly possesses an ownership interest in the Company, including, but not limited to, equity holders, members, and partners, and (ii) any Person who is a Related Party of the Company which has received or could receive, directly or indirectly, any dividends, capital distributions, or any other payments, including payments of any sums owed for services rendered by the Person or Related Party during any period in which the Company is in Default of its obligations under the Security Agreement or the Financial Agreement.

''Key Officials'' shall mean any Chairman of the Board of Directors, Member of the Board of Directors, Chief Executive Officer, Chief Financial Officer, Treasurer, Secretary, President, Vice-President or other Member or Officer of the Company. Key Officials shall include any Shareholder who has an ownership interest in the Company of five percent or greater.

''Person'' or ''Persons'' means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust, unincorporated organization, *other entity,* government, or any agency or political subdivision thereof.

''Successor Key Official'' shall mean any Person who takes on the responsibilities or title of a Key Official who has resigned, been separated or otherwise is no longer carrying out the duties previously assigned to that Key Official.

6. Amendment to Section 2.10 of the Security Agreement

Section 2.10. Performance of Shipowner's Agreements by the Secretary. (a) If the Shipowner shall fail to perform any of its agreements hereunder or under the Mortgage *or the Financial Agreement,* the Secretary may, in its discretion, at any time during the continuance of an event which by itself, with the passage of time, or the giving of notice, would constitute a Default, perform all acts and make all necessary expenditures to remedy such failure. Notwithstanding the foregoing, the Secretary shall not be obligated to (and shall not be liable for the failure to) perform such acts and make such expenditures. All funds advanced and expenses and damages incurred by the Secretary relating to such compliance shall constitute a debt due from the Shipowner to the Secretary and shall be secured hereunder and under the Mortgage prior to the Secretary's Note and shall be repaid by the Shipowner upon demand, together with *interest at the Obligation rate plus 2%.*

(b). Impermissible Payments. If the Shipowner Defaults on the Financial Agreement by making any payments in violation of Section 8 of the Financial Agreement or by failing to make a Reserve Fund deposit in violation of Section 2 of the Financial Agreement, such sums shall constitute a debt owed by the Shipowner to the Secretary, and shall be secured hereunder and under the Mortgage prior to the Secretary's Note and shall be repaid by the Shipowner upon demand, together with interest at the Obligation rate plus 2%. The Secretary, in its sole discretion, may decide to hold any monies paid by the Shipowner hereunder as additional security, or to set off said monies against the Secretary's Note, or to use said monies for the payment of the Shipowner's Title XI debt service or for meeting its operating expenses.

7. Amendment to Section 6.05 of the Security Agreement To Conform to the Changes in Section 2.10 of the Security Agreement

Amend Section 6.05(a)(1) to read as follows: (1) To the payment of all *advances, reasonable* charges by the Secretary, *and any debt owed by the Shipowner to the Secretary which this Agreement states is entitled to be paid prior to the Secretary's Note;*

8. New Section 16 of the Financial Agreement To Supplement Section 2.10 of the Security Agreement

Section 16. If the Company shall fail to perform punctually and fully any of its agreements hereunder, including but not limited to providing the Secretary with any audited or unaudited financial statements, reports, certifications or calculations required hereunder to be provided by the Company to the Secretary, the Secretary may, in its discretion, perform all acts and make all necessary expenditures to remedy such failure. Notwithstanding the foregoing, the Secretary shall not be obligated to (and shall not be liable for the failure to) perform such acts and make such expenditures, including, but not limited to, the hiring of accounting professionals to review the books and records of the Company to the satisfaction of the Secretary, and the Company hereby agrees to disclose all and any pertinent information determined to be necessary for the conduct of such a review by the Secretary or its consultants. All funds advanced and expenses and damages incurred by the Secretary relating to such compliance shall constitute a debt due from the Company to the Secretary and shall be secured hereunder and under the Mortgage prior to the Secretary's Note and shall be repaid by the Company upon demand, together with interest at the Obligation rate plus 2%.

9. New Definition of Default in Financial Agreement

Section 17. Default. The Company shall be in default of this Agreement upon the failure or omission of the Company to observe any covenant, term or provision herein; provided, however, that a failure to satisfy the financial covenants set forth in Subsection 8(b)(i) through (iii) hereof shall not constitute a Default hereunder.

10. Amendment of Section 2.06(b) of the Security Agreement Relating to Destruction or Loss of Business Records

Amend Section 2.06(b) to read as follows:

(b) maintain *all business and financial* records *for a period of at least six years following the termination of the Guarantee, including, without limitation,* records of all amounts paid or obligated to be paid by or for the account of the Shipowner for each Vessel's construction;

11. Amendment to Section 6.01 of the Security Agreement Relating to Defaults

Amend Section 6.01(b)(1) to read as follows:

(b) The following shall constitute and each is herein called a ''Security Default:''

(1) Default by the Shipowner in the due and punctual observance and performance of any provision in Sections 2.01(b), 2.02(b) and (i), 2.03, 2.04, 2.09, *2.10 (as it relates to a failure to pay a debt due on demand under Section 2.10),* 2.11, 2.12, 2.14, 8.01 and 8.02;

Amend Section 6.01(b)(4) to read as follows:

(4) The Shipowner, *or any guarantors of the Shipowner's performance under the Secretary's Note, the Security Agreement, Mortgage, the Financial Agreement, or the Depository Agreement or related document,* shall become insolvent or bankrupt or shall cease paying or providing for the payment of debts generally, or the Shipowner *or any guarantor* shall be dissolved or shall, by a court of competent jurisdiction, be adjudged a bankrupt, or shall make a general assignment for the benefit of its creditors, or shall lose its charter by forfeiture or otherwise; or a petition for

reorganization of the Shipowner *or any guarantor* under the Bankruptcy Code shall be filed by the Shipowner *or by any guarantor, or such petition be filed by creditors and the same shall be approved by such a court of competent jurisdiction;* or a reorganization of the Shipowner *or any guarantor* under said Code shall be approved by a court, whether proposed by a creditor, a stockholder or any other Person whomsoever; or a receiver or receivers of any kind whatsoever, whether appointed in admiralty, bankruptcy, common law or equity proceedings, shall be appointed, by a decree of a court of competent jurisdiction, with respect to any Vessel, or all or substantially all of the Shipowner's *or any guarantor's* property, and such decree shall have continued unstayed, on appeal or otherwise, and in effect for a period of 60 days;

12. New Section 8(f) of the Reserve Fund and Financial Agreement

(f) Distributions for the Payment of Taxes. Provided that the Company is not then in Default under the Security Agreement and continues to retain its status as a Subchapter S Corporation, limited liability company, or other entity which enjoys the benefits of pass-through taxation under the Internal Revenue Code (collectively, a ''Pass-Through Entity''), the Company may distribute to its Shareholders, for the purpose of assisting them in their efforts to pay their estimated and final federal income taxes with respect to the current or immediately preceding fiscal year (or any prior fiscal year under audit) of Company operations, funds sufficient to cover the aggregate federal income taxes owed by the Company's Shareholders desiring a distribution in respect of the net income earned by the Company, to be calculated in the following manner:

(1) In the case of year-end final tax returns:

(A) Each Shareholder desiring a distribution for federal income taxes shall calculate its federal income tax return (the Return) based on all of the Shareholder's deductions, credits and other adjustments, *including,* but not limited to, all of the Shareholder's allocable share of the Company's net income and other tax attributes. The Return shall be the income tax return that the Shareholder actually files with the Internal Revenue Service (IRS). The Shareholder shall also calculate its federal income tax return (the Pro Forma Return) based on all of the Shareholder's deductions, credits and other adjustments, *excluding* all of the Shareholder's allocable share of the Company's net income and other tax attributes;

(B) The Shareholder shall subtract the Pro Forma Return from the Return and certify, in writing, to MARAD and the Company, the difference as the amount of federal income tax for which the Shareholder is liable with respect to the Shareholder's ownership interest in the Company (the Amount Due) and shall attach a copy of IRS Form K–1 to the certification. The certification required by this subsection may be based on advice from the Shareholder's accountant or other tax advisor. The sum of each requesting Shareholder's Amount Due with respect to a particular fiscal year of the Company shall be referred to as the Total Amount Due for such fiscal year; and

(C) The Company may distribute to its Shareholders, with respect to each fiscal year, an amount not to exceed the Total Amount Due for such fiscal year in a manner consistent with the Company's continued retention of its status as a Subchapter S Corporation or other Pass-Through Entity.

(2) In the case of quarterly estimated tax payments:

(A) Each Shareholder desiring a distribution for the payment of quarterly estimated federal income taxes shall calculate its estimated quarterly federal income tax payment then due to be paid based on all of the Shareholder's estimated deductions, credits and other adjustments, *including* but not limited to all of the Shareholder's allocable share of the Company's net income and other tax attributes (Estimated Tax) and shall also calculate its estimate of what the quarterly estimated federal income tax payment would be based on all of the Shareholder's estimated deductions, credits and other adjustments, *excluding* all of the Shareholder's allocable share of the Company's net income and other tax attributes (Pro Forma Estimated Tax);

(B) The Shareholder shall subtract the Pro Forma Estimated Tax from the Estimated Tax and certify, in writing, to MARAD and the Company, the difference as the amount of estimated federal income tax for which the Shareholder is liable with respect to the Shareholder's ownership interest in the Company (the Estimated Amount Due), and shall attach a copy of the relevant IRS Estimated Tax Worksheet. The sum of each requesting Shareholder's Estimated Amount Due for any given fiscal quarter of the Company shall be referred to as the Total Estimated Amount Due for that fiscal quarter; and

(C) With respect to each fiscal quarter, the Company may distribute to its Shareholders an aggregate amount not to exceed the Total Estimated Amount Due for such fiscal quarter in a manner consistent with the Company's continued retention of its status as a Subchapter S Corporation or other Pass-Through Entity.

(3) If the total amount distributed for estimated and final income taxes with respect to any fiscal year of the Company exceeds the Total Amount Due for that fiscal year, no further distributions shall be allowed under this Section 8(f) until all the Shareholders shall have remitted to the Company their proportional share of the excessive distribution.

(4) To the extent a Shareholder is required by law to pay state and local taxes in lieu of the Company's paying those taxes, distributions may be made by the Company to its Shareholders in the same manner, and subject to the same restrictions, as distributions with respect to federal income taxes are permitted hereunder.

(5) No distributions may be accomplished under this Section 8(f) prior to the receipt by MARAD of all the certifications required of Shareholders herein. Upon the request of MARAD in writing, a Shareholder shall provide MARAD such additional information (including, but not limited to, copies of the Shareholder's relevant income tax returns as filed with the Internal Revenue Service) as MARAD may reasonably request (which information MARAD shall hold in confidence pursuant to 5 U.S.C. 552(b)(4) and subject to 18 U.S.C. 1905) to determine the validity of the Shareholder's certification. Upon the failure of any Shareholder to provide MARAD with such additional information (including the aforementioned income tax returns) within 30 days of a written request from MARAD, no further distributions shall be allowed under this Section 8(f) above for final or estimated taxes until the requested information has been provided to MARAD.

(Authority: 49 CFR 1.66)

By Order of the Maritime Administrator.

Dated: June 2, 2005.

Joel C. Richard,

Secretary, Maritime Administration.

[FR Doc. 05–11316 Filed 6–7–05; 8:45 am]

BILLING CODE 4910–81–P