

the Code, these temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

#### Drafting Information

The principal author of these temporary regulations is Melinda K. Fisher, Office of the Associate Chief Counsel (Procedure & Administration), Disclosure and Privacy Law Division.

#### List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

#### Amendments to the Regulations

■ Accordingly, 26 CFR Part 301 is amended as follows:

#### PART 301—PROCEDURE AND ADMINISTRATION

■ **Paragraph 1.** The authority citation for part 301 is amended by adding an entry in numerical order to read, in part, as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

Sections 301.6103(p)(4)–1 and 301.6103(p)(7)–1T also issued under 26 U.S.C. 6103(p)(4) and (7) and (q), \* \* \*

■ **Par. 2.** Section 301.6103(p)(4)–1T is added to read as follows:

#### § 301.6103(p)(4)–1T Procedures relating to safeguards for returns or return information (temporary).

For security guidelines and other safeguards for protecting returns and return information, see guidance published by the Internal Revenue Service. For procedures for administrative review of a determination that an authorized recipient has failed to safeguard returns or return information, see § 301.6103(p)(7)–1T.

#### § 301.6103(p)(7)–1 [Removed]

■ **Par. 3.** Section 301.6103(p)(7)–1 is removed.

■ **Par. 4.** Section 301.6103(p)(7)–1T is added to read as follows:

#### § 301.6103(p)(7)–1T Procedures for administrative review of a determination that an authorized recipient has failed to safeguard returns or return information (temporary).

(a) *In general.* Notwithstanding any section of the Internal Revenue Code, the Internal Revenue Service (IRS) may terminate or suspend disclosure of returns and return information to any authorized recipient specified in subsection (p)(4) of section 6103, if the IRS makes a determination that:

(1) The authorized recipient has allowed an unauthorized inspection or disclosure of returns or return information and that the authorized recipient has not taken adequate corrective action to prevent the recurrence of an unauthorized inspection or disclosure, or

(2) The authorized recipient does not satisfactorily maintain the safeguards prescribed by section 6103(p)(4), and has made no adequate plan to improve its system to maintain the safeguards satisfactorily.

(b) *Notice of IRS's intention to terminate or suspend disclosure.* Prior to terminating or suspending authorized disclosures, the IRS will notify the authorized recipient in writing of the IRS's preliminary determination and of the IRS's intention to discontinue disclosure of returns and return information to the authorized recipient. Upon so notifying the authorized recipient, the IRS, if it determines that tax administration otherwise would be seriously impaired, may suspend further disclosures of returns and return information to the authorized recipient pending a final determination by the Commissioner or a Deputy Commissioner described in paragraph (d)(2) of this section.

(c) *Authorized recipient's right to appeal.* An authorized recipient shall have 30 days from the date of receipt of a notice described in paragraph (b) of this section to appeal the preliminary determination described in paragraph (b) of this section. The appeal shall be made directly to the Commissioner.

(d) *Procedures for administrative review.* (1) To appeal a preliminary determination described in paragraph (b) of this section, the authorized recipient shall send a written request for a conference to: Commissioner of Internal Revenue (Attention: SE:S:CLD:GLD), 1111 Constitution Avenue, NW., Washington, DC 20224. The request must include a complete description of the authorized recipient's present system of safeguarding returns or return information, as well as a complete description of its practices with respect to the inspection, disclosure, and use of the returns or return information it (including any authorized contractors or agents) receives under the Internal Revenue Code. The request then must state the reason or reasons the authorized recipient believes that such system, or practice, including improvements, if any, to such system or practice expected to be made in the near future, is or will be adequate to safeguard returns or return information.

(2) Within 45 days of the receipt of the request made in accordance with the provisions of paragraph (d)(1) of this section, the Commissioner or Deputy Commissioner personally will hold a conference with representatives of the authorized recipient, after which the Commissioner or Deputy Commissioner will make a final determination with respect to the appeal.

(e) *Effective date.* This section is applicable to all authorized recipients of returns and return information that are subject to the safeguard requirements set forth in section 6103(p)(4) on or after February 23, 2006.

**Mark E. Matthews,**

*Deputy Commissioner for Services and Enforcement.*

Approved: February 11, 2006.

**Eric Solomon,**

*Acting Deputy Assistant Secretary of the Treasury (Tax Policy).*

[FR Doc. 06–1713 Filed 2–23–06; 8:45 am]

**BILLING CODE 4830–01–U**

## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### 32 CFR Part 146

RIN 0790–AH73

#### Compliance of DoD Members, Employees, and Family Members Outside the United States With Court Orders

**AGENCY:** Department of Defense.

**ACTION:** Final rule.

**SUMMARY:** This document removes part 146, “Compliance of DoD Members, Employees, and Family Members Outside the United States With Court Orders” in Title 32 of the Code of Federal Regulations. This part has served the purpose for which it was intended in the CFR and is no longer necessary.

**DATES:** *Effective Date:* February 24, 2006.

**FOR FURTHER INFORMATION CONTACT:** L.M. Bynum, (703) 696–4970.

**SUPPLEMENTARY INFORMATION:** The DoD Directive 5525.9 has been converted into a DoD Instruction and is available at <http://www.dtic.mil/whs/directives/corres/html/552509.htm>

#### List of Subjects in 32 CFR Part 146

Courts, Government employees, Intergovernmental relations, Military personnel.

**PART 146—[REMOVED]**

■ Accordingly, by the authority of 10 U.S.C. 301, 32 CFR part 146 is removed.

Dated: February 17, 2006.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 06-1730 Filed 2-23-06; 8:45 am]

BILLING CODE 5001-06-M

**DEPARTMENT OF DEFENSE****Office of the Secretary****32 CFR Part 343**

[DoD Directive 5124.02]

**Under Secretary of Defense for Personnel and Readiness (USD(P&R))**

**AGENCY:** Department of Defense.

**ACTION:** Final rule.

**SUMMARY:** This document removes part 343, “Under Secretary of Defense for Personnel and Readiness (USD(P&R))” in Title 32 of the Code of Federal Regulations. This part has served the purpose for which it was intended in the CFR and is no longer necessary.

**DATES:** *Effective Date:* February 24, 2006.

**FOR FURTHER INFORMATION CONTACT:** L.M. Bynum, (703) 696-4970.

**SUPPLEMENTARY INFORMATION:** This part 343 is removed to as a part of a DoD exercise to remove organizational charters from the CFR. The revised DoD Directive 5124.04 is available at <http://www.dtic.mil/whs/directives/corres/htm/512402.htm>

**List of Subjects in 32 CFR Part 343**

Organizations.

**PART 343—[REMOVED]**

Accordingly, by the authority of 10 U.S.C. 301, 32 CFR part 343 is removed.

Dated: February 17, 2006.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 06-1731 Filed 2-23-06; 8:45 am]

BILLING CODE 5001-06-M

**POSTAL SERVICE****39 CFR Part 111****Bundling Flat-Size and Irregular Parcel Mail**

**AGENCY:** Postal Service.

**ACTION:** Final rule.

**SUMMARY:** This final rule requires mailers to use two bands to secure all bundles of presorted flat-size mail and irregular parcels when those bundles are not shrinkwrapped.

**DATES:** *Effective Date:* April 30, 2006.

**FOR FURTHER INFORMATION CONTACT:** Bill Chatfield, 202-268-7278.

**SUPPLEMENTARY INFORMATION:****Background**

We published a proposal in the **Federal Register** (70 FR 66314; November 2, 2005) to require mailers to use at least two bands—one band around the length and one around the width—when only banding is used to secure bundles of flat-size and irregular parcel mailpieces. This requirement eliminates the current option to place only one band around bundles 1-inch thick or less.

Bundle integrity—the ability of bundles to remain intact—is crucial for our new, high-speed Automated Package Processing System (APPS). When bundles break open, we lose the value of mailers’ presort, and we must handle individual pieces manually. Manual handling of mailpieces from broken or loose bundles results in delayed delivery and increases our processing costs.

**Comments Received**

We received two comments on our proposal. One commenter said it may be difficult to use two bands and maintain visible address and presort information on the top piece of each bundle. Secure bundles with visible addresses and presort designations are key APPS requirements. Mailers may use clear, smooth strapping or place the address on an unobscured part of the mailpiece (for example, in the center of one of the quadrants on the face of the mailpiece). Mailers may avoid banding altogether by shrinkwrapping bundles.

The commenter also said that the new address visibility requirement should have been published together with the new bundling standards. While we changed the standards for address visibility on October 27, 2005, mailers were given a 6-month grace period to comply. We encourage mailers to meet those standards as soon as possible, but mailers are not required to comply until April 30, 2006. The April 30, 2006, implementation date for the new bundling standards matches the compliance date for address visibility.

The second commenter disagreed that bundles prepared with only banding should be required to have bands around the length and width. The commenter stated that, in some cases,

using two parallel bands around the width of the bundle is sufficient.

The standards that require at least one band around the length and one around the width for most bundles are not new standards and help ensure that bundles maintain their integrity. Mailers may use two parallel bands around the width when it can increase the integrity of the bundle, but these bands must be in addition to a third band around the length. The new standard requiring at least one band around the length and one around the width for all bundles that are not shrinkwrapped will prevent even small bundles from falling apart.

**Effective Date**

Mailers must prepare presort bundles of flat-size mail and irregular parcels according to the new standards beginning April 30, 2006, but we encourage mailers to follow the new standards immediately.

**List of Subjects in 39 CFR Part 111**

Administrative practice and procedure, Postal Service.

■ Accordingly, 39 CFR part 111 is amended as follows:

**PART 111—[AMENDED]**

■ 1. The authority citation for 39 CFR Part 111 continues to read as follows:

**Authority:** 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 3001-3011, 3201-3219, 3403-3406, 3621, 3626, 5001.

■ 2. Amend the following sections of *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM) as follows:

\* \* \* \* \*

**300 Discount Flats**

\* \* \* \* \*

**330 First-Class Mail**

\* \* \* \* \*

**335 Mail Preparation**

\* \* \* \* \*

**2.0 BUNDLES**

\* \* \* \* \*

**2.4 Securing Bundles**

■ [Add new item b as follows. Make an identical change in 345.2.5 (for Standard Mail flats), 365.2.5 (for Bound Printed Matter flats), 375.2.5 (for Media Mail flats), 385.2.5 (for Library Mail flats), 435.2.5 (for First-Class Mail parcels), 465.2.5 (for Bound Printed Matter parcels), 475.2.5 (for Media Mail parcels), 485.2.5 (for Library Mail parcels), and 707.19.4 (for Periodicals).]

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