corrected to read ''*G. Request for Comments*''.

Guy Traynor,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. E6–13118 Filed 8–11–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–135866–02]

RIN 1545–BA93

Section 1248 Attribution Principles; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking; correction.

SUMMARY: This document corrects a notice of proposed rulemaking (REG–135866–02) that was published in the **Federal Register** on Friday, June 2, 2006 (71 FR 31985) providing guidance for determining the earnings and profits attributable to stock of controlled foreign corporations (or former controlled foreign corporations) that are (were) involved in certain nonrecognition transactions.

FOR FURTHER INFORMATION CONTACT: Michael Gilman, (202) 622–3850 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG–135866–02) that is the subject of this correction is under section 1248 of the Internal Revenue Code.

Need for Correction

As published, REG–135866–02 contains errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, the notice of proposed rulemaking (REG–135866–02) that was the subject of FR Doc. E6–8551 is corrected 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 * * *

Par. 2. On page 31991, instructional Par. 4. is amended by adding a new entry at the end of the amendatory instruction to read as follows:

Adding new paragraph (g).

§ 1.1248–1 [Corrected]

Par. 3. On page 31991, § 1.1248–1 is amended by adding a new paragraph (g) to read as follows:

§ 1.1248–1 Treatment of gain from certain sales or exchanges of stock in certain foreign corporations.

* * * * *

(g) *Effective date.* Paragraph (a)(4) and paragraph (a)(5), *Example 4*, of this section apply to income inclusions that occur on or after the date that paragraph and example are published as final regulations in the **Federal Register**.

Guy Traynor,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. E6–13119 Filed 8–11–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 242

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 100

RIN 1018–AT99

Subsistence Management Regulations for Public Lands in Alaska, Subpart C; Nonrural Determinations

AGENCIES: Forest Service, Agriculture; Fish and Wildlife Service, Interior.

ACTION: Proposed rule.

SUMMARY: This rule would revise the list of nonrural areas identified by the Federal Subsistence Board (Board, we, us). Areas determined to be nonrural are not eligible to participate in the Federal Subsistence Management Program on Federal public lands in Alaska. We propose to change Adak's status to rural. We also propose to add Prudhoe Bay and the Kodiak Area, including the City of Kodiak, the Mill Bay area, Womens Bay, Bell's Flats, and the Coast Guard Station to the list of nonrural areas. The following areas would continue to be nonrural, but we propose changes in their boundaries: the Kenai Area; the Wasilla/Palmer Area, including Point McKenzie; the Homer Area, including Fritz Creek East (except Voznesenka) and the North Fork Road area; and the Ketchikan Area. We propose no other changes in status. However, new information could lead to changes not proposed at this time.

DATES: We must receive your written public comments no later than October 27, 2006.

ADDRESSES: You may submit comments electronically to *Subsistence@fws.gov.* See **SUPPLEMENTARY INFORMATION** for file format and other information about electronic filing. You may also submit written comments to the Office of Subsistence Management, 3601 C Street, Suite 1030, Anchorage, Alaska 99503.

FOR FURTHER INFORMATION CONTACT: Chair, Federal Subsistence Board, c/o U.S. Fish and Wildlife Service, Attention: Pete Probasco, Office of Subsistence Management; (907) 786–3888. For questions specific to National Forest System lands, contact Steve Kessler, Regional Subsistence Program Leader, USDA, Forest Service, Alaska Region, (907) 786–3888.

SUPPLEMENTARY INFORMATION:

Comments

Electronic filing of comments is preferred: You may submit electronic comments and other data to *Subsistence@fws.gov.* Please submit as MS Word or Adobe Acrobat (PDF) files, avoiding the use of any special characters and any form of encryption.

Background

In Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) (16 U.S.C. 3111–3126), Congress found that ''the situation in Alaska is unique in that, in most cases, no practical alternative means are available to replace the food supplies and other items gathered from fish and wildlife which supply rural residents dependent on subsistence uses * * *'' and that ''continuation of the opportunity for subsistence uses of resources on public and other lands in Alaska is threatened * * *.'' As a result, Title VIII requires, among other things, that the Secretary of the Interior and the Secretary of Agriculture (Secretaries) implement a program to provide rural Alaska residents a priority for the taking of fish and wildlife on public lands in Alaska for subsistence uses, unless the State of Alaska enacts and implements laws of general applicability that are consistent with ANILCA and that provide for the subsistence definition, priority, and participation specified in sections 803, 804, and 805 of ANILCA.

The State implemented a program that the Department of the Interior previously found to be consistent with ANILCA. However, in December 1989, the Alaska Supreme Court ruled in *McDowell* v. *State of Alaska* that the rural priority in the State subsistence statute violated the Alaska Constitution. The Court's ruling in *McDowell* caused the State to delete the rural priority from the subsistence statute which therefore negated State compliance with ANILCA. The Court stayed the effect of the decision until July 1, 1990. As a result of the *McDowell* decision, the Department of the Interior and the Department of Agriculture (Departments) assumed, on July 1, 1990, responsibility for implementation of Title VIII of ANILCA on public lands. On June 29, 1990, the Departments published the Temporary Subsistence Management Regulations for Public Lands in Alaska in the **Federal Register** (55 FR 27114). Permanent regulations were jointly published on May 29, 1992 (57 FR 22940), and have been amended since then.

As a result of this joint process between Interior and Agriculture, these regulations can be found in the titles for Agriculture and Interior in the Code of Federal Regulations (CFR) both in title 36, ''Parks, Forests, and Public Property,'' and title 50, ''Wildlife and Fisheries,'' at 36 CFR 242.1–28 and 50 CFR 100.1–28, respectively. The regulations contain the following subparts: Subpart A, General Provisions; Subpart B, Program Structure; Subpart C, Board Determinations; and Subpart D, Subsistence Taking of Fish and Wildlife.

Consistent with Subparts A, B, and C of these regulations, as revised May 7, 2002 (67 FR 30559), and December 27, 2005 (70 FR 76400), the Departments established a Federal Subsistence Board (Board) to administer the Federal Subsistence Management Program, as established by the Secretaries. The Board's composition includes a Chair appointed by the Secretary of the Interior with concurrence of the Secretary of Agriculture; the Alaska Regional Director, U.S. Fish and Wildlife Service; the Alaska Regional Director, U.S. National Park Service; the Alaska State Director, U.S. Bureau of Land Management (BLM); the Alaska Regional Director, U.S. Bureau of Indian Affairs; and the Alaska Regional Forester, USDA Forest Service. Through the Board, these agencies participate in the development of regulations for Subparts A, B, and C, and the annual Subpart D regulations.

Rural Determination Process

With a **Federal Register** notice on October 5, 1990 (55 FR 40897), the newly established Federal Subsistence Board initiated the preparation of an Environmental Impact Statement as a vehicle for widespread public review and participation in the development of the final temporary regulations. The rural determination process was included, and subsequently on November 23, 1990 (55 FR 48877), the Board published another notice in the **Federal Register** explaining the proposed Federal process for making rural determinations, the criteria to be used, and the application of those criteria in preliminary determinations. Public meetings were held in approximately 56 Alaskan communities, specifically to solicit comments on the proposed Federal Subsistence Management Program. On December 17, 1990, the Board adopted final rural and nonrural determinations, which were published on January 3, 1991 (56 FR 236). Final programmatic regulations were published on May 29, 1992, with only slight variations in the rural determination process (57 FR 22940).

Federal subsistence regulations require that the rural/nonrural status of communities or areas be reviewed every 10 years, beginning with the availability of the 2000 census data. The Board evaluated several options for conducting the review and decided to adopt an approach similar to that taken in 1990, which used criteria established in Federal subsistence regulations. The review was conducted with an emphasis on what has changed since 1990.

Although the process uses data from the 2000 census for its review, some data were not compiled and available until 2005. Data from the Alaska Department of Labor were used to supplement the census data.

During February–July 2005, the staff of the Federal Subsistence Management Program conducted an initial review of the rural status of Alaska communities, looking at the 2000 census data for each community or area with an emphasis on what had changed since 1990. From this initial review, staff compiled a report that included a proposed list of communities and areas for which further analysis appeared warranted. In addition, the report included the method used to develop this list. In August–October 2005, the public and Federal Subsistence Regional Advisory Councils were invited to comment on the results of this initial review.

At a meeting in Anchorage on December 6–7, 2005, the Board took public testimony and determined that additional information was needed on 10 communities and areas before it decided upon any potential changes.

- For three communities, analysis was focused on evaluation of rural/nonrural status, as follows:

Kodiak, Adak, and Prudhoe Bay: Currently Kodiak and Prudhoe Bay are considered rural, and Adak is considered nonrural. These three communities were further analyzed as to their rural/nonrural status.

- For five nonrural groupings of communities and areas, further analysis evaluated the possibility of excluding or including places, as follows:

Fairbanks North Star Borough: Evaluate whether to continue using the entire borough as the nonrural area, or separate some outlying areas and evaluate their rural/nonrural status independently.

Seward Area: Evaluate whether to exclude Moose Pass and similarly situated places from this nonrural grouping and evaluate their rural/nonrural status independently.

Wasilla/Palmer Area: Evaluate whether to include Willow, Point MacKenzie, and similarly situated places in this nonrural grouping.

Homer Area: Evaluate whether to include Fox River, Happy Valley, and similarly situated places in this nonrural grouping.

Kenai Area: Evaluate whether to exclude Clam Gulch and similarly situated places from this nonrural grouping and evaluate their rural/nonrural status independently.

- In addition, two areas were recommended for further analysis as follows:

Ketchikan Area: Evaluate whether to include Saxman, and areas of growth and development outside the current nonrural boundary, and evaluate the rural/nonrural status of the whole area.

Delta Junction, Big Delta, Deltana and Fort Greely: Evaluate whether some or all of these communities should be grouped, and their rural/nonrural status evaluated collectively.

This list for additional analysis differed from the proposed list put out for public comment in July 2005, in that: (1) The scope of the review was broadened for the Ketchikan area, currently considered nonrural, to include an analysis of rural/nonrural characteristics of the entire area; (2) the rural/nonrural status of Prudhoe Bay was added; and (3) additional analysis of Sitka was not believed to be necessary.

Sitka, whose population had increased from 8,588 people in 1990 to 8,835 in 2000, had been identified as an area possibly warranting further

analysis. However, during its December 6–7, 2005, meeting, the Board heard substantial public testimony regarding the rural characteristics of Sitka and determined that no additional analysis was necessary. The Board is proposing to leave Sitka's rural status unchanged.

During January–May 2006, Federal subsistence staff conducted in-depth analyses of each community or area on the Board-approved list of communities and areas identified for further analysis.

On June 22, 2006, the Board met in executive session to develop the list of communities and areas they believe to be nonrural. Those communities and areas are identified in this proposed rule.

Population size is a fundamental distinguishing characteristic between rural and nonrural communities. Under the current programmatic guidance in Federal subsistence regulations:

- A community with a population of 2,500 or less is deemed rural, unless it possesses significant characteristics of a nonrural nature, or is considered to be socially and economically a part of a nonrural area.
- A community with a population of more than 7,000 is deemed nonrural, unless it possesses significant characteristics of a rural nature.
- A community with a population above 2,500 but not more than 7,000 is evaluated to determine its rural/nonrural status. The community characteristics considered in this evaluation may include, but are not limited to, diversity and development of the local economy, use of fish and wildlife, community infrastructure, transportation, and educational institutions.

Communities that are economically, socially, and communally integrated are combined for evaluation purposes. The Board identified three guidelines or criteria for analysis to assist in its determination of whether or not to group communities in its review of rural determinations. The criteria to be used include: (1) Are the communities in proximity and road-accessible to one another? The first criterion, proximity and road accessibility, is considered a logical first step in evaluating the relationship between communities, and, applied in relation to the other two criteria, is considered a reasonable indicator of economic, social, and communal integration. (2) Do they share a common high school attendance area? The second criterion, regarding sharing a common high school attendance area, is taken to be an indicator of the social integration of communities. This is an improvement by way of modification from the former criterion of a shared school district. The public pointed out in past testimony that attendance in a common school district often reflects political or administrative boundaries rather than social integration. A shared social experience is better captured by the shared high school criterion. (3) Do 30% or more of the working people commute from one community to another? This criterion, regarding whether working people commute from one community to another, was identified as providing meaningful information relating to the grouping of communities. Also, the U.S. Census uses this criterion because commuting to work is an easily understood measure that reflects social and economic integration. These criteria were not considered separately, but assessed collectively, with the recommendation to group communities being dependent upon the collective assessment.

Community characteristics and specific indicators that the Board used to evaluate rural/nonrural status include: (1) Economy—wage employment, percent unemployment, per capita income, diversity of services, cost-of-food index, and number of stores defined as large national retailers; (2) community infrastructure—including the cost of electricity; (3) fish and wildlife use—variety of species used per household, percentage of households participating, level of average harvest per capita for all subsistence resources combined, and level of average harvest per capita for salmon and large land mammals only; (4) transportation—variety of means, predominant means, and length of road system; and (5) educational institutions present in the community.

The Board's analysis and preliminary efforts to distinguish between rural places and nonrural places were heavily reliant on population size, but when the Board used other characteristics, its approach was based on a totality of the circumstances. Unemployment is generally higher and per capita income is generally lower in rural places than in nonrural places. Cost of food and cost of electricity were generally higher in the rural communities than in the nonrural. Subsistence per capita harvest of all resources shows a pattern of increasing amount with decreasing population size among nonrural areas, and typically higher levels in rural communities. The per capita harvest of salmon and large land mammals also shows a general pattern of increasing amount with decreasing population size among nonrural areas, and typically higher levels in rural communities. There were no large national retailers found in the rural communities examined (other than Kodiak which is being proposed as nonrural), or in the three smallest nonrural communities or areas. Population density was generally higher for most nonrural places than it was for rural places.

Summarized below are the Board's recommendation for each area analyzed and the justification for that recommendation.

Adak: Recommend changing Adak's status from nonrural to rural. Following the closure of the military base, the community of Adak has decreased in population by 94 percent from 1990 to 2000. It currently has 167 residents (2005), which is well below the presumptive rural threshold of 2,500 persons. Adak is also extremely remote and is accessible only by boat or plane, with the nearest community (Atka) 169 miles away. With the changes that have occurred since the 1990s, Adak now has rural characteristics typical of a small isolated community.

Prudhoe Bay (including Deadhorse): Recommend changing Prudhoe Bay's status from rural to nonrural. In 2000 Prudhoe Bay had one permanent household comprised of five people. There were reportedly no permanent residents in February 2006. Prudhoe Bay has none of the characteristics typical of a rural community. Prudhoe Bay is an industrial enclave built for the sole purpose of extracting oil. The oil companies provide everything employees need: Lodging, food, health care, and recreation. The thousands of people in Prudhoe Bay do not live there permanently, but work multi week-long shifts. They eat in cafeterias and live in group quarters. There are no schools, grocery stores, or churches. Subsistence is not a part of the way of life. Hunting in the area and possession of firearms and ammunition are prohibited. Based on its industrial enclave characteristics, Prudhoe Bay should be determined to be nonrural.

Fairbanks North Star Borough: No changes to this nonrural grouping are recommended. In applying the grouping criteria as indicators of economic, social, and communal integration, the Board believes that the current nonrural boundary of the Fairbanks Area should continue to be defined as the Fairbanks North Star Borough boundary. No census designated places (CDPs) should be excluded from the nonrural grouping for the following reasons: (1) All CDPs are road accessible to one another. Although the Harding-Birch Lakes and Salcha areas are more sparsely populated than central areas of the borough, both communities include many occasional-use homes owned by Fairbanks residents. Further, both

places are home to only a few year-round residents. (2) The majority of the Borough's high school students are bused to one of the schools located in Fairbanks, North Pole, or Eielson. (3) The Remainder area of the North Star Borough should be included in the grouping because the majority of the population is road connected and over half (57 percent) of the workers residing in this area commute to Fairbanks for employment. Additionally, 75 percent of the workers living in Harding–Birch Lakes drive to the City of Fairbanks to work, and 71 percent of the working population in Pleasant Valley commute to the City of Fairbanks.

Delta Junction Vicinity: No changes are recommended for the rural status of Delta Junction, or the communities in the immediate vicinity. In applying the grouping criteria as indicators of economic, social, and communal integration, the Board believes that the four Delta Junction vicinity CDPs assigned for analysis (Delta Junction, Big Delta, Deltana, and Fort Greely) should be grouped as an area for purposes of rural/nonrural analysis because they fulfill the three guidelines for grouping: (1) All four CDPs are road connected and proximal; (2) the majority of the high school-aged students from Big Delta, Deltana, and Fort Greely attend high school in Delta Junction; and (3) in the two outlying CDPs, over 30 percent of the workers commute within the vicinity (41 percent of the workers living in Big Delta commute to either Delta Junction, Deltana, Fort Greely, or to a Remainder area within the Southeast Fairbanks Census Area, and 45 percent of the workers in Deltana commute to Delta Junction or Fort Greely).

The four places grouped into the Delta Junction Area should remain rural in status. The population size of the grouping (3,921) places it in the nonpresumptive midrange, and information on the characteristics of the grouping, although somewhat limited, is indicative of a rural character. The recent economic upswing to the area due to construction of the Missile Defense system at Fort Greely and development of the Pogo Mine is thought to be temporary.

Seward Area: No changes to this nonrural grouping are recommended. In applying the grouping criteria as indicators of economic, social, and communal integration, the Board believes that the Moose Pass, Crown Point, and Primrose CDPs should remain within the Seward Area grouping. Moose Pass, Crown Point, and Primrose CDPs meet all the criteria for grouping: proximity and road-accessibility to the Seward Area; their students attend the high school in Seward; and the level of workers commuting to Seward for employment is greater than 30 percent.

Wasilla/Palmer Area: Include the Point MacKenzie CDP in the nonrural Wasilla/Palmer Area grouping; do not include the Willow CDP. The Board believes that the Point Mackenzie CDP meets all the criteria for grouping with the Wasilla/Palmer Area. The Point Mackenzie CDP is in proximity to the Wasilla/Palmer Area and road-accessible; their students attend Wasilla High School; and the level of workers commuting to the Wasilla/Palmer Area for employment is at 50 percent. This change would make Point McKenzie part of a nonrural area, a change from its current rural status. The Board recommends that the Willow CDP not be included in the Wasilla/Palmer Area grouping. Students in the Willow CDP are located in two attendance areas for high schools, within and outside of the Wasilla/Palmer Area. The level of commuting for workers to the Wasilla/Palmer Area is at 23.9 percent, which is below the criteria identified for grouping.

Kenai Area: Adjust the boundaries of the nonrural Kenai Area to include all of the current Sterling CDP, and propose no change to the current grouping and status of Clam Gulch CDP as part of the nonrural Kenai Area. It appears that Clam Gulch CDP should continue to be included in the Kenai Area grouping because, although students of Clam Gulch CDP attend high school outside of the Kenai Area, the commuting of workers to the Kenai Area is on the order of 30 percent, and Clam Gulch is connected by paved highway to the Kenai Area, with which it has been grouped since initial determinations were made in 1990. It also appears that Cohoe CDP should remain within the Kenai Area grouping. Cohoe students attend a high school in the Kenai Area and the level of work commuting, at 69.5 percent, is significantly above the minimum criteria for grouping. The Sterling CDP has been part of the nonrural Kenai Area since 1990. For the 2000 census, the Sterling CDP has expanded in size, such that a significant portion of the CDP extends beyond the current boundary of the nonrural Kenai Area. The Board believes that the boundaries of the Kenai Area should be adjusted to include all of the current Sterling CDP. Students within the Sterling CDP go to high school within the Kenai Area and the level of commuting is at 61.2 percent of workers, well above the minimum criteria for grouping.

Homer Area: Adjust the boundaries of the nonrural Homer Area to include all of the Fritz Creek CDP (not including Voznesenka), and the North Fork Road portion of the Anchor Point CDP. This change would make Fritz Creek East, except for Voznesenka, and the North Fork Road portion of the Anchor Point CDP nonrural, a change from their current rural status. The Board has tentatively concluded for Fritz Creek East that, except for Voznesenka, the residents are economically, socially, and communally integrated with the Homer Area. Fritz Creek East is in proximity and road-connected to the Homer Area. The Homer High School attendance area includes their students, and 43.8 percent of their workers commute to the Homer Area. It appears that Voznesenka should not be included in the Homer Area because, while it is in proximity and road-connected to the Homer Area, the number of jobs shown as being located within the Homer Area is only 19.5 percent, and Voznesenka students attend high school in Voznesenka.

The Board believes that residents of the North Fork Road area fully meet two of the three criteria, proximity and commuting of workers. For the third criteria, although students have the option of attendance in Nikolaevsk School or Ninilchik High School, the vast majority go to Homer High School. This is sufficient basis for considering the North Fork Road area of the Anchor Point CDP to be economically, socially, and communally integrated with the nonrural Homer Area.

The Board believes that residents of the Happy Valley CDP fulfill only the proximity criterion for grouping with the Homer Area. Happy Valley students are within the Ninilchik School high school attendance area, and less than 30 percent of Happy Valley workers commute to the Homer Area (14.4 percent). It appears that residents of the Happy Valley CDP should not be included with the Homer Area.

It appears that the Nikolaevsk CDP, north of the Anchor Point CDP and connected to the Homer Area by the North Fork Road, does not warrant inclusion in the Homer Area. There is a K–12 school in Nikolaevsk, and data show that only 22 percent of jobs held by Nikolaevsk residents were located in the Homer Area.

It appears that residents of Fox River CDP, primarily in the communities of Razdolna and Kachemak Selo, do not meet any of the three criteria, which would indicate that Fox River residents are not economically, socially, or communally integrated with the Homer Area.

Kodiak Area: Define the Kodiak Area to include the road system, including the City of Kodiak, the Mill Bay area, Womens Bay, Bell's Flats, and the Coast Guard Station, but not including Chiniak, Pasagshak, and Anton Larsen, and change the status of the Kodiak Area, as defined, from rural to nonrural. The Board believes that the Kodiak Station CDP should be included in the Kodiak Area grouping. The Kodiak Station CDP directly fulfills two of the three criteria for being grouped in the Kodiak Area, and special consideration is warranted in relation to the third criterion: (1) The Kodiak Station CDP is road-connected and adjacent to the City of Kodiak; (2) the Kodiak Station CDP does not have a high school; all students attend high school in the City of Kodiak; and (3) the special circumstance of enlisted employment accounts for the overall commuting level of workers to Kodiak City being an estimated 11 percent of all working residents. However, this can be attributed to the fact that enlisted personnel residing on the base are by duty assignment bound to the base. Working dependents, who are not bound to employment on the base, virtually all work in Kodiak City. While the worker commuting criterion is thereby not met if one pools enlisted personnel and working dependents, ties to the Kodiak Area are otherwise evident. The Board believes that the Womens Bay CDP should be included in the Kodiak Area grouping. Womens Bay CDP fulfills all three criteria for being grouped in the Kodiak Area: (1) Womens Bay CDP is road-connected and proximal to the City of Kodiak; (2) Womens Bay CDP does not have a high school; students attend high school in the City of Kodiak; and (3) more than 30 percent of the working residents are employed in the City of Kodiak.

The Board believes that the Chiniak CDP should not be included in the Kodiak Area grouping because (1) although there is a road from Chiniak to the City of Kodiak, it is a minimum of a one-hour trip, and the 14 miles closest to Chiniak are unpaved; (2) there is a partial high school in Chiniak to grade 10, and only two-fifths of the high school-aged children attend school in Kodiak.

The Board believes that the road-connected Remainder area should be included in the Kodiak Area grouping, with the exception of the Pasagshak and Anton Larsen portions. The road-connected Remainder area, with the exceptions as noted, is proximal to the City of Kodiak; students from the road-connected Remainder area attend high school in the City of Kodiak; and more than 30 percent of the working residents of the Remainder area are employed in the City of Kodiak. The road-connected Remainder area of the Kodiak Area includes people residing in Anton Larsen and Pasagshak. There is no information about these ''sub-areas'' of the road-connected Remainder area, thus it is unknown if students living in these areas are taught through correspondence, home-schooled, or travel to Kodiak to attend high school. It is also unknown how many people commute to Kodiak City to work. However, the Board determined that despite the lack of information regarding the three criteria for grouping, the remoteness of Pasgashak and Anton Larsen is comparable to the remoteness of Chiniak, and therefore elected to propose no change in the rural status of these areas.

The population of the Kodiak Area—estimated at approximately 12,000 in 2005—is well above the presumptive nonrural population of 7,000 in Federal regulations. The population has increased slightly since 1990. Kodiak's per capita income is relatively high and it also has a 2-year college, high diversity of services, a large national retailer, fast food restaurants, and roads linking the outlying area to the city. Of the communities examined during this analysis, the Kodiak Area is 34 percent larger in population than the next largest rural place, and its use of fish and wildlife is 24 percent lower. While the per capita harvest of subsistence resources is higher in the Kodiak Area than in some rural areas, it is well below the levels in some other rural communities.

Ketchikan Area: Define the Ketchikan Area to include Pennock Island, parts of Gravina Island, and the road system connected to the City of Ketchikan, except for the community of Saxman. Saxman would retain its current rural status, and the Ketchikan Area, as defined, would retain its nonrural status. Saxman is directly adjacent to Ketchikan, connected by road, and surrounded by the outlying Ketchikan development. Visually, the only distinguishing feature to indicate the boundary between Ketchikan and Saxman is a sign on the South Tongass Highway. Saxman has clearly been overtaken and is surrounded by the geographic expansion of Ketchikan; Saxman students attend high school in Ketchikan; and 64 percent of the workers in Saxman commute to Ketchikan for their employment, with another 8 percent commuting to the Remainder area of the borough to work. Even though the grouping criteria would indicate including Saxman with the Ketchikan Area, social and economic characteristics indicate that Saxman should not be grouped in the Ketchikan Area. Saxman is a small, close-knit community that is socially and politically separate from Ketchikan. The residents of Saxman have two distinct entities to separate themselves from Ketchikan, the traditional government (Organized Village of Saxman) and the municipal government (City of Saxman). Socioeconomic indicators suggest distinctions between the two communities. For example, Saxman has a higher unemployment rate, lower per capita income, higher percentage of residents below the poverty level than those found in Ketchikan, and a 70 percent Native population. Another distinguishing characteristic of the community is that Saxman residents depend much more heavily on the harvest of subsistence resources. Saxman's average per capita harvest of 217 pounds is substantially more than has been estimated for the Ketchikan Area. Thus, while the grouping criteria lead to including Saxman with the Ketchikan Area, the unique socioeconomic characteristics of Saxman suggest that it should remain separate from the Ketchikan Area.

The Remainder fulfills all three criteria for grouping with the Ketchikan Area: (1) The Remainder, other than nearby Gravina and Pennock Islands, is road-connected to the City of Ketchikan; (2) Students in the Remainder attend high school in Ketchikan; and (3) Over 30 percent of the workers from the Remainder commute to work in the City of Ketchikan. Presently, most of the Remainder is included in the nonrural Ketchikan Area, established in 1990, except for extensions of the highway to the north and south that have since occurred.

The population of the Ketchikan Area was estimated at 12,720 in 2005 (excluding Saxman), having decreased slightly from 1990. Ketchikan possesses many nonrural characteristics, including having a 2-year college, a large national retailer, car dealerships, fast food restaurants, and roads linking the outlying surrounding area to the city. Although the pulp mill closed, there is still some diversity in the economy with tourism, fishing, fish processing, timber, retail services, and government providing the majority of employment. There is a hospital and a high diversity of services offered. The Ketchikan Area had the sixth highest population in the state in 2005, considering community groupings as defined by the Board. All other areas with higher populations are currently considered nonrural in Federal subsistence regulations. Three areas

with smaller populations are currently classified as nonrural and are not proposed for a change in status: the Homer Area, Seward Area, and Valdez. Harvest of subsistence resources in the Ketchikan Area is lower than is characteristic of rural communities.

This change would make the extended road connected areas of Ketchikan nonrural, a change from their current rural status.

The list of nonrural communities and areas, along with those other nonrural communities or areas whose status would remain unchanged, is published herein as the proposed rule. All other communities and areas of Alaska not listed herein would retain their rural determination. We propose to amend Section ____.23, which identifies those communities and areas of Alaska that are determined to be rural and nonrural. We have made maps available for the nonrural areas. The purpose of these maps is to provide to the subsistence user an overall graphic representation of the extent of the nonrural areas. To view maps, go to the Office of Subsistence Management Web site at *http://alaska.fws.gov/asm/home.html.* If you do not have access to the internet, you may contact the Office of Subsistence Management at the address or phone number shown at **ADDRESSES** or **FOR FURTHER INFORMATION CONTACT,** respectively, and we will send the maps to you.

During August–October 2006, the public and Federal Subsistence Regional Advisory Councils are invited to comment on the proposed rule. Hearings in Kodiak, Sitka, Saxman, and Ketchikan will be held in September and October 2006. The specific dates, times, and locations will be announced in locally and Statewide—circulated newspapers or you may call the phone number shown at **FOR FURTHER INFORMATION CONTACT.** Additional hearings may be scheduled by the Board, as appropriate. In December 12–13, 2006, in Anchorage, Alaska, the Federal Subsistence Board will meet to consider the comments received and may make changes to the proposed rule. From the decisions made in December, the Board will develop a final rule for publication in the **Federal Register**. The effective date of any community or area changing from a rural to nonrural status is 5 years after the date of publication of the final rule in the **Federal Register**. For communities or areas that change from nonrural to rural, the effective date is 30 days after the date of publication of the final rule in the **Federal Register**.

Because the Federal Subsistence Management Program relates to public lands managed by an agency or agencies in both the Departments of Agriculture and the Interior, we propose to incorporate identical text into 36 CFR part 242 and 50 CFR part 100.

Conformance With Statutory and Regulatory Authorities

National Environmental Policy Act Compliance

A Draft Environmental Impact Statement (DEIS) for developing a Federal Subsistence Management Program was distributed for public comment on October 7, 1991. That document described the major issues associated with Federal subsistence management as identified through public meetings, written comments, and staff analysis, and examined the environmental consequences of four alternatives. Proposed regulations (Subparts A, B, and C) that would implement the preferred alternative were included in the DEIS as an appendix. The DEIS and the proposed administrative regulations presented a framework for an annual regulatory cycle regarding subsistence hunting and fishing regulations (Subpart D). The Final Environmental Impact Statement (FEIS) was published on February 28, 1992.

Based on the public comments received, the analysis contained in the FEIS, and the recommendations of the Federal Subsistence Board and the Department of the Interior's Subsistence Policy Group, the Secretary of the Interior, with the concurrence of the Secretary of Agriculture, through the U.S. Department of Agriculture—Forest Service, implemented Alternative IV as identified in the DEIS and FEIS (Record of Decision on Subsistence Management for Federal Public Lands in Alaska (ROD), signed April 6, 1992). The DEIS and the selected alternative in the FEIS defined the administrative framework of an annual regulatory cycle for subsistence hunting and fishing regulations. The final rule for Subsistence Management Regulations for Public Lands in Alaska, Subparts A, B, and C, published May 29, 1992, implemented the Federal Subsistence Management Program and included a framework for an annual cycle for subsistence hunting and fishing regulations. The following **Federal Register** documents pertain to this rulemaking:

FEDERAL REGISTER DOCUMENTS PERTAINING TO SUBSISTENCE MANAGEMENT REGULATIONS FOR PUBLIC LANDS IN ALASKA, SUBPARTS A AND B

Federal Register citation	Date of publication	Category	Detail
57 FR 22940	May 29, 1992	Final Rule	"Subsistence Management Regulations for Public Lands in Alaska; Final Rule" was published in the Federal Register establishing a Federal Subsistence Management Program.
64 FR 1276	January 8, 1999	Final Rule (amended)	Amended 7 FR 22940 to include subsistence activities occurring on inland navigable waters in which the United States has a reserved water right and to identify specific Federal land units where reserved water rights exist. Extended the Federal Subsistence Board's management to all Federal lands selected under the Alaska Native Claims Settlement Act and the Alaska Statehood Act and situated within the boundaries of a Conservation System Unit, National Recreation Area, National Conservation Area, or any new national forest or forest addition, until conveyed to the State of Alaska or an Alaska Native Corporation. Specified and clarified Secretaries' authority to determine when hunting, fishing, or trapping activities taking place in Alaska off the public lands interfere with the subsistence priority.
66 FR 31533	June 12, 2001	Interim Rule	Expanded the authority that the Board may delegate to agency field officials and clarified the procedures for enacting emergency or temporary restrictions, closures, or openings.

FEDERAL REGISTER DOCUMENTS PERTAINING TO SUBSISTENCE MANAGEMENT REGULATIONS FOR PUBLIC LANDS IN ALASKA, SUBPARTS A AND B—Continued

Federal Register citation	Date of publication	Category	Detail
67 FR 30559	May 7, 2002	Final Rule	In response to comments on an interim rule, amended the operating regulations. Also corrected some inadvertent errors and oversights of previous rules.
68 FR 7703	February 18, 2003	Direct Final Rule	Clarified how old a person must be to receive certain subsistence use permits and removed the requirement that Regional Councils must have an odd number of members.
68 FR 23035	April 30, 2003	Affirmation of Direct Final Rule.	Received no adverse comments on 68 FR 7703. Adopted direct final rule.
68 FR 60957	October 14, 2004	Final Rule	Established Regional Council membership goals.
70 FR 76400	December 27, 2005	Final Rule	Revised jurisdiction in marine waters and clarified jurisdiction relative to military lands.

An environmental assessment was prepared in 1997 on the expansion of Federal jurisdiction over fisheries and is available from the office listed under **FOR FURTHER INFORMATION CONTACT.** The Secretary of the Interior with the concurrence of the Secretary of Agriculture determined that the expansion of Federal jurisdiction did not constitute a major Federal action significantly affecting the human environment and therefore signed a Finding of No Significant Impact.

Compliance With Section 810 of ANILCA

The intent of all Federal subsistence regulations is to accord subsistence uses of fish and wildlife on public lands a priority over the taking of fish and wildlife on such lands for other purposes, unless restriction is necessary to conserve healthy fish and wildlife populations. A section 810 analysis was completed as part of the FEIS process. The final section 810 analysis determination appeared in the April 6, 1992, ROD, which concluded that the Federal Subsistence Management Program may have some local impacts on subsistence uses, but that the program is not likely to significantly restrict subsistence uses.

Paperwork Reduction Act

This rule contains no new information collection requirements subject to Office of Management and Budget (OMB) approval under the Paperwork Reduction Act of 1995. The information collection requirements described in the CFR regulations were approved by OMB under 44 U.S.C. 3501 and were assigned clearance number 1018–0075, which expires August 31, 2006. We will not conduct or sponsor, and you are not required to respond to, a collection of information request unless it displays a currently valid OMB control number.

Other Requirements

Economic Effects—This rule is not a significant rule subject to OMB review under Executive Order 12866. This rulemaking will impose no significant costs on small entities; this rule does not restrict any existing sport or commercial fishery on the public lands, and subsistence fisheries will continue at essentially the same levels as they presently occur. The number of businesses and the amount of trade that will result from this Federal land'related activity is unknown but expected to be insignificant.

The Regulatory Flexibility Act of 1980 (5 U.S.C. 601 *et seq.*) requires preparation of regulatory flexibility analyses for rules that will have a significant economic effect on a substantial number of small entities, which include small businesses, organizations, or governmental jurisdictions. The Departments have determined that this rulemaking will not have a significant economic effect on a substantial number of small entities within the meaning of the Regulatory Flexibility Act.

This rulemaking will impose no significant costs on small entities; the exact number of businesses and the amount of trade that will result from this Federal land—related activity is unknown. The aggregate effect is an insignificant positive economic effect on a number of small entities, such as tackle, boat, sporting goods dealers, and gasoline dealers. The number of small entities affected is unknown; however, the fact that the positive effects will be seasonal in nature and will, in most cases, merely continue preexisting uses of public lands indicates that the effects will not be significant.

Title VIII of ANILCA requires the Secretaries to administer a subsistence preference on public lands. The scope of this program is limited by definition to certain public lands. Likewise, these regulations have no potential takings of private property implications as defined by Executive Order 12630.

The Secretaries have determined and certify pursuant to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.*, that this rulemaking will not impose a cost of $100 million or more in any given year on local or State governments or private entities. The implementation of this rule is by Federal agencies, and no cost is involved to any State or local entities or Tribal governments.

The Secretaries have determined that these regulations meet the applicable standards provided in Sections 3(a) and 3(b)(2) of Executive Order 12988 on Civil Justice Reform.

In accordance with Executive Order 13132, the rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. Title VIII of ANILCA precludes the State from exercising subsistence management authority over fish and wildlife resources on Federal lands unless the State program is compliant with the requirements of that Title.

In accordance with the President's memorandum of April 29, 1994, ''Government-to-Government Relations with Native American Tribal Governments'' (59 FR 22951), 512 DM 2, and E.O. 13175, we have evaluated possible effects on Federally recognized Indian tribes and have determined that there are no substantial direct effects. The Bureau of Indian Affairs is a participating agency in this rulemaking.

On May 18, 2001, the President issued Executive Order 13211 on regulations that significantly affect energy supply, distribution, or use. This Executive Order requires agencies to prepare Statements of Energy Effects when undertaking certain actions. As this rule is not a significant regulatory action under Executive Order 13211, affecting energy supply, distribution, or use, this

action is not a significant action and no Statement of Energy Effects is required.

William Knauer drafted these regulations under the guidance of Peter J. Probasco of the Office of Subsistence Management, Alaska Regional Office, U.S. Fish and Wildlife Service, Anchorage, Alaska. Chuck Ardizzone, Alaska State Office, Bureau of Land Management; Greg Bos, Carl Jack, and Jerry Berg, Alaska Regional Office, U.S. Fish and Wildlife Service; Sandy Rabinowitch and Nancy Swanton, Alaska Regional Office, National Park Service; Dr. Warren Eastland, Pat Petrivelli, and Dr. Glenn Chen, Alaska Regional Office, Bureau of Indian Affairs; and Steve Kessler, Alaska Regional Office, USDA—Forest Service provided additional guidance.

List of Subjects

36 CFR Part 242

Administrative practice and procedure, Alaska, Fish, National forests, Public lands, Reporting and recordkeeping requirements, Wildlife.

List of Subjects

50 CFR Part 100

Administrative practice and procedure, Alaska, Fish, National forests, Public lands, Reporting and recordkeeping requirements, Wildlife.

For the reasons set out in the preamble, the Secretaries propose to amend title 36, part 242, and title 50, part 100, of the Code of Federal Regulations, as set forth below.

PART ____—SUBSISTENCE MANAGEMENT REGULATIONS FOR PUBLIC LANDS IN ALASKA

1. The authority citation for both 36 CFR part 242 and 50 CFR part 100 would continue to read as follows:

Authority: 16 U.S.C. 3, 472, 551, 668dd, 3101–3126; 18 U.S.C. 3551–3586; 43 U.S.C. 1733.

Subpart C—Board Determinations

2. In Subpart C of 36 CFR part 242 and 50 CFR part 100, § ____.23(a) would be revised to read as follows:

* * * * *

§ ____.23 Rural Determinations.

(a) The Board has determined all communities and areas to be rural in accordance with § ____.15 except the following:

(1) Fairbanks North Star Borough;

(2) Homer area—including Homer, Anchor Point, North Fork Road area, Kachemak City, and the Fritz Creek area (not including Voznesenka);

(3) Juneau area—including Juneau, West Juneau, and Douglas;

(4) Kenai area—including Kenai, Soldotna, Sterling, Nikiski, Salamatof, Kalifornsky, Kasilof, and Clam Gulch;

(5) Ketchikan area—including all parts of the road system connected to the City of Ketchikan (except Saxman), Pennock Island, and parts of Gravina Island;

(6) Kodiak area—including the City of Kodiak, the Mill Bay area, the Coast Guard Station, Womens Bay, and Bells Flats;

(7) Municipality of Anchorage;

(8) Prudhoe Bay;

(9) Seward area—including Seward and Moose Pass;

(10) Valdez; and

(11) Wasilla/Palmer area—including Wasilla, Palmer, Sutton, Big Lake, Houston, Point MacKenzie, and Bodenberg Butte.

You may obtain maps delineating the boundaries of nonrural areas from the U.S. Fish and Wildlife Service, Office of Subsistence Management.

* * * * *

Dated: July 24, 2006.

Peter J. Probasco,

Acting Chair, Federal Subsistence Board.

Dated: July 24, 2006.

Steve Kessler,

Subsistence Program Leader, USDA—Forest Service.

[FR Doc. 06–6902 Filed 8–11–06; 8:45 am]

BILLING CODE 3410–11–P; 4310–55–P

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 242

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 100

RIN 1018–AU15

Subsistence Management Regulations for Public Lands in Alaska, Subpart C and Subpart D—2007–2008 Subsistence Taking of Wildlife Regulations; 2007–2008 Subsistence Taking of Fish on the Kenai Peninsula Regulations

AGENCIES: Forest Service, Agriculture; Fish and Wildlife Service, Interior.

ACTION: Proposed rule.

SUMMARY: This proposed rule would establish regulations for hunting and trapping seasons, harvest limits, methods, and means related to taking of wildlife for subsistence uses during the 2007–2008 regulatory year. The rulemaking is necessary because Subpart D is subject to an annual public review cycle. When final, this rulemaking would replace the wildlife taking regulations included in the ''Subsistence Management Regulations for Public Lands in Alaska, Subpart D—2006–2007 Subsistence Taking of Fish and Wildlife Regulations,'' which expire on June 30, 2007. This rule would also amend the Customary and Traditional Use Determinations of the Federal Subsistence Board and the General Regulations on taking of wildlife. In addition, at the request of the Southcentral Subsistence Regional Advisory Council, the Federal Subsistence Board is accepting proposals to revise the regulations for fishing seasons, harvest limits, and methods related to taking of fish on the Kenai Peninsula for subsistence uses during the 2007–2008 regulatory year.

DATES: The Federal Subsistence Board must receive your written public comments and proposals to change this proposed rule no later than October 20, 2006. Federal Subsistence Regional Advisory Councils (Regional Councils) will hold public meetings to receive proposals to change this proposed rule on several dates from September 7, 2006, through October 20, 2006. See **SUPPLEMENTARY INFORMATION** for additional information on the public meetings, including dates.

ADDRESSES: You may submit proposals electronically to *Subsistence@fws.gov*. See **SUPPLEMENTARY INFORMATION** for file formats and other information about electronic filing. You may also submit written comments and proposals to the Office of Subsistence Management, 3601 C Street, Suite 1030, Anchorage, Alaska 99503. The public meetings will be held at various locations in Alaska. See **SUPPLEMENTARY INFORMATION** for additional information on locations of the public meetings.

FOR FURTHER INFORMATION CONTACT: Pete Probasco, Office of Subsistence Management; (907) 786–3888. For questions specific to National Forest System lands, contact Steve Kessler, (907) 786–3592.

SUPPLEMENTARY INFORMATION:

Public Review Process—Regulation Comments, Proposals, and Public Meetings

The Federal Subsistence Board (Board), through the Regional Councils, will hold meetings on this proposed rule at the following Alaska locations, on the following dates: