

viticultural area, TTB is amending paragraph (a) of 27 CFR 9.32. This technical amendment clarifies the fact that either "Los Carneros" or "Carneros" standing alone may be used as the name of the viticultural area, and that both terms are viticulturally significant for the purposes of part 4 of the TTB regulations.

#### Impact on Current Wine Labels

This technical amendment to the Los Carneros viticultural area does not affect currently approved wine labels that use the "Los Carneros" or "Carneros" names. Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine's true place of origin. For a wine to be eligible to use as an appellation of origin a viticultural area name or other term specified as being viticulturally significant in part 9 of the TTB regulations, at least 85 percent of the wine must be derived from grapes grown within the area represented by that name or other term, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). Different rules apply if a wine has a brand name containing a viticultural area name or other viticulturally significant term that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

#### Regulatory Flexibility Act

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply.

#### Inapplicability of Prior Notice and Comment and Delayed Effective Date Procedures

Because this regulatory action merely codifies an existing policy adopted in 1983 as part of a prior rulemaking action that included a public notice and comment period, TTB has determined that no notice of proposed rulemaking and public comment period are required under 5 U.S.C. 553(b). For the same reason, this final rule is not subject to the delayed effective date requirement of 5 U.S.C. 553(d).

#### Executive Order 12866

This final rule is not a significant regulatory action as defined by Executive Order 12866, 58 FR 51735. Therefore, it requires no regulatory assessment.

#### Drafting Information

N. A. Sutton of the Regulations and Rulings Division drafted this notice.

#### List of Subjects in 27 CFR Part 9

Wine.

#### The Regulatory Amendment

For the reasons discussed in the preamble, we amend 27 CFR, chapter 1, part 9, as follows:

#### PART 9—AMERICAN VITICULTURAL AREAS

- 1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

#### Subpart C—Approved American Viticultural Areas

- 2. Section § 9.32 is amended by revising paragraph (a) to read as follows:

##### § 9.32 Los Carneros.

(a) *Name.* The name of the viticultural area described in this section is "Los Carneros". "Carneros" may also be used as the name of the viticultural area described in this section. For purposes of part 4 of this chapter, "Los Carneros" and "Carneros" are terms of viticultural significance.

\* \* \* \* \*

Signed: October 2, 2006.

**John J. Manfreda,**  
*Administrator.*

Approved: October 13, 2006.

**Timothy E. Skud,**  
*Deputy Assistant Secretary (Tax, Trade, and Tariff Policy).*

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#### PENSION BENEFIT GUARANTY CORPORATION

#### 29 CFR Parts 4022 and 4044

#### Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Pension Benefit Guaranty Corporation's regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans prescribe interest assumptions for valuing and paying benefits under terminating single-employer plans. This final rule amends the regulations to adopt interest assumptions for plans with valuation dates in December 2006. Interest

assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).

**DATES:** Effective December 1, 2006.

**FOR FURTHER INFORMATION CONTACT:** Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:** The PBGC's regulations prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Three sets of interest assumptions are prescribed: (1) A set for the valuation of benefits for allocation purposes under section 4044 (found in Appendix B to Part 4044), (2) a set for the PBGC to use to determine whether a benefit is payable as a lump sum and to determine lump-sum amounts to be paid by the PBGC (found in Appendix B to Part 4022), and (3) a set for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology (found in Appendix C to Part 4022).

This amendment (1) adds to Appendix B to Part 4044 the interest assumptions for valuing benefits for allocation purposes in plans with valuation dates during December 2006, (2) adds to Appendix B to Part 4022 the interest assumptions for the PBGC to use for its own lump-sum payments in plans with valuation dates during December 2006, and (3) adds to Appendix C to Part 4022 the interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology for valuation dates during December 2006.

For valuation of benefits for allocation purposes, the interest assumptions that the PBGC will use (set forth in Appendix B to part 4044) will be 5.80 percent for the first 20 years following the valuation date and 4.75 percent thereafter. These interest assumptions represent an increase (from those in effect for November 2006) of 0.10 percent for the first 20 years following the valuation date and are otherwise unchanged. These interest assumptions

reflect the PBGC's recently updated mortality assumptions, which are effective for terminations on or after January 1, 2006. See the PBGC's final rule published December 2, 2005 (70 FR 72205), which is available at <http://www.pbgc.gov/docs/05-23554.pdf>. Because the updated mortality assumptions reflect improvements in mortality, these interest assumptions are higher than they would have been using the old mortality assumptions.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 3.00 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. These interest assumptions represent an increase (from those in effect for November 2006) of 0.25 percent in the immediate annuity rate and are otherwise unchanged. For private-sector payments, the interest assumptions (set forth in Appendix C to part 4022) will be the same as those used by the PBGC for determining and

paying lump sums (set forth in Appendix B to part 4022). The PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during December 2006, the PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

The PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

**List of Subjects**

*29 CFR Part 4022*

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

*29 CFR Part 4044*

Employee benefit plans, Pension insurance, Pensions.

■ In consideration of the foregoing, 29 CFR parts 4022 and 4044 are amended as follows:

**PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS**

■ 1. The authority citation for part 4022 continues to read as follows:

**Authority:** 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 158, as set forth below, is added to the table.

**Appendix B to Part 4022—Lump Sum Interest Rates for PBGC Payments**

\* \* \* \* \*

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
*	*	*	*	*	*	*	*	*
158	12-1-06	1-1-07	3.00	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, Rate Set 158, as set forth below, is added to the table.

**Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector Payments**

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Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$
*	*	*	*	*	*	*	*	*
158	12-1-06	1-1-07	3.00	4.00	4.00	4.00	7	8

**PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS**

■ 4. The authority citation for part 4044 continues to read as follows:

**Authority:** 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

■ 5. In appendix B to part 4044, a new entry for December 2006, as set forth below, is added to the table.

**Appendix B to Part 4044—Interest Rates Used to Value Benefits**

\* \* \* \* \*

For valuation dates occurring in the month—	The values of $i_t$ are:					
	$i_t$	for t =	$i_t$	for t =	$i_t$	for t =
*	*	*	*	*	*	*
December 2006 .....	.0580	1-20	.0475	>20	N/A	N/A

Issued in Washington, DC, on this 8th day of November 2006.

**Vincent K. Snowbarger,**

*Interim Director, Pension Benefit Guaranty Corporation.*

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### 32 CFR Part 235

[DOD-2005-OS-0149]

RIN 0790-AH86

#### Sale or Rental of Sexually Explicit Material on DoD Property (DoD Instruction 4105.70)

**AGENCY:** Department of Defense.

**ACTION:** Final rule.

**SUMMARY:** This rule prohibits the sale or rental of sexually explicit material on property under DoD jurisdiction. It establishes responsibilities for monitoring compliance, establishes a review board to determine whether a material offered for sale or rental is sexually explicit as consistent with the definition in 10 U.S.C. 2489a, and delineates review board procedures. This updated rule includes administrative changes and one new policy allowing materials which have been determined by the Board to be sexually explicit to be submitted for reconsideration every 5 years.

**DATES:** *Effective Date:* December 15, 2006.

**FOR FURTHER INFORMATION CONTACT:** Commander F. Stich, 703-602-4601.

**SUPPLEMENTARY INFORMATION:** On December 19, 2005 (70 FR 75091) the Department of Defense published the proposed rule for public comment. Twenty-eight comments were posted, 14 of which merited a response:

1. Comment posted 1/12/06:

*General Comment:* I don't think the DoD should be selling or renting sexually explicit material other than artistic publications such as Playboy.

*DoD response:* The Part, which implements 10 U.S.C. 2489a, prohibits the sale or rental of sexually explicit material on property under DoD jurisdiction, as well as the sale or rental of sexually explicit material by DoD military and civilian personnel acting in an official capacity.

2. Comment posted 2/2/06:

*General Comment:* In addition to appointing senior representative to the

Resale Activities Board of Review, there should also be a consumer group composed of enlisted members and officers to help analyze material for decency.

*DoD response:* Forming the suggested consumer group is unnecessary. The Resale Activities Board of Review includes civilian representatives from the Army, Navy, and Air Force who are capable of identifying sexually explicit material.

3. Comment posted 2/6/06:

*General Comment:* I think that the proposed rule to prohibit sexually explicit material being sold on the property of the Department of Defense and by those employed by the Department of Defense is a bit too restricting. I can understand prohibiting it on government property, however, prohibiting those employed by the Department of Defense has gone too far. It is not the government's job to regulate what people do with their private lives. It's like telling people that they can't smoke if they want to work for that person.

*DoD response:* The Part does not prohibit DoD personnel from possessing sexually explicit material. It prohibits the sale or rental of sexually explicit material on property under DoD jurisdiction, and it prohibits the sale or rental of sexually explicit material by DoD military and civilian personnel when acting in an official capacity.

4. Comment posted 2/6/06:

*General Comment:* It seems that if magazines and videos containing sexually explicit materials are to be restricted but books containing sexually explicit materials are not, then a double standard is being created. In essence sexually explicit materials are acceptable in one format but not in another. Either all sexually explicit materials should be allowed or it all should be banned.

*DoD response:* The Part is consistent with 10 U.S.C. 2489a, which does not include books in the definition of "sexually explicit material."

5. Comment posted 2/6/06:

*General Comment:* I think the military should be able to possess whatever types of media they choose, as long as it does not violate the law.

*DoD response:* The Part does not regulate possession of sexually explicit material by DoD military and civilian employees. It prohibits the sale or rental of sexually explicit material on property under the DoD jurisdiction, and it prohibits the sale or rental of sexually explicit material by DoD military and civilian employees acting in an official capacity.

6. Comment posted 2/6/06:

*General Comment:* I don't see how the barring of sale or rental of pornographic materials is going to help anything. If the issue is pornography on property owned by the Dept. of Defense, then possession of it should be banned entirely.

*DoD response:* The Part does not regulate the possession of sexually explicit material by DoD military and civilian employees. It prohibits the sale or rental of sexually explicit material on property under DoD jurisdiction, and by DoD civilian and military employees when acting in an official capacity.

7. Comment posted 2/6/06:

*General Comment:* I believe that this proposed rule is too restrictive based on the fact that all DoD property is included. While explicit materials should be restricted from certain areas under DoD's property, such as work areas, other property, such as personal living areas, should not be included.

*DoD response:* The Part does not prohibit the possession of sexually explicit material by DoD military and civilian employees. It prohibits the sale or rental of sexually explicit material on property under DoD jurisdiction, and by DoD military and civilian employees when acting in an official capacity.

8. Comment posted 2/6/06:

*General Comment:* I think this regulation needs some clarification. I would also like to know why the government has banned trade of sexually explicit material in the armed forces.

*DoD response:* The Part implements 10 U.S.C. 2489a, which prohibits the sale or rental of sexually explicit material on property under DoD jurisdiction, and by DoD military and civilian employees when acting in an official capacity.

9. Comment posted 2/6/06:

*General Comment:* The Department of Defense should not restrict the rights of military personnel more so than the general public. If military people want to look at pornographic material that is available in the open market, they should be allowed to do so.

*DoD response:* The Part does not prohibit the possession of sexually explicit material by DoD civilian or military employees. It prohibits the sale or rental of sexually explicit material on property under DoD jurisdiction, and by DoD military and civilian employees when acting in an official capacity.

10. Comment posted 2/6/06:

*General Comment:* What is rationale behind not allowing members of the armed forces to view these materials?