distributions shall'' is corrected to read ''except that such distribution shall''.

22. On page 51164, column 1, § 1.959–1(b)(2), first paragraph of the column, fifth and sixth lines, the language ''any) that are attributable to section 951(a) inclusions.'' is corrected to read ''any).''.

23. On page 51164, column 1, § 1.959–1(b)(3), second paragraph of the column, third line, the language ''income with respect to the previously'' is corrected to read ''a United States shareholder's income with respect to the previously''.

24. On page 51164, column 1, § 1.959–1(b)(4)(iii), second line from the bottom of the paragraph, the language ''corporations are members of the same'' is corrected to read ''if both the first mentioned corporation and the covered shareholder are members of the same''.

25. On page 51165, column 1, § 1.959–1(d)(3), second paragraph of the column, first line, the language ''The application of this paragraph'' is corrected to read ''*Examples.* The application of this paragraph''.

26. On page 51165, column 1, § 1.959–1(d)(3), *Example 1.*, paragraph heading, the language ''*Shareholder previously taxed earnings and profits account.*'' is corrected to read ''*Shareholder's previously taxed earnings and profits account.*''.

27. On page 51165, column 1, § 1.959–1(d)(3)(i), eighth and ninth lines, the language ''currency. FC earns $100x of subpart F income in year 1 and $100x of non-subpart'' is corrected to read ''currency. In year 1, FC earns $100x of subpart F income and $100x of non-subpart F''.

§ 1.959–2 [Corrected]

28. On page 51165, column 2, § 1.959–2(a)(1), fourth line from the bottom of the paragraph, the language ''income of such distributee CFC also'' is corrected to read ''income of such upper-tier CFC also''.

29. On page 51165, column 3, § 1.959–2(a)(2), paragraph (i) of *Example 2.*, second line from the bottom of the paragraph, the language ''2, and FC had no earnings for year 2 other'' is corrected to read ''2, and FC had no earnings and profits for year 2 other''.

30. On page 51165, column 3, § 1.959–2(a)(2), paragraph (ii) of *Example 3.*, eighth and ninth lines, the language ''DP's pro rata share of the remaining $50, or $35 ($50 × 70%), is included in DP's gross'' is corrected to read ''DP's pro rata share of the remaining $50x, or $35x ($50x × 70%), is included in DP's gross''.

31. On page 51166, column 1, § 1.959–2(a)(2), paragraph (ii) of *Example 3.*, first paragraph of the column, first line, the language ''reduced to $0, however, as a result of the'' is corrected to read ''reduced to $0, as a result of the''.

32. On page 51166, column 1, § 1.959–2(b)(2), third paragraph of the column, first line, the language ''The application of this paragraph'' is corrected to read ''*Example.* The application of this paragraph''.

§ 1.959–3 [Corrected]

33. On page 51166, column 3, § 1.959–3(b)(3)(i), third paragraph of the column, fifth through twelfth lines, the language ''earnings and profits in the year in which such amounts are included in gross income of a United States shareholder under section 951(a) and are reclassified as to category of earnings and profits in the year in which such amounts would be so included but for the provisions of'' is corrected to read ''earnings and profits in the taxable year of the foreign corporation in which such amounts are included in the gross income of a United States shareholder under section 951(a) and are reclassified as to category of earnings and profits in the taxable year of the foreign corporation in which such amounts would be so included in the gross income of a United States shareholder under section 951(a) but for the provisions of''.

34. On page 51167, column 2, § 1.959–3(c)(1), third paragraph of the column, fourth line, the language ''are distributed by a foreign corporation'' is corrected to read ''are distributed by a foreign corporation to another foreign corporation''.

35. On page 51167, column 2, § 1.959–3(c)(1), fourteenth line, the language ''included in the foreign corporation's'' is corrected to read ''included in the distributee foreign corporation's''.

36. On page 51167, column 2, § 1.959–3(c)(2), fourth paragraph of the column, first line, the language ''The application of this paragraph'' is corrected to read ''*Example.* The application of this paragraph''.

37. On page 51172, column 3, § 1.959–3(g)(4), paragraph (i) of *Example 1.*, first paragraph of the column, fourth line from the bottom of the paragraph, the language ''earnings and profits on its stock Class A'' is corrected to read ''earnings and profits on its Class A''.

38. On page 51173, column 3, § 1.959–3(g)(4), paragraph (i) of *Example 5.*, third line, the language ''on its stock Class A stock consisting of a'' is corrected to read '' on its Class A stock consisting of a''.

39. On page 51174, column 3, § 1.959–3(h)(3)(i), third paragraph of the column, fourth line from the bottom of the paragraph, the language ''§§ 1.959–1 and this section shall apply'' is corrected to read ''§ 1.959–1 and this section shall apply''.

40. On page 51175, column 1, § 1.959–3(h)(4)(i), fourth paragraph of the column, fifth line from the bottom of the paragraph, the language ''§§ 1.959–1 and this section shall'' is corrected to read ''§ 1.959–1 and this section shall''.

41. On page 51175, column 1, § 1.959–3(h)(4)(ii), fifth paragraph of the column, first line, the language ''The application of this paragraph'' is corrected to read ''*Example.* The application of this paragraph''.

§ 1.961–2 [Corrected]

42. On page 51177, column 1, § 1.961–2(d), paragraph (i) of *Example 3.*, third paragraph of the column, third line from the bottom of the paragraph, the language ''December 31, of year 1. In year 2, DP has a'' is corrected to read ''December 31 of year 1. In year 2, DP has a''.

§ 1.961–3 [Corrected]

43. On page 51177, column 2, § 1.961–3(a)(1), first paragraph of the column, second line from the bottom of the paragraph, the language ''shareholders gross income under'' is corrected to read ''shareholder's gross income under''.

44. On page 51177, column 3, § 1.961–3(b)(1), third paragraph of the column, twelfth line, the language ''than wholly owned by a single United'' is corrected to read ''than wholly indirectly owned by a single United''.

LaNita Van Dyke,

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

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DEPARTMENT OF EDUCATION

34 CFR Parts 674, 682, and 685

Office of Postsecondary Education; Notice of Intent To Establish Negotiated Rulemaking Committees Under Title IV of the Higher Education Act of 1965, as Amended

AGENCY: Department of Education.

ACTION: Notice of negotiated rulemaking.

SUMMARY: The Secretary of Education (Secretary) announces the establishment of a negotiated rulemaking committee to

develop proposed regulations related to the Federal student loan programs authorized by Title IV, Parts B, D, and E of the Higher Education Act of 1965, as amended (HEA). The Secretary is also announcing that she will establish a negotiating committee that will begin meeting in January to address issues related to the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (National SMART) Grant programs. The Secretary is still considering whether to establish additional committees to address accreditation issues and/or other Title IV programmatic, institutional eligibility and general provisions issues.

The Secretary also is announcing that she is reopening our request for nominations of individual negotiators to serve on the ACG and National SMART Grant programs committee and any additional negotiating committees that may be formed to address accreditation issues and other Title IV programmatic, institutional eligibility, and general provisions issues.

DATES: The dates for the negotiation sessions are listed in the **SUPPLEMENTARY INFORMATION** section of this notice. We must receive your nominations for negotiators to serve on the ACG and National SMART Grant programs committee and on any additional committees that may be established to address accreditation issues and other Title IV programmatic, institutional eligibility, and general provisions issues on or before December 22, 2006.

FOR FURTHER INFORMATION CONTACT: Wendy Macias, U.S. Department of Education, 1990 K Street, NW., room 8017, Washington, DC 20006. Telephone: (202) 502–7526. E-mail: *Wendy.Macias@ed.gov.*

If you use a telecommunications device for the deaf (TDD), you may call the Federal Relay Service (FRS) at 1–800–877–8339.

Individuals with disabilities may obtain this document in an alternative format (*e.g.*, Braille, large print, audiotape, or computer diskette) on request to the contact person listed in this section.

SUPPLEMENTARY INFORMATION: On August 18, 2006, we published a notice in the **Federal Register** (71 FR 47756) announcing our intent to establish up to four negotiated rulemaking committees to prepare regulations under Title IV of the HEA. The notice also announced a series of four regional hearings where interested parties could suggest issues for consideration for action by the negotiating committees. We also invited parties to submit issues for consideration in writing. In the notice, we requested nominations for individual negotiators who represent key stakeholder constituencies that are involved in the student financial assistance programs authorized under Title IV of the HEA to serve on these committees.

After consideration of the information received at the regional hearings and in writing, we have decided to establish a negotiating committee (''Loans Committee'') that will begin meeting in December 2006 to address issues related to the Federal student loan programs authorized by Title IV, Parts B, D, and E of the HEA. We list the topics the Loans Committee is likely to address, the members of the committee, and the meeting schedule for the committee elsewhere in this notice under *Loans Committee Topics, Members, and Meeting Schedule.*

We will also establish a negotiating committee that will begin meeting in January 2007 to address issues related to the ACG and the National SMART Grant programs. We are still considering whether to establish additional committees to address accreditation issues and other Title IV programmatic, institutional eligibility and general provisions issues.

We are reopening our request for nominations for individual negotiators who represent key stakeholder constituencies to serve on the ACG and National SMART Grant programs committee and any additional negotiating committees that may be formed to address accreditation issues and Title IV programmatic, institutional eligibility, and general provisions issues (see *Invitation for Additional Nominations for the ACG and National SMART Grant Program Committees and Possible Additional Committees* elsewhere in this notice). We will announce the members of the ACG and National SMART Grant programs committee, the issues this committee will likely address, and the meeting schedule for this committee in the **Federal Register** at a later date. We will announce the formation of any additional negotiating committees in the **Federal Register** in early 2007.

Loans Committee Topics, Members, and Meeting Schedule

The topics the Loans Committee is likely to address are:

- Entrance Counseling for Graduate and Professional Student PLUS Loan borrowers.
- Discharge of student loans based on identity theft of the borrower.
- Eligible lender trustee relationships between Federal Family Education Loan (FFEL) lenders and schools or school-affiliated organizations.
- Use of lists of FFEL preferred lenders.
- Prohibited inducements in the FFEL program.
- FFEL loan certification and Direct Loan origination for non-standard term programs.
- Modifications to the Economic Hardship Deferment provisions and Income Contingent Repayment Formula to improve consideration of family size.
- Retention of disbursement records supporting Title IV, HEA loan program Master Promissory Notes (MPNs).
- Documentation of E-Signature standards on Title IV Loan Program MPNs Assigned to ED.
- Use of true and exact copies of death certificates for discharges of student loans based on death.
- The impact of retroactive conditional disability periods on total and permanent disability loan discharges.
- National Student Loan Data System reporting timeframes for lenders.
- Assignment of defaulted Perkins Loans.
- Eligibility requirements for the Perkins Loan Program Child & Family Service Cancellation
- Definition of ''reasonable and affordable'' collection costs in the Perkins Loan Program.
- Technical corrections.

This list of topics is tentative. Topics may be added as the process continues.

In selecting individuals from the submitted nominations, the Department sought to assemble a balanced and complementary representation of the interests affected by the subject matter, consistent with section 492 of the HEA. We believe the individuals selected will bring valuable knowledge and expertise to the table, and will work as a cohesive unit to assist us in developing proposed regulations that are both reasonable and effective. Individuals that were not selected as members of the committees will be able to attend the meetings and have access to the negotiators. The committee meetings will be open to the public.

The members of the Loans Committee are:

Students: Jennifer Pae, United States Student Association

Alternate: Luke Swarthout, State Public Interest Research Groups

Legal assistance organizations that represent students: Deanne Loonin, National Consumer Law Center.

Public 2-Year Institutions of higher education: Darrel Hammon, Laramie Community College.

Alternate: Kenneth L. Whitehurst, North Carolina Community Colleges.

Public 4-Year Institutions of higher education: Pamela W. Fowler, University of Michigan.
Alternate: Patricia McClug, University of Wyoming.
Private, non-profit Institutions of higher education: Elizabeth Hicks, Massachusetts Institute of Technology.
Alternate: Ellen Frishberg, Johns Hopkins University.
Private, for-profit postsecondary education institution: Jeff Arthur, ECPI College of Technology.
Alternate: Robert Collins, Apollo Group, Inc.
Historically Black Colleges and Universities: Shari Crittendon, United Negro College Fund.
Alternate: Dr. N. Joyce Payne, National Association of State and Land Grant Colleges and Universities.
Guaranty agencies: Scott Giles, Vermont Student Assistance Corporation.
Alternate: Rachael Lohman, Pennsylvania Higher Education Assistance Agency.
FFEL Program Lenders: Tom Levandowski, Wachovia Corporation.
Alternate: Lee Woods, Chase Education Finance.
Secondary markets: Phil Van Horn, Wyoming Student Loan Corporation.
Alternate: Robert L. Zier, Indiana Secondary Market for Education Loan Program, Inc.
Loan servicers: Robert Sommer, Sallie Mae.
Alternate: Wanda Hall, EDFinancial Services.
Guaranty agency servicers: Richard George, Great Lakes Education Guaranty Corporation.
Alternate: Gene Hutchins, New Jersey Higher Education Assistance Authority.
Institutions of higher education that participate in the Federal Direct Loan Program: Eileen O'Leary, Stonehill College.
Alternate: Christine W. McGuire, Boston University.
Institutions of higher education that participate in the Perkins Loan Program: Alisa Abadinsky, University of Illinois at Chicago.
Alternate: Karen Fooks, University of Florida.

We will hold a total of three meetings, all of which will be held in the metropolitan Washington, DC area. The following is the schedule for negotiations. This schedule is subject to change.

- Session 1: December 12–14.
- Session 2: January 29–February 1.
- Session 3: February 26–February 28.

The December 12–14 negotiating session is scheduled from 1 to 5 p.m. on December 12th; 9 a.m. to 5 p.m. on December 13th; and 9 a.m. to 4 p.m. on December 14th. The Committee will convene at the Marriott Crystal Gateway at 1700 Jefferson Davis Highway, Arlington, Virginia.

We will post information about the January and February negotiating sessions, including information on the meeting sites and any schedule changes, at *http://www.ed.gov/policy/highered/reg/hearulemaking/2007/nr.html.*

Participation in the rulemaking process is not limited to members of the committee or those who work with the committee. Following the negotiated rulemaking process, we will publish proposed regulations in the **Federal Register** for public comment. The target date for publication of proposed regulations developed by this committee is May 2007.

Invitation for Additional Nominations for the ACG and National SMART Grant Programs Committee and Possible Additional Committees

We are reopening our request for nominations for individual negotiators who represent key stakeholder constituencies that are involved in the student financial assistance programs authorized under Title IV of the HEA to serve on the ACG and National SMART Grant programs committee and any committee that may be formed to address accreditation issues (Title IV, Part H of the HEA) or other programmatic, institutional eligibility, and general provisions issues related to Title IV, Parts A (except for ACG and National SMART Grant programs), C, G, and H (except subpart 2) of the HEA, as well as Title II, Section 208(b)(2) of the HEA. Nominations must be received on or before December 22, 2006.

The Secretary has identified the following constituencies as having interests that are significantly affected by the subject matter of the negotiating committee for the ACG and National SMART Grant Programs and the committees that may be established to negotiate changes to the other regulations. These constituencies are:

- Students.
- Legal assistance organizations that represent students.
- Financial aid administrators at institutions of higher education.
- Business officers and bursars at institutions of higher education.
- Institutional servicers (including collection agencies).
- Trustees.
- State higher education executive officers.
- Business and industry.
- Institutions of higher education eligible to receive Federal assistance under Title III, Parts A and B, and Title V of the HEA, which includes Historically Black Colleges and Universities, Hispanic-Serving Institutions, American Indian Tribally Controlled Colleges and Universities, Alaska Native and Native Hawaiian-Serving Institutions, and other institutions with a substantial enrollment of needy students as defined in Title III of the HEA.
- Two-year public institutions of higher education.
- Four-year public institutions of higher education.
- Private, non-profit institutions of higher education.
- Private, for-profit institutions of higher education.
- Guaranty agencies and guaranty agency servicers (including collection agencies).
- Lenders, secondary markets, and loan servicers.
- Accrediting agencies.
- K–12 public schools, including charter schools.
- State Governors.
- Private schools and home schooled students.
- Admissions officers at postsecondary education institutions.
- Parent organizations.
- Organizations related to National SMART Grant majors.

Individuals who were nominated for these committees in response to our earlier notice do not need to be renominated.

Electronic Access to This Document

You may view this document in text or Adobe Portable Document Format (PDF) on the Internet at the following site: *http://www.ed.gov/news/fedregister.*

To use PDF you must have Adobe Acrobat Reader, which is available free at this site. If you have questions about using PDF, call the U.S. Government Printing Office toll free at 1–888–293–6498; or in the Washington, DC area at (202) 512–1530.

Note: The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO Access at: *http://www.gpoaccess.gov/nara/index.html.*

Program Authority: 20 U.S.C. 1098a.

Dated: December 5, 2006.

James F. Manning,

Delegated the Authority of Assistant Secretary for Postsecondary Education.

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