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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 June 2007. Interest assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).

DATES: Effective June 1, 2007.

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 June 2007, (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 June 2007, 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 June 2007.

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 5.14 percent for the first 20 years following the valuation date and 4.81 percent thereafter. These interest assumptions represent a decrease (from those in effect for May 2007) of 0.06 percent for the first 20 years following the valuation date and 0.06 percent for all years thereafter.

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 are unchanged from those in effect for May 2007. 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 June 2007, 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 164, 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
164	6-1-07	7-1-07	3.00	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, Rate Set 164, as set forth below, is added to the table.

Appendix C to Part 4022—Lump Sum Interest Rates for Private-Sector 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
164	6-1-07	7-1-07	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 June 2007, 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 =
June 2007	.0514	1-20	.0481	>20	N/A	N/A

Issued in Washington, DC, on this 10th day of May 2007.

Vincent K. Snowbarger,
Interim Director, Pension Benefit Guaranty Corporation.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[COTP SAVANNAH 06-160]

RIN 1625-AA87

Security Zone, Elba Island LNG Mooring Slip, Savannah River, Savannah, GA

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: The Coast Guard is establishing a permanent security zone due to recent changes in Liquefied Natural Gas (LNG) tankship mooring arrangements following the activation of two new berths within a slip at the Southern LNG Facility on the Savannah River. The Security zone includes all the waters from surface to bottom of the northeastern most mooring dolphin, located at approximately 32°05.01' N, 080°59.38' W, to the southeastern most mooring dolphin, located at approximately 32°04.79' N, 080°59.35'

W, and continues west along the North and South shoreline of the mooring slip to the shoreline of the right descending bank of the Savannah River. This regulation is necessary to protect life and property on the navigable waters of the Savannah River and within the LNG slip due to potential security risks associated with the LNG Facility.

DATES: This rule is effective June 14, 2007.

ADDRESSES: Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, are part of docket [COTP Savannah 06-160], and are available for inspection or copying at Marine Safety Unit Savannah, Juliette Gordon Low Federal Building, Suite 1017, 100 W. Oglethorpe, Savannah, Georgia 31401, between 7:30 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lieutenant Robert Webb, Waterways Management Officer, Marine Safety Unit Savannah; (912) 652-4353.

SUPPLEMENTARY INFORMATION:

Regulatory Information

On January 9, 2007, we published an interim rule with request for comments titled Security Zone, Elba Island LNG Mooring Slip, Savannah River, Savannah, GA in the **Federal Register** (72 FR 907). We received one comment on the rule. No public meeting was requested, and none was held.

Background and Purpose

In May of 2002, Southern LNG, Inc., submitted a letter of intent to expand the LNG facility on Elba Island that would nearly double the LNG storage capacity and substantially increase the number of LNG tankship arrivals. The expansion project, completed in early 2006, resulted in the creation of two new berths within a slip at the Southern LNG Facility on the Savannah River. The design of the new slip inadvertently creates a safe refuge off the Savannah River with unrestricted access to LNG berths. As a result, the LNG facility and arriving LNG vessels are put at risk of sabotage or other adverse action that could result in significant damage to property and loss of life.

This concern was confirmed by a recent incident where on June 6, 2006, a sailing vessel entered the LNG slip and anchored for six hours, one day before the scheduled arrival of an LNG carrier. This incident raised security concerns and prompted the LNG facility to conduct a visual inspection of the above water mooring features and a complete underwater survey, in turn delaying the LNG vessel. The visual inspection and underwater survey was necessary to ensure no objects that could potentially harm the vessel or facility were left in the slip. Although