

(5) A description of other support equipment necessary for a safe operation,

(6) The planned flight profile and sequence of events,

(7) All nominal impact areas, including those for any spent motors and other discarded hardware, within three standard deviations of the mean impact point,

(8) Launch commit criteria,

(9) Countdown procedures,

(10) A description of how the applicant will meet § 101.26 (Operating Limitations for Class 4—Advanced High Power Rockets), and

(11) Mishap procedures.

#### **PART 400—BASIS AND SCOPE**

13. The authority citation for part 400 continues to read as follows:

**Authority:** 49 U.S.C. 70101–70121.

14. Revise § 400.2 to read as follows:

##### **§ 400.2 Scope.**

These regulations set forth the procedures and requirements applicable to the authorization and supervision under 49 U.S.C. Subtitle IX, chapter 701, of commercial space transportation activities conducted in the United States or by a U.S. citizen. The regulations in this chapter do not apply to activities of amateur rockets, as defined in 14 CFR 1.1, or to space activities carried out by the United States Government on behalf of the United States Government.

#### **PART 401—ORGANIZATION AND DEFINITIONS**

15. The authority citation for part 401 continues to read as follows:

**Authority:** 49 U.S.C. 70101–70121.

##### **§ 401.5 [Amended]**

16. Amend § 401.5 by removing the term *Amateur rocket activities* and its definition.

#### **PART 420—LICENSE TO OPERATE A LAUNCH SITE**

17. The authority citation for part 420 continues to read as follows:

**Authority:** 49 U.S.C. 70101–70121.

18. Revise § 420.3 to read as follows:

##### **§ 420.3 Applicability.**

This part applies to any person seeking a license to operate a launch site or to a person licensed under this part. A person operating a site that only supports amateur rocket activities as defined in 14 CFR 1.1, does not need a license under this part to operate the site.

Issued in Washington, DC on June 5, 2007.

**Patricia G. Smith,**

*Associate Administrator for Commercial Space Transportation.*

[FR Doc. E7–11263 Filed 6–13–07; 8:45 am]

**BILLING CODE 4910–13–P**

## **DEPARTMENT OF THE TREASURY**

### **Internal Revenue Service**

#### **26 CFR Part 1**

**[REG–144540–06]**

**RIN 1545–BG03**

#### **Built-in Gains and Losses Under Section 382(h)**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rule making by cross-reference to temporary regulations.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations that apply to corporations that have undergone ownership changes within the meaning of section 382. These regulations provide guidance on the treatment of prepaid income under the built-in gain provisions of section 382(h). The text of the temporary regulations published in this issue of the **Federal Register** serves as the text of these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be received by September 12, 2007.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–144540–06), Room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–144540–06), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC; or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG–144540–06).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Keith Stanley, (202) 622–7750; concerning submission of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Richard Hurst, at (202) 622–2949 (TDD Telephone) (not toll free numbers) and his e-mail address is [Richard.A.Hurst@irscounsel.treas.gov](mailto:Richard.A.Hurst@irscounsel.treas.gov).

**SUPPLEMENTARY INFORMATION:**

### **Background and Explanation of Provisions**

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR part 1) relating to section 382 of the Code. The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

### **Special Analyses**

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It is hereby certified that these proposed regulations will not have a significant economic impact on a substantial number of small entities. These regulations only apply in the rare circumstance in which a qualifying loss corporation that uses a particular accounting method undergoes an ownership change. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Nevertheless, the IRS and Treasury Department request comments from small entities that believe they might be adversely affected by these regulations. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

### **Comments and Requests for a Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and (8) copies) or electronic comments that are submitted timely to the IRS. Please see the “Comments” section of the temporary regulation on this subject for a description of specific issues on which comments are requested. The IRS and Treasury Department also request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

### **Drafting Information**

The principal author of these regulations is Sean McKeever, Office of Associate Chief Counsel (Corporate).

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Proposed Amendments to the Regulations**

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

**PART 1—INCOME TAXES**

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

**Authority:** 26 U.S.C. 7805 \* \* \*  
Section 1.382-7 is also issued under 26 U.S.C. 382(m). \* \* \*

**Par. 2.** Section 1.382-7 is added to read as follows:

**§ 1.382-7 Built-in gains and losses.**

[The text of this proposed section is the same as the text of § 1.382-7T(a) through (b)(1) published elsewhere in this issue of the **Federal Register**].

**Kevin M. Brown,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. E7-11444 Filed 6-13-07; 8:45 am]

BILLING CODE 4830-01-P

**OFFICE OF MANAGEMENT AND BUDGET****Office of Federal Procurement Policy****48 CFR Part 9903****Cost Accounting Standards Board; Contract Clauses**

**AGENCY:** Cost Accounting Standards Board, Office of Federal Procurement Policy, OMB.

**ACTION:** Proposed rule with request for comment.

**SUMMARY:** The Cost Accounting Standards (CAS) Board is proposing to add a clause for inclusion in CAS-covered contracts and subcontracts awarded to foreign concerns. The Board is taking this action to provide a standard clause for use by Government and contractor personnel in applying the CAS requirements to contracts and subcontracts awarded to foreign concerns.

**DATES:** Interested parties should submit comments in writing on or before August 13, 2007.

**ADDRESSES:** Due to delays in OMB's receipt and processing of mail, respondents are strongly encouraged to submit comments electronically to ensure timely receipt. Comments should indicate case number CAS-2007-01N.

Electronic comments may be submitted to [casb2@omb.eop.gov](mailto:casb2@omb.eop.gov). Please put the full body of your comments in the text of the electronic message and also as an attachment readable in either MS Word, Corel WordPerfect, or as a pdf. Please include your name, title, organization, postal address, telephone number, and e-mail address in the text of the message. Comments may also be submitted via facsimile to (202) 395-5105. If you must submit via regular mail, please do so at Office of Federal Procurement Policy, 725 17th Street, NW., Room 9013, Washington, DC 20503, ATTN: Laura Auletta.

**FOR FURTHER INFORMATION CONTACT:** Laura Auletta, Manager, Cost Accounting Standards Board, 725 17th Street, NW., Room 9013, Washington, DC 20503 (telephone: 202-395-3256).

**SUPPLEMENTARY INFORMATION:****A. Background**

Prior to November 4, 1993, modified CAS coverage required a contractor to comply with only CAS 401 and CAS 402. Similarly, 9903.201-1(b)(4) required that foreign concerns comply with only CAS 401 and 402. Thus, prior to November 4, 1993, the contract clause at 9903.201-4(c) was used for both contracts with modified coverage and contracts with foreign concerns.

However, on November 4, 1993, the Board revised the definition of modified coverage to include CAS 405 and 406, so that modified coverage currently includes CAS 401, 402, 405, and 406 (see 9903.201-2(b)). In conjunction with the revised definition of modified coverage, the Board also amended the clause at 9903.201-4(c) to include CAS 405 and 406. However, the Board did not change the requirement that foreign concerns comply with only CAS 401 and 402. As a result, the contract clause at 9903.201-4(c) can no longer be used for foreign concerns without modification by the parties.

The Board has developed a clause for use in contracts with foreign concerns that will not require modification. Except that it includes only CAS 401 and 402, this clause is identical to the clause currently applicable to contracts subject to modified coverage. To effect this change, the proposed rule would amend 9903.201-4, Contract Clauses, to include the new clause at (f), Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns.

**B. Paperwork Reduction Act**

The Paperwork Reduction Act, Public Law 96-511, does not apply to this rulemaking, because this rule imposes no paperwork burden on offerors,

affected contractors and subcontractors, or members of the public which requires the approval of OMB under 44 U.S.C. 3501, *et seq.*

**C. Executive Order 12866 and the Regulatory Flexibility Act**

The economic impact of this rule on contractors and subcontractors is expected to be minor. As a result, the Board has determined this rule is not significant under the provisions of Executive Order 12866, and that a regulatory impact analysis will not be required. Furthermore, this rule will not have a significant impact on a substantial number of small businesses because small businesses are exempt from the application of the Cost Accounting Standards. Therefore, this rule does not require a regulatory flexibility analysis under the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*

**D. Public Comments**

Interested persons are invited to participate by submitting data, views or arguments with respect to this proposed rule. All comments must be in writing and submitted to the address indicated in the **ADDRESSES** section.

**List of Subjects in 48 CFR Part 9903**

Government procurement, Cost Accounting Standards.

**Paul A. Denett,**

*Administrator, Office of Federal Procurement Policy.*

For the reasons set forth in this preamble, Chapter 99 of Title 48 of the Code of Federal Regulations is proposed to be amended as set forth below:

**PART 9903—CONTRACT COVERAGE**

1. Section 9903.201-4 is proposed to be amended by adding a new paragraph (f). The proposed paragraph will read as follows:

**9903.201-4 Contract Clauses.**

\* \* \* \* \*

(f) *Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns.*

(1) The contracting officer shall insert the clause set forth below, Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns, in negotiated contracts when the contract is with a foreign concern and the contract is not otherwise exempt under 9903.201-1 (see 9903.201-2(e)).

(2) The clause below requires the contractor to comply with 9904.401 and 9904.402, to disclose (if it meets certain requirements) actual cost accounting practices, and to follow consistently