

dividends do influence stock prices, but only because these changes are “news” to which the market responds in valuing the stock; it is the “news,” not the dividend distribution itself, that drives the change in prices. Moreover, companies return profits to their shareholders in ways other than increasing dividends, including buying back shares. As a result, we no longer think that a simple dividend distribution model is an acceptable framework for valuing firms. Rather, broader measures of cash flow or shareholder returns should be incorporated.

Third, the DCF model should be limited to those firms that pass the screening criteria we set forth in *Railroad Cost of Capital—1984*, 1 I.C.C.2d 989 (1985).<sup>5</sup> Thus, while the general approach used in the Morningstar/Ibbotson multi-stage DCF model might prove satisfactory, we cannot consider the model as it applies to firms that do not meet our screening criteria.

Fourth, we must be satisfied that any multi-stage DCF we might adopt would, when used in combination with the CAPM model, enhance the precision of the resulting cost-of-equity estimate. In other words, we must be persuaded that, over a sufficiently lengthy historical analysis period, the combination forecast would result in a lower variance than reliance on the CAPM approach alone.

In addition to these four criteria, interested parties are invited to identify and address any other criteria the Board should consider in evaluating a multi-stage DCF. For example, parties to STB Ex Parte No. 664 indicated that atypically large capital investment by the railroads could affect the results of a DCF analysis. Parties should address this concern and show how a multi-stage DCF would account for such investments.

Finally, all interested parties are invited to submit comments on an appropriate multi-stage DCF for use in the Board’s cost-of-equity determination. Parties should include any workpapers needed to demonstrate that their proposal combining CAPM

and DCF is more precise than the Board’s CAPM methodology alone. Comments and workpapers are due to the Board on April 14, 2008. If we are not ultimately persuaded that use of a particular multi-stage DCF model would improve the Board’s cost-of-equity calculation, we will terminate this proceeding.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

Board decisions and notices are available on our Web site at <http://www.stb.dot.gov>.

Decided: February 7, 2008.

By the Board, Chairman Nottingham, Vice Chairman Mulvey, and Commissioner Buttrely.

**Anne K. Quinlan,**

*Acting Secretary.*

[FR Doc. E8–2707 Filed 2–12–08; 8:45 am]

**BILLING CODE 4915–01–P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

[REG–209793–95 (TD 8697)]

#### Proposed Collection; Comment Request for Regulation Project

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

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104–13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning an existing final regulation, REG–209793–95 (TD 8697), Simplification of Entity Classification Rules (§ 301.7701–3).

**DATES:** Written comments should be received on or before April 14, 2008 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6129, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the regulations should be directed to R. Joseph Durbala at Internal Revenue Service, room 6129, 1111 Constitution Avenue NW., Washington, DC 20224, or at (202) 622–3634, or

through the Internet at [RJoseph.Durbala@irs.gov](mailto:RJoseph.Durbala@irs.gov).

**SUPPLEMENTARY INFORMATION:**  
*Title:* Simplification of Entity Classification Rules.

*OMB Number:* 1545–1486.

*Regulation Project Number:* REG–209793–95 (TD 8697).

*Abstract:* This regulation provides rules to allow certain unincorporated business organizations to elect to be treated as corporations or partnerships for federal tax purposes. The election is made by filing Form 8832, Entity Classification Election. The information collected on the election will be used to verify the classification of electing organizations.

*Current Actions:* There is no change to this existing regulation.

*Type of Review:* Extension of currently approved collection.

*Affected Public:* Businesses or other for-profit organizations, and state, local or tribal governments.

The burden for the collection of information in this regulation is reflected in the burden estimates of Form 8832.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record.

*Comments are invited on:* (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency’s estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

influenced subsequent developments in the field of finance. See Sudipto Bhattacharya, *Corporate Finance and the Legacy of Miller and Modigliani*, 2 J. Econ. Perspectives 135–47 (1988).

<sup>5</sup> Under those criteria, we include in the analysis only those Class I carriers that: (1) Had rail assets greater than 50% of their total assets; (2) had a debt rating of at least BBB (Standard & Poors) and Baa (Moody’s); (3) are listed on either the New York or American Stock Exchange; and (4) paid dividends throughout the year. A Class I railroad is one having annual carrier operating revenues of at least \$250 million in 1991 dollars. 49 CFR 1201.1–1.

Approved: February 6, 2008.

**Glenn Kirkland,**

*IRS Reports Clearance Officer.*

[FR Doc. E8-2590 Filed 2-12-08; 8:45 am]

BILLING CODE 4830-01-P

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

[REG-209673-93 (TD 8700)]

#### Proposed Collection; Comment Request for Regulation Project

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

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning an existing final regulation, REG-209673-93 (TD 8700), Mark to Market for Dealers in Securities (§§ 1.475(b)-4, and 1.475(c)-1).

**DATES:** Written comments should be received on or before April 14, 2008 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6129, 1111 Constitution Avenue, NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the regulation should be directed to R. Joseph Durbala, (202) 622-3634, Internal Revenue Service, room 6129, 1111 Constitution Avenue, NW., Washington, DC 20224, or through the Internet at [RJoseph.Durbala@irs.gov](mailto:RJoseph.Durbala@irs.gov).

#### SUPPLEMENTARY INFORMATION:

*Title:* Mark to Market for Dealers in Securities.

*OMB Number:* 1545-1496.

*Regulation Project Number:* REG-209673-93 (TD 8700).

*Abstract:* Under section 1.475(b)-4, the information required to be recorded is required by the IRS to determine whether exemption from mark-to-market treatment is properly claimed, and will be used to make that determination upon audit of taxpayers' books and records. Also, under section 1.475(c)-1(a)(3)(iii), the information is necessary for the Service to determine whether a consolidated group has

elect to disregard inter-member transactions in determining a member's status as a dealer in securities.

*Current Actions:* There is no change to this existing regulation.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations.

*Estimated Number of Respondents:* 3,400.

*Estimated Time Per Respondents:* 52 minutes.

*Estimated Total Annual Burden Hours:* 2,950.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: February 6, 2008.

**Glenn P. Kirkland,**

*IRS Reports Clearance Officer.*

[FR Doc. E8-2591 Filed 2-12-08; 8:45 am]

BILLING CODE 4830-01-P

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

[IA-5-92]

#### Proposed Collection; Comment Request For Regulation Project

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

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning an existing final regulation, IA-5-92 (TD 8537), Carryover of Passive Activity Losses and Credits and At-Risk Losses to Bankruptcy Estates of Individuals (§§ 1.1398-1 and 1.1398-2).

**DATES:** Written comments should be received on or before April 14, 2008 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6129, 1111 Constitution Avenue, NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of this regulation should be directed to R. Joseph Durbala, (202) 622-3634, Internal Revenue Service, room 6129, 1111 Constitution Ave., NW., Washington, DC 20224, or through the Internet at [RJoseph.Durbala@irs.gov](mailto:RJoseph.Durbala@irs.gov).

#### SUPPLEMENTARY INFORMATION:

*Title:* Carryover of Passive Activity Losses and Credits and At Risk Losses to Bankruptcy Estates for Individuals.

*OMB Number:* 1545-1375.

*Regulation Project Number:* IA-54-92.

*Abstract:* These regulations provide rules for the carryover of a debtor's passive activity loss and credit under section 469 and any "at risk" losses under section 465 to the bankruptcy estate. The regulations apply to cases under chapter 7 or chapter 11 of title 11 of the United States Code.

*Current Actions:* There is no change to this existing regulation.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Individuals or households.

*Estimated Number of Respondents:* 500.