

on labels for some products, a secondary energy usage disclosure in the form of an estimated annual operating cost based on a specified DOE national average cost for the fuel the appliance uses.

Section 305.8(b) of the Rule requires manufacturers, after filing an initial report, to report certain information annually to the Commission by specified dates for each product type.² These reports, which are to assist the Commission in preparing the ranges of comparability, contain the estimated annual energy consumption or energy efficiency ratings for the appliances derived from tests performed pursuant to the DOE test procedures. Because manufacturers regularly add new models to their lines, improve existing models, and drop others, the data base from which the ranges of comparability are calculated is constantly changing. To keep the required information consistent with these changes, under Section 305.10 of the Rule, the Commission will publish new ranges if an analysis of the new information indicates that the upper or lower limits of the ranges have changed by more than 15%. Otherwise, the Commission will publish a statement that the prior ranges remain in effect for the next year.

The annual reports for clothes washers have been received and analyzed by the Commission. The ranges of comparability for clothes washers have not changed by more than 15% from the current ranges for this product category. Therefore, the current ranges for clothes washers, published on May 11, 2000 (65 FR 30351), will remain in effect. Manufacturers must continue to base the disclosures of estimated annual operating cost required at the bottom of the EnergyGuide for clothes washers on the 2000 Representative Average Unit Costs of Energy for electricity (8.03 cents per kilo Watt-hour) and natural gas (68.8 cents per therm) that were published by DOE on February 7, 2000 (65 FR 5860), and by the Commission on April 17, 2000 (65 FR 20352).

For up-to-date tables showing current range and cost information for all covered appliances, see the Commission's Appliance Labeling Rule web page at <http://www.ftc.gov/appliances>.

List of Subjects in 16 CFR Part 305

Advertising, Energy conservation, Household appliances, Labeling, Reporting and recordkeeping requirements.

The authority citation for Part 305 continues to read as follows:

Authority: 42 U.S.C. 6294.

By direction of the Commission.

Donald S. Clark,

Secretary.

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DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 20

[T.D. ATF-476; Notice No. 923]

RIN 1512-AB57

Distribution and Use of Denatured Alcohol and Rum (2000R-291P)

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Final rule (Treasury Decision).

SUMMARY: This final rule amends the regulations in part 20 of title 27 of the Code of Federal Regulations by eliminating the requirement for users and dealers of specially denatured spirits (SDS) to file a bond. It also liberalizes certain qualification requirements relating to industrial alcohol user permits.

DATES: This rule is effective on June 11, 2002.

FOR FURTHER INFORMATION CONTACT: Lisa M. Gesser, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226, (202-927-9347) or e-mail at LMGesser@atfhq.atf.treas.gov.

SUPPLEMENTARY INFORMATION:

Background on Specially Denatured Spirits

Specially denatured spirits (SDS) are alcohol or rum that have been treated with denaturants to make them unfit for beverage use. SDS include specially denatured alcohol (SDA) and specially denatured rum (SDR). A user purchases SDS to use in a process or in the manufacture of a substance, preparation, or product requiring SDS. SDS have many uses, such as:

- In laboratories as a solvent, for cleansing purposes, or in the preparation of indicator solutions and reagents.
- In the manufacture of such articles as perfumes, proprietary solvents, tobacco flavors, lotions, and sprays.

• In conversion processes to produce other substances, such as vinegar or ethyl acetate.

An industrial alcohol user permit is needed to procure, use, recover, or deal in SDS. To obtain an industrial alcohol user permit, certain registration requirements must be met. These requirements may include the submission of a detailed application with supporting data, the payment of special (occupational) tax (SOT), and the acquisition of bond coverage. Once such registration requirements are met, the applicant is issued an industrial alcohol user permit and may commence conducting any of the uses authorized under the law and regulations for industrial alcohol user permittees. The permittee is allowed to purchase and acquire alcohol from a bonded dealer or a registered distilled spirits plant (DSP) free of the excise tax payments normally required by the DSP proprietor. For this reason, SDS authorized uses are limited or restricted under the law. Any permittee who uses SDS in a manner that violates the laws and regulations becomes liable for the tax and other provisions of the Internal Revenue Code of 1986, 26 U.S.C. 5001(a)(5).

Notice of Proposed Rulemaking

On July 17, 2001, ATF published a notice of proposed rulemaking (NPRM) Notice No. 923, to solicit public comment on proposed regulations that would eliminate the requirement for users or dealers of SDS to file a bond. ATF also proposed to liberalize certain qualification requirements relating to industrial alcohol user permits. The public was invited to submit written comments on this notice for a period of sixty (60) days ending September 17, 2001.

Comments on the NPRM

We received two comments as a result of Notice No. 923. The first was from an industry member who agreed with our proposal but suggested that in addition to eliminating the requirement for users of SDS to file a bond, we should eliminate the same requirement for dealers of SDS. While the original notice may not be clear, the intent of our suggested language is to eliminate the bond requirement for both users and dealers. We have rewritten our background material to make that clarification.

We received a second comment after the close of the comment period from the Surety Association of America opposing our proposal. The Association indicated that the bond requirement should not be eliminated because it provides two valuable services to ATF:

² Reports for clothes washers are due March 1.

(1) The bond is available to pay required taxes in the event the permit holder uses the SDS improperly; and

(2) The surety provides pre-qualification so that ATF can be assured that, in the surety's estimation, the applicant is capable of complying with the terms of the permit.

ATF agrees that bond requirements had reduced the risk of tax revenue losses. Our recent experience indicates that SDS users and dealers pose a minimal risk to the revenue. Further, the elimination of the bond requirement does not leave the ATF without a means to recover revenues. Any permit holder who uses SDS in a manner that violates the laws and regulations is still directly liable for the tax as provided in 26 U.S.C. 5001(a)(5).

In summary, ATF has concluded that the bond requirement in 27 CFR part 20 is now unnecessary to protect the revenue, and the proposal to eliminate the bond requirement for users and dealers of SDS has been adopted in this final rule.

Bonds and Consents of Surety

Section 5272 of the Internal Revenue Code of 1986 provides that bond coverage may be required as a part of the industrial alcohol user permit qualification process. Prior to 1985, the regulations required applicants (other than States, political subdivisions, and the District of Columbia) who wished to obtain more than 120 gallons of SDS per year, to submit an Industrial Alcohol Bond, ATF Form 5150.25. In 1985, the SDS regulations were revised and the exemption from bond coverage was expanded. See, T.D. ATF-199, (50 FR 9152), published on March 6, 1985. Under those revisions, the percentage of users of SDS who were exempt from filing a surety bond increased from 43 percent, under the prior regulations, to 75 percent under the adopted regulations.

Subpart E of 27 CFR part 20 still reflects that expansion today. Specifically, applicants (other than States, political subdivisions, and the District of Columbia) who wish to obtain more than 5,000 gallons of SDS per year must, in addition to other requirements, submit an Industrial Alcohol Bond, ATF Form 5150.25.

Based on the post-1985 experience in administering part 20, ATF has determined that bond coverage should no longer be required of any applicant for an industrial alcohol use permit. Additionally, ATF believes that elimination of the bond requirement under subpart E will result in substantially reduced administrative and financial burdens on industrial

alcohol permittees. Therefore, ATF is eliminating the requirement for users and dealers of SDS to file a bond.

Qualification Requirements

Section 5271 of the Internal Revenue Code of 1986 requires the submission of an application before a permit may be issued to procure, deal in, or use SDS. Current regulations require the submission of a detailed application with supporting data by all applicants. The appropriate ATF officer is authorized to waive some of the application and supporting data requirements for applicants who are a State, political subdivisions thereof, or the District of Columbia, or whose annual withdrawal and sale or usage of SDS will not exceed 5,000 proof gallons.

ATF has determined that this waiver should be available to all applicants when the appropriate ATF officer concludes that the revenue is adequately protected with respect to the person submitting the application and that there is no hindrance to the effective administration of part 20. Therefore, ATF is amending the regulations to allow the appropriate ATF officer to waive detailed applications with supporting data for all applicants.

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this rule because there are no new reporting or recordkeeping requirements.

Regulatory Flexibility Act

It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. The regulations will simplify the qualification process for an industrial alcohol user permit by eliminating the requirement to obtain a bond. A copy of the proposed rule was submitted to the Chief Counsel for Advocacy of the Small Business Administration in accordance with 26 U.S.C. 7805(f). No comments were received.

Executive Order 12866

This regulation is not a significant regulatory action as defined by Executive Order 12866. Accordingly, this rule is not subject to the analysis required by this Executive Order.

Drafting Information

The principal author of this document is Lisa M. Gesser, Regulations Division,

Bureau of Alcohol, Tobacco and Firearms.

List of Subjects in 27 CFR Part 20

Administrative practice and procedure, Advertising, Alcohol and alcohol beverages, Authority delegations, Claims, Excise taxes, Reporting and recordkeeping requirements, Surety bonds.

Authority and Issuance

For the reasons set forth in the preamble, ATF is amending title 27 of the Code of Federal Regulations, chapter 1, as follows:

PART 20—DISTRIBUTION AND USE OF DENATURED ALCOHOL AND RUM

Paragraph 1. The authority citation for 27 CFR part 20 continues to read as follows:

Authority: 26 U.S.C. 5001, 5206, 5214, 5271-5275, 5311, 5552, 5555, 5607, 6065, 7805.

§ 20.3 [Amended]

Par. 2. Amend § 20.3 by removing the reference to “31 CFR Part 225—Acceptance of Bonds, Notes, or Other Obligations Issued or Guaranteed by the United States as Security in Lien of Surety or Sureties on Penal Bonds.”

§ 20.21 [Amended]

Par. 3. Amend § 20.21(a) by removing the word “bonds” from the first sentence.

§ 20.22 [Amended]

Par. 4. Amend § 20.22 as follows:
a. Remove paragraph (a)(3); and
b. Redesignate paragraph (a)(4) as paragraph (a)(3).

§ 20.26 [Removed]

Par. 5. Remove § 20.26.

Par. 6. Amend § 20.43 by revising paragraphs (a)(2) and (b) to read as follows:

§ 20.43 Exceptions to application requirements.

(a) * * *

(2) Applications, Form 5150.22, filed by applicants, where the appropriate ATF officer has determined that the waiver of such requirements does not pose any jeopardy to the revenue or a hindrance of the effective administration of this part.

* * * * *

(b) The waiver provided for in this section will terminate for a permittee, other than States or political subdivisions thereof or the District of Columbia, when the appropriate ATF officer determines that the conditions

justifying the waiver no longer exist. In this case, the permittee will furnish the information in respect to the previously waived items, as provided in § 20.56(a)(2).

Par. 7. Revise the second sentence of § 20.58 to read as follows:

§ 20.58 Adoption of documents by a fiduciary.

* * * The fiduciary may adopt the formulas and statements of process of the predecessor. * * *

§ 20.59 [Amended]

Par. 8. Amend § 20.59 as follows:

- a. Remove paragraph (b);
- b. Redesignate paragraph (c) as paragraph (b); and
- c. Redesignate paragraph (d) as paragraph (c).

§ 20.61 [Amended]

Par. 9. Amend § 20.61 by removing the last sentence of the text.

§ 20.62 [Amended]

Par. 10. Amend § 20.62 as follows:

- a. Remove the paragraph letter and title designation “(a) Permit”; and
- b. Remove paragraph (b).

§ 20.68 [Amended]

Par. 11. Amend § 20.68 as follows:

- a. Remove paragraph (b); and
- b. Redesignate paragraph (c) as paragraph (b).

Subpart E—[Removed]

Par. 12. Remove and reserve Subpart E—Bonds and Consents of Surety.

Par. 13. Revise paragraph (c) of § 20.175 to read as follows:

§ 20.175 Shipment for account of another dealer.

* * * * *

(a) The dealer who ordered the shipment shall be liable for the tax while the specially denatured spirits are in transit and the person actually shipping the specially denatured spirits shall not be liable.

§ 20.177 [Amended]

Par. 14. Amend paragraph (b) of § 20.177 by removing the word “bonded” in the first sentence.

§ 20.232 [Amended]

Par. 15. Amend § 20.232 as follows:

- a. Remove paragraph (b); and
- b. Redesignate paragraph (c) as paragraph (b).

§ 20.241 [Amended]

Par. 16. Amend § 20.241 by removing the words “and filing of a bond are” and add, in their place, the word “is.”

Signed: February 11, 2002.

Bradley A. Buckles,
Director.

Approved: March 11, 2002.

Timothy E. Skud,

*Acting Deputy Assistant Secretary
(Regulatory, Tariff and Trade Enforcement).*

[FR Doc. 02-8523 Filed 4-11-02; 8:45 am]

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**ENVIRONMENTAL PROTECTION
AGENCY**

40 CFR Parts 52 and 81

[NV 021-0049a; FRL-7167-3]

**Approval and Promulgation of
Implementation Plans and Designation
of Areas for Air Quality Planning
Purposes; Nevada**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is approving the maintenance plan for the Steptoe Valley Central area in Nevada and granting the request submitted by the State to redesignate this area from nonattainment to attainment for the National Ambient Air Quality Standards (NAAQS) for sulfur dioxide (SO₂). Elsewhere in this **Federal Register**, we are proposing approval and soliciting written comment on this action; if adverse written comments are received, we will withdraw the direct final rule and address the comments received in a new final rule; otherwise no further rulemaking will occur on this approval action.

DATES: This direct final rule is effective June 11, 2002, without further notice, unless we receive adverse comments by May 13, 2002. If we receive such comments, we will publish a timely withdrawal in the **Federal Register** to notify the public that this rule will not take effect.

ADDRESSES: Please address your comments to the EPA contact below. You may inspect and copy the rulemaking docket for this notice at the following location during normal business hours: Environmental Protection Agency, Region 9, Air Division, Air Planning Office (AIR-2), 75 Hawthorne Street, San Francisco, CA 94105-3901.

Copies of the SIP materials are also available for inspection at the Nevada Division of Environmental Protection, 333 W. Nye Lane, Carson City, NV 89710.

FOR FURTHER INFORMATION CONTACT:

Valerie Cooper, Grants and Program Integration Office (AIR-8), Air Division, U.S. EPA, Region 9, 75 Hawthorne Street, San Francisco, CA 94105-3901. Telephone: (415) 947-4103. E-mail: Cooper.Valerie@epa.gov

SUPPLEMENTARY INFORMATION:

Throughout this document, “we,” “us,” and “our” refer to EPA.

Table of Contents

- I. Summary of Action
- II. Introduction
 - A. What National Ambient Air Quality Standards are Considered in Today’s Rulemaking?
 - B. What Is a State Implementation Plan?
 - C. What Is the Background for this Action?
 - D. What Are the Applicable CAA Provisions for SO₂ Nonattainment Area Plans?
 - E. What Are the Applicable Provisions for SO₂ Maintenance Plans and Redesignation Requests?
- III. Review of the Nevada State submittals Addressing these Provisions?
 - A. Is the Maintenance Plan Approvable?
 - B. Has the State Met the Remaining Maintenance Plan Provisions?
 - C. Has the State Met the Redesignation Provisions of CAA Section 107(d)(3)(E)?
- IV. Final Action
- V. Administrative Requirements

I. Summary of Action

We are approving the maintenance plan for the Steptoe Valley—Central SO₂ nonattainment area (“Steptoe Valley”).¹ We are also approving the State of Nevada’s request to redesignate the Steptoe Valley area from nonattainment to attainment for the primary SO₂ NAAQS.

II. Introduction

A. What National Ambient Air Quality Standards Are Considered in Today’s Rulemaking?

Sulfur dioxide is the pollutant that is the subject of this action. The NAAQS are safety thresholds for certain ambient air pollutants set to protect public health and welfare. SO₂ is among the ambient air pollutants for which we have established a health-based standard.

SO₂ causes adverse health effects by reducing lung function, increasing respiratory illness, altering the lung’s defenses, and aggravating existing cardiovascular disease. Children, the elderly, and people with asthma are the most vulnerable. SO₂ has a variety of

¹ For the definition of the Steptoe Valley—Central nonattainment area, see 40 CFR 81.329. The Northern and Southern areas of Steptoe Valley hydrographic area 179 are not nonattainment for the SO₂ NAAQS. These areas are designated as “cannot be classified.” Steptoe Valley is a sparsely populated area in White Pine County in the northeastern portion of Nevada.