

LIBOR on each payment date less 100 basis points (one percent). For the subsequent five years, the interest rate is the value of one-year LIBOR on each payment date plus 200 basis points (two percent).

(ii) *Determination of deferred interest.* The debt instrument is a variable rate debt instrument. Interest on the debt instrument is stated at a qualified floating rate followed by another qualified floating rate. Under paragraph (j)(2) of this section, the variable rate debt instrument has deferred interest equal to 300 basis points (three percent) per year for years six through ten. Under paragraph (e) of this section, payments based

on a rate equal to one-year LIBOR less 100 basis points (one percent) are qualified stated interest payments.

(iii) *Accrual of deferred interest.* Under paragraph (g)(3) of this section, the amount of deferred interest allocable to an accrual period is determined using the constant yield method. A reasonable application of the constant yield method is to disregard all qualified stated interest on the variable rate debt instrument and assume that the instrument provides for qualified stated interest at a reasonable fixed rate. Assume that a reasonable fixed rate of interest is five percent because this rate, in combination

with the 300 basis points (three percent) per year of deferred interest in years six through ten, produces a yield that approximates the applicable Federal rate. The constant yield method is applied as if the debt instrument provided for stated interest at five percent for the initial five years and stated interest at eight percent for the final five years (of which 300 basis points is not qualified stated interest), with a corresponding yield of 6.27 percent, compounded annually. The yearly OID accruals attributable to the deferred interest are described below:

Year	Assumed payments	Adjusted issue price beginning	OID	Assumed qualified stated interest	Adjusted issue price ending
1994	\$5,000	\$100,000.00	\$1,273.57	\$5,000	\$101,273.57
1995	5,000	101,273.57	1,353.47	5,000	102,627.04
1996	5,000	102,627.04	1,438.38	5,000	104,065.42
1997	5,000	104,065.42	1,528.62	5,000	105,594.03
1998	5,000	105,594.03	1,624.52	5,000	107,218.55
1999	8,000	107,218.55	1,728.43	5,000	105,944.98
2000	8,000	105,944.98	1,646.53	5,000	104,591.51
2001	8,000	104,591.51	1,561.62	5,000	103,153.13
2002	8,000	103,153.13	1,471.38	5,000	101,624.52
2003	108,000	101,624.52	1,375.49	5,000	0
			15,000.00		

Example 5. Variable rate debt instrument with interest paid at maturity. On January 1, 1994, A lends B \$100,000 in exchange for B's note having an issue price of \$100,000 repayable in ten years. Interest compounds on June 30 and December 31 of each year, at a rate equal to the Federal short-term rate in effect on the compounding date, but the payment of interest is deferred until maturity. Assume that on June 30, 1994, the Federal short-term rate for that date is 5 percent, compounded semiannually. Because the stated interest is not payable at least annually, the stated interest is not qualified stated interest and its accrual is determined under paragraph (g)(2) of this section. The amount of OID that accrues under the debt instrument for the first semiannual accrual period is \$2,500.

Shirley D. Peterson,
Commissioner of Internal Revenue.
[FR Doc. 92-30431 Filed 12-21-92, 8:45 am]
BILLING CODE 4830-01-M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 61

[FRL-4547-3]

National Emissions Standards for Hazardous Air Pollutants

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; correction.

SUMMARY: EPA is publishing a Memorandum of Understanding (MOU)

Between the Environmental Protection Agency and the Nuclear Regulatory Commission Concerning Clean Air Act Standards for Radionuclide Releases from Facilities other than Nuclear Power Reactors Licensed by NRC or its Agreement States. This MOU was supposed to be published as an attachment to the Proposed Rule to Rescind subpart I for Facilities Other than Nuclear Power Reactors, which was published on December 1, 1992, 57 FR 56877; however, the MOU was accidentally omitted from publication in the Federal Register.

The proposal to rescind subpart I for NRC licensees other than nuclear power reactors was issued pursuant to section 112(d)(9) of the Clean Air Act, which allows the EPA to decline to regulate NRC licensees if the Administrator determines by rule that the NRC regulatory program provides an ample margin of safety to protect the public health. The proposal to rescind is based on an extensive survey of these licensees which found that all surveyed facilities are presently in compliance with the quantitative emission limit in subpart I and on commitments made by NRC in the MOU with EPA.

FOR FURTHER INFORMATION CONTACT: Fran Jones, Air Standards and Economics Branch, Criteria and Standards Division, Office of Radiation and Indoor Air (6602), Environmental Protection Agency, Washington, DC 20460, (202) 233-9229.

Dated: December 11, 1992.

Michael Shapiro,
Acting Assistant Administrator, Air and Radiation.

Memorandum of Understanding Between the Environmental Protection Agency and Nuclear Regulatory Commission Concerning Clean Air Act Standards for Radionuclide Releases from Facilities Other Than Nuclear Power Reactors Licensed by NRC or Its Agreement States

Subpart I, 40 CFR Part 61

In accordance with sections 112(d)(9) and 122(c)(2) of the Clean Air Act, as amended in 1990, and in order to minimize regulatory duplication and conserve resources in the control of radionuclide emissions to air from facilities other than nuclear power reactors, licensed by the Nuclear Regulatory Commission (NRC) or its Agreement States under the Atomic Energy Act of 1954, as amended, NRC and the Environmental Protection Agency (EPA) agree as follows:

General Goal of Agreement

EPA and NRC are entering into this MOU to ensure that facilities other than nuclear power reactors, licensed by the NRC, will continue to limit air emissions of radionuclides to levels that result in protection of the public health with an ample margin of safety. The guiding objective is that the actions under this MOU provide assurance that

public health is being and will continue to be protected with an ample margin of safety.

NRC will ensure that facilities licensed by Agreement States will also continue to limit air emissions of radionuclides to levels that result in protection of the public health with an ample margin of safety. NRC will accomplish this through its established procedures for continuous oversight of Agreement States' radiation control programs. Under the Atomic Energy Act, as amended, NRC is required to periodically review Agreement State programs for adequacy and compatibility with NRC's programs. Routine reviews are complete, in-depth examinations of Agreement State regulatory programs and are conducted every other calendar year. NRC review visits are usually conducted between routine reviews and maintain familiarity with the Agreement State program. Through this established process, NRC can provide adequate assurance that Agreement State-licensed facilities will continue to provide an ample margin of safety in protecting the public from air emissions of radionuclides.

NRC Lead Actions

1. NRC agrees to develop and issue a regulatory guide on designing and implementing a radiation protection program to ensure that doses resulting from effluents from licensed facilities will remain as low as is reasonably achievable (ALARA). The guide will establish a specific goal of 10 millirem per year total effective dose equivalent to the maximally exposed individual from radionuclide air emissions from licensed facilities and operations. The guide will also describe the types of administrative programs and objectives for environmental radiation protection programs that the NRC staff finds to be acceptable in satisfying the requirement in 10 CFR 20.1101(b).

The regulatory guide will be published for public comment and will be revised in response to comments, as appropriate, prior to finalization. NRC will publish a draft of the regulatory guide in October 1992, and after public comments have been incorporated, issue a final guide by April 1993. Once compliance with the revised 10 CFR part 20 is mandatory, and the final guide is available, NRC will review licensee compliance with the revised 10 CFR part 20 radiation protection program requirement through license renewals and ongoing inspection efforts. If any licensee fails to comply with the ALARA requirements of the revised 10 CFR part 20 and license conditions, NRC will take enforcement action in

accordance with NRC's Enforcement Policy in Appendix C of 10 CFR part 2.

2. NRC agrees to develop inspection guidance on ALARA considerations for effluents and incorporate ALARA considerations in Standard Review Plans. Thus, license reviewers and inspectors will have comprehensive guidance and review criteria for assessments of ALARA at various licensed facilities. NRC will develop these documents based on the ALARA Regulatory Guide, which will be prepared with the benefit of public comment. NRC intends to complete the inspection guidance and Standard Review Plan shortly after completing the Regulatory Guide on ALARA for environmental effluents of radionuclides.

3. Pursuant to NRC's existing oversight authority for Agreement State programs described in the general goal of this MOU, NRC will work with Agreement States to adopt and implement regulations compatible with NRC's regulations in the revised 10 CFR part 20. These efforts will include maintenance of effluents, including air emissions, at ALARA levels.

4. Five years from the execution of the MOU, NRC will undertake a survey of a subset of NRC-licensees to verify that the NRC regulatory program is continuing to provide an ample margin of safety.

EPA Lead Actions

1. By November 15, 1992, EPA will develop and publish in the Federal Register a Notice of Proposed Rulemaking, pursuant to its authority under Clean Air Act Section 112(d)(9), to rescind its existing regulations in 40 CFR part 61, subpart I, as applied to licensed facilities other than nuclear power reactors. This proposal, which will occur only if the purposes and provisions of this MOU are proceeding effectively, requires that the Administrator find that the regulatory program implemented by NRC will protect public health with an ample margin of safety. It is expected, subject to public notice and comment, that the basis for this finding will ultimately be provided through the final report of EPA's survey of NRC and Agreement State licensees and through implementation of the commitments of this MOU. Final action on the rulemaking will be taken as soon as practicable after completion of the Notice of Proposed Rulemaking to rescind subpart I, as described in this paragraph.

2. In anticipation of issuance of the proposed rescission of 40 CFR part 61, subpart I for licensed facilities other

than nuclear power reactors, EPA will propose a rule to further stay the effectiveness of subpart I for these facilities during the pendency of the rulemaking on rescission. The final rule staying the effectiveness of subpart I will be issued on or before the date EPA proposes rescission and is contingent upon the provisions of this MOU proceeding effectively.

Effective Date, Revision, and Termination

This memorandum shall be effective immediately and shall continue in effect until revised by mutual agreement, unless terminated by any party after 120 days notice in writing.

Dated: August 28, 1992.
Nuclear Regulatory Commission.

Robert M. Bernero,
Director, Office of Nuclear Material Safety
and Safeguards.

Dated: September 4, 1992.
Environmental Protection Agency.

William G. Rosenberg,
Assistant Administrator for Air and
Radiation.

[FR Doc. 92-30904 Filed 12-21-92; 8:45 am]
BILLING CODE 6550-50-M

COMMISSION ON NATIONAL AND COMMUNITY SERVICE

45 CFR Parts 2500, 2501, 2502, 2503, 2504, 2505, and 2506

National and Community Service Grant Programs; Amendments

AGENCY: Commission on National and Community Service.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission on National and Community Service proposes to amend its regulations concerning the programs authorized by the National and Community Service Act of 1990, as amended. The majority of these proposed changes reflect Congressional amendments to our original Act, while others result from experience gained from our first year of grant-making. The changes concern definitions, selection criteria, eligibility for grant awards and program participation, confidentiality of information about participants, and the amount of post-service benefits in the National Service Program. The Commission feels that these proposed amendments to its regulations will contribute to an easier grant process, from the perspective of both prospective grantees and the Commission.

DATES: Comments must be received on or before January 5, 1993.