

any Canadian national (including Canadian business entities organized under the laws of Canada), dual citizen of Canada and a third country (subject to section 126.1), and permanent resident registered in Canada in accordance with the Canadian Defense Production Act, and such other Canadian Crown Corporations identified by the Department of State in a list of such persons publicly available through the Internet Web site of the Directorate of Defense Trade Controls and by other means. The defense articles, related technical data, and defense services identified in 22 CFR 121.1 continuing to require a license are:

\* \* \* \* \*

(6) Firearms, close assault weapons and combat shotguns listed in Category I.

\* \* \* \* \*

(10) All Category VIII(a) items, and developmental aircraft, engines and components identified in Category VIII(f).

\* \* \* \* \*

(13) Nuclear radiation measuring devices manufactured to military specifications listed in Category XVI(c).

\* \* \* \* \*

(18) Nuclear weapons, design and testing equipment listed in Category XVI.

\* \* \* \* \*

(21) Man-portable air defense systems, and their parts and components, and technical data for such systems covered by Category IV.

(c) *Defense service exemption.* A defense service is exempt from the licensing requirements of part 124 of this subchapter, when the following criteria can be met.

(1) The item, technical data, defense service and transaction is not identified in paragraphs (b)(1) through (21) of this section; and

\* \* \* \* \*

#### Notes to Sec. 126.5

\* \* \* \* \*

2. Additional exemptions exist in other sections of this subchapter that are applicable to Canada, for example Secs. 123.9, 125.4 and 124.2, which allows for the performance of defense services related to training in basic operations and maintenance, without a license, for defense articles lawfully exported, including those identified in paragraphs (b)(1) through (21) of this section.

#### PART 127—VIOLATIONS AND PENALTIES

■ 9. The authority citation for part 127 is amended to read as follows:

**Authority:** Secs. 2, 38, and 42, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2791); E.O. 11958, 42 FR 4311; 3 CFR, 1977 Com. p. 79; 22 U.S.C. 401; 22 U.S.C. 2651a; 22 U.S.C. 2779a; 22 U.S.C. 2780.

■ 10. Section 127.12 is amended by revising paragraph (g) as follows:

#### § 127.12 Voluntary disclosures.

\* \* \* \* \*

(g) Voluntary disclosures should be sent to the Office of Defense Trade Controls Compliance, Directorate of Defense Trade Controls. Exporters should consult the Directorate of Defense Trade Controls Web site at <http://www.pmdtc.org> for the appropriate street address.

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Dated: May 10, 2005.

**John R. Bolton,**

*Under Secretary, Arms Control and International Security, Department of State.*

[FR Doc. 05–11892 Filed 6–14–05; 8:45 am]

**BILLING CODE 4710–25–P**

#### 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 July 2005. Interest assumptions are also published on the PBGC's Web site (<http://www.pbgc.gov>).

**DATES:** Effective July 1, 2005.

**FOR FURTHER INFORMATION CONTACT:** Catherine B. Klion, Attorney, 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).

Accordingly, 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 July 2005, (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 July 2005, 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 July 2005.

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 3.60 percent for the first 20 years following the valuation date and 4.75 percent thereafter. These interest assumptions represent a decrease (from those in effect for June 2005) of 0.10 percent for the first 20 years following the valuation date and are otherwise unchanged.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 2.50 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 June 2005.

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, as accurately as possible, current market conditions.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during July 2005, 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 141, as set forth below, is added to the table. (The introductory text of the table is omitted.)

**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 <sub>1</sub>               | i <sub>2</sub> | i <sub>3</sub> | n <sub>1</sub> | n <sub>2</sub> |
| 141      | 7-1-05                          | 8-1-05 | 2.50                             | 4.00                         | 4.00           | 4.00           | 7              | 8              |

■ 3. In appendix C to part 4022, Rate Set 141, as set forth below, is added to the table. (The introductory text of the table is omitted.)

**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 <sub>1</sub>               | i <sub>2</sub> | i <sub>3</sub> | n <sub>1</sub> | n <sub>2</sub> |
| 141      | 7-1-05                          | 8-1-05 | 2.50                             | 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, as set forth below, is added to the table. (The introductory text of the table is omitted.)

**Appendix B to Part 4044—Interest Rates Used To Value Benefits**

\* \* \* \* \*

| For valuation dates occurring in the month— | The values of i <sub>t</sub> are: |         |                |         |                |         |
|---|-----------------------------------|---------|----------------|---------|----------------|---------|
|   | i <sub>t</sub>                    | for t = | i <sub>t</sub> | for t = | i <sub>t</sub> | for t = |
| July 2005                                   | .0360                             | 1-20    | .0475          | >20     | N/A            | N/A     |

Issued in Washington, DC, on this 8th day of June 2005.

**Vincent K. Snowbarger,**

*Deputy Executive Director, Pension Benefit Guaranty Corporation.*

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**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**32 CFR Part 311**

**[Administrative Instruction 81]**

**Privacy Act; Implementation**

**AGENCY:** Office of the Secretary, DoD.

**ACTION:** Final rule.

**SUMMARY:** The Office of the Secretary of Defense is exempting those records contained in DCIFA 01, entitled "CIFA Operational and Analytical Records" when an exemption has been previously claimed for the records in another Privacy Act system of records. The exemption will preserve the exempt