

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

14 CFR Part 1260

Miscellaneous Revisions to the NASA Grant and Cooperative Agreement Handbook, Section A, Management Fee

AGENCY: National Aeronautics and Space Administration (NASA).

ACTION: Proposed rule.

SUMMARY: This is a proposed rule to revise the NASA Grant and Cooperative Agreement Handbook to specify that for all awards of new grants and cooperative agreements and modifications of existing grants and cooperative agreements, management fee shall not be permitted.

EFFECTIVE DATE: Comments should be submitted on or before March 1, 1999.

ADDRESSES: Interested parties should submit written comments to Steve Miley, NASA Headquarters, Office of Procurement, Analysis Division (Code HC), Washington, DC 20546. Comments may also be submitted by e-mail to steve.miley@hq.nasa.gov.

FOR FURTHER INFORMATION CONTACT: Steve Miley, (202) 358-0493.

SUPPLEMENTARY INFORMATION:

Background

A September 30, 1998, NASA Office of Inspector General (OIG) report questioned NASA's practice of awarding management fee on certain cooperative agreements. Management fee has been provided on less than 1 percent of NASA grants and cooperative agreements. For all types of funding instruments, the recipient of Federal funds is entitled to be reimbursed only those costs which are allowable under the cost principles that are applicable to the particular recipient. Therefore, management fee is not appropriate to the extent that it includes unallowable costs.

Impact

NASA certifies that this regulation will not have a significant economic impact on a substantial number of small business entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) because currently less than 1 percent of recipients of NASA grants and cooperative agreements have received management fee. The proposed rule does not impose any reporting or recordkeeping requirements subject to the Paperwork Reduction Act.

List of Subjects in 14 CFR Part 1260

Grants programs—science and technology.

Tom Luedtke,

Acting Associate Administrator for Procurement.

Accordingly, 14 CFR Part 1260 is proposed to be amended as follows:

PART 1260—GRANTS AND COOPERATIVE AGREEMENTS

1. The authority citation for 14 CFR Part 1260 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(1).

2. In § 1260.10, paragraph (b)(1)(iv) is added to read as follows:

§ 1260.10 Proposals.

* * * * *

(b) * * *

(1) * * *

(iv) *Management fee.* Recipients of grants and cooperative agreements are entitled to be reimbursed only those costs which are allowable according to applicable cost principles (see § 1260.127). Accordingly, for new awards or modifications of grants and cooperative agreements, management fee shall not be paid.

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BILLING CODE 7510-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-106902-98]

RIN 1545-AW08

Consolidated Returns—Consolidated Overall Foreign Losses and Separate Limitation Losses

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking; notice of proposed rulemaking by cross-reference to temporary regulations; and notice of public hearing.

SUMMARY: This document contains proposed consolidated return regulations relating to the treatment of overall foreign losses and separate limitation losses in the computation of the foreign tax credit limitation. The proposed rules are necessary to modify existing guidance with respect to overall foreign losses and to provide guidance with respect to separate limitation losses. These proposed regulations affect consolidated groups that compute the foreign tax credit limitation or that dispose of property used in a foreign trade or business. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written comments must be received by February 10, 1999. Outlines of oral comments to be discussed at the public hearing scheduled for 10 a.m. on February 17, 1999, must be received by January 27, 1999.

ADDRESSES: Send submissions to CC:DOM:CORP:R (REG-106902-98), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-106902-98), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet site at <http://www.irs.ustreas.gov/prod/taxregs/comments.html>. The public hearing will be held in room 2615, Internal Revenue Building, 1111