Treasury solicits public comment on the Treasury in its determination, the September 1, 2004, whether to extend (Treasury) to determine, no later than acts of terrorism. In addition, the Act requires that such insurance coverage must not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism. These requirements apply from the date of enactment (November 26, 2002) through the last day of Program Year 2 (December 31, 2004).

In addition, section 103(c)(2) of the Act requires Treasury to determine, no later than September 1, 2004, whether to extend the "make available" requirements of section 103(c)(1) through Program Year 3 (December 31, 2005). To obtain additional information to assist Treasury in its determination, the Treasury solicits public comment on the questions listed below.

DATES: Comments must be in writing and received by June 4, 2004.

ADDRESSES: Send comments by e-mail to tricomments@do.treas.gov. Please include your name, affiliation, address, e-mail address, and telephone number. All submissions should be captioned "Comments on Make Available Determination."
particular, has the make available requirement been effective in making terrorism insurance coverage available and more affordable to the insurance marketplace in general, to large corporate policyholders, and to small business policyholders? (We specifically seek information on terrorism coverage for railroads, trucking and public transit in response to this question.)

1.2 How would the effectiveness of the Program be affected during Program Year 3 (where the federal backstop for terrorism insurance is still maintained under the Act) if the make available requirement is not extended? Would policyholders still be able to obtain terrorism risk insurance (under what terms and conditions) and would the affordability be impacted if the requirement is not extended? Compare your response to the preceding questions to what you believe would be the effectiveness of the Program if the make available requirement is extended into 2005.

1.3 Has Treasury’s implementation of the make available requirement contributed to the effectiveness of the Program? In particular, has the make available requirement resulted in businesses being provided with useful information and the enhanced ability to compare prices for terrorism risk insurance across a number of providers? Given the experience with the make available requirement since enactment and policyholders’ decisions on whether to purchase coverage provided by the Act, are there other approaches to implementing the make available requirement that are worth considering?

1.4 How would a decision on extending or not extending the make available requirement affect policyholders’ understanding of their options regarding the availability of terrorism risk insurance coverage in Program Year 3 (e.g., that the federal backstop for terrorism risk insurance is still in force)? Would one course of action be better understood by policyholders than other options?

II. The Relationship Between the Make Available Requirement and the Likely Capacity of Property and Casualty Insurers To Offer Coverage for Terrorism Risk After Termination of the Program

2.1 What is the relationship between the make available requirement and an insurer’s capacity to offer terrorism risk insurance coverage? How has the make available requirement affected or interacted with the available capacity of property and casualty insurers to provide terrorism risk insurance coverage during the course of the Program to date? Has the make available requirement led to any build-up in capacity?

2.2 How would a Treasury decision to extend or not to extend the make available requirement affect or interact with the capacity of property and casualty insurers (including the availability of reinsurance) in terms of offering terrorism risk insurance coverage in Program Year 3? In addition, would there be any effect on insurers’ decision to offer terrorism risk insurance coverage beyond 2005 that could be associated with a decision to extend or not to extend the make available requirement during Program Year 3?

III. Operational Issues

3.1 What would be the regulatory impact at the state level (e.g. on filings with the state regulator of policy forms or exclusions) if the make available requirement were extended through Program Year 3 (2005)? Similarly, what would be the regulatory impact at the state level if the make available requirement were not extended through Program Year 3?

3.2 Are there other operational issues that Treasury should consider as part of determining whether or not to extend the make available requirement through Program Year 3?

3.3 Has Treasury considered other approaches to making terrorism risk insurance coverage available?

3.4 Has Treasury considered other approaches to making terrorism risk insurance coverage available that may be more effective than the make available requirement?

3.5 What are the operational impacts of Treasury’s decision to extend or not to extend the make available requirement during Program Year 3?

SUPPLEMENTARY INFORMATION:

Title: Foreign Tax Credit.
OMB Number: 1545–0121.
Form Number: 1116.
Abstract: Form 1116 is used by individuals (including nonresident aliens), estates, or trusts who paid foreign income taxes on U.S. taxable income, to compute the foreign tax credit. This information is used by the IRS to determine if the foreign tax credit is properly computed.

Current Actions: There are no changes being made to Form 1116 at this time.
Type of Review: Extension of a currently approved collection.
Affected Public: Individuals or households.
Estimated Number of Respondents: 442,425.
Estimated Time Per Respondent: 6 hours, 33 minutes.
Estimated Total Annual Burden Hours: 2,897,886.

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;