

200–242 that provides for using Aureomycin® 50, 70, 80, 90, or 100 Type A medicated articles containing chlortetracycline calcium complex (CTC) equivalent to 50, 70, 80, 90, or 100 grams per pound (g/lb) chlortetracycline hydrochloride, and BMD® (bacitracin methylene disalicylate) 25, 30, 40, 50, 60, or 75 equivalent to 25, 30, 40, 50, 60, or 75 g/lb bacitracin activity, to make Type C medicated swine feed. The Type C medicated swine feed contains approximately 400 g/ton (t) chlortetracycline, varying with body weight and feed consumption to provide 10 milligrams/lb CTC of body weight daily, and 10 to 30 g/t bacitracin methylene disalicylate, to be fed for not more than 14 days. It is used in swine feeds for: (1) Treatment of bacterial enteritis caused by *Escherichia coli* and *Salmonella choleraesuis*; (2) bacterial pneumonia caused by *Pasteurella multocida*, susceptible to CTC; (3) increased rate of weight gain; and (4) improved feed efficiency.

Hoffmann-La Roche, Inc.'s ANADA 200–242 is approved as a generic copy of Alpharma Inc.'s NADA 141–059. The ANADA is approved as of January 16, 1998, and the regulations are amended in 21 CFR 558.76(d)(1)(iv) to reflect the approval. The basis of approval is discussed in the freedom of information summary.

In addition, 21 CFR 558.128 is amended in paragraph (d)(3) by redesignating paragraph (d)(3)(xiv) as paragraph (d)(3)(iii) to place the combination with bacitracin methylene disalicylate in alphabetical order.

In accordance with the freedom of information provisions of 21 CFR part 20 and 514.11(e)(2)(ii), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Dockets Management Branch (HFA–305), Food and Drug Administration, 12420 Parklawn Dr., rm. 1–23, Rockville, MD 20857, between 9 a.m. and 4 p.m., Monday through Friday.

The agency has determined under 21 CFR 25.33(a)(2) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

List of Subjects in 21 CFR Part 558

Animal drugs, Animal feeds.
Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to

the Center for Veterinary Medicine, 21 CFR part 558 is amended as follows:

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

1. The authority citation for 21 CFR part 558 continues to read as follows:

Authority: 21 U.S.C. 360b, 371.

§ 558.76 [Amended]

2. Section 558.76 *Bacitracin methylene disalicylate* is amended in the table in paragraph (d)(1) in entry (iv), in the columns "Limitations" and "Sponsor" by removing "046573" and adding in its place "000004 and 046573".

§ 558.128 [Amended]

3. Section 558.128 *Chlortetracycline* is amended by redesignating paragraph (d)(3)(xiv) as paragraph (d)(3)(iii).

Dated: February 6, 1998.

Stephen F. Sundlof,

Director, Center for Veterinary Medicine.

[FR Doc. 98–5344 Filed 3–2–98; 8:45 am]

BILLING CODE 4160–01–F

DEPARTMENT OF STATE

Bureau of Consular Affairs

22 CFR Part 41

[Public Notice 2600]

Visas: Documentation of Nonimmigrants Under the Immigration and Nationality Act, as Amended

AGENCY: Bureau of Consular Affairs, Department of State.

ACTION: Final rule.

SUMMARY: This final rule implements Chapter 16 of the North American Free Trade Agreement (NAFTA), and sections 341 and 342 of the North American Free Trade Agreement Implementation Act, (the Implementation Act), signed December 8, 1993, which address the movement of business persons among the United States, Canada, and Mexico. This rule finalizes the interim regulations published in the **Federal Register** on December 28, 1993 [58 FR 68526] concerning two nonimmigrant visa classifications, treaty traders and investors and intracompany transferees, and promulgates new regulations for a category for professionals under INA section 214(e), as amended by the Implementation Act.

EFFECTIVE DATE: January 1, 1994.

FOR FURTHER INFORMATION CONTACT: Stephen K. Fischel, Director, Office of

Legislation, Regulations and Advisory Opinions, Visa Office, (202) 663–1184.

SUPPLEMENTARY INFORMATION: On December 28, 1993, the Department of State published an interim rule at 58 FR 68526. This rule which amended 22 CFR part 41 by amending §§ 41.51 and 41.54 and by adding a new § 41.59 took effect on January 1, 1994. The rule implements Chapter 16 of the North American Free Trade Agreement (NAFTA), entitled "Temporary Entry for Business Persons", and addresses the movement of business persons among the Parties to the Agreement. Chapter 16 is patterned on the similarly titled Chapter 15 of the United States Canada Free Trade Agreement (CFTA). This chapter relates to four nonimmigrant visa categories in the U.S. Immigration and Nationality Act: temporary visitors for business under INA 101(a)(15)(B); treaty trader and investors under INA 101(a)(15)(E); intracompany transferees under INA 101(a)(15)(L); and NAFTA professionals under INA 214(e) as amended by the Implementation Act.

Comments

The Department received no comments from the public during the comment period. The only modification from the interim rule is a minor wording change in § 41.59(c), definition of temporary entry, to comport with the specific language of NAFTA and with INS' definition [see 58 FR 69212 Dec. 30, 1993 and 63 FR 1331, Jan. 9, 1998].

Final Rule

This final rule is not expected to have a "significant economic impact" on a substantial number of small entities under the Regulatory Flexibility Act. This rule imposes no reporting or recordkeeping action from the public requiring the approval of the Office of Management and Budget under the Paperwork Reduction Act requirements. This rule has been reviewed as required by E.O. 12988 and certified to be in compliance therewith. This rule is exempted from E.O. 12866 but has been reviewed to ensure consistency therewith.

List of Subjects in 22 CFR 41

Aliens, Nonimmigrants, Intracompany Transferees, (executives, managers, and specialists), Professionals Under the North American Free Trade Agreement, Treaty Trader or Investor, Visas.

Accordingly, the regulations at 22 CFR 41.51 and 41.54 are adopted as published in the interim rule at 58 FR 68526 and § 41.59 is amended as follows:

PART 41—[AMENDED]

1. The authority citation for Part 41 continues to read as follows:

Authority: 8 U.S.C. 1104; 19 U.S.C. 3401 and 3401 Note.

2. Sec. 41.59 is amended by revising paragraph (c) to read as follows:

§ 41.59 Professionals Under the North American Free Trade Agreement.

* * * * *

(c) *Temporary entry.* Temporary entry means an entry into the United States without the intent to establish permanent residence. The alien must satisfy the consular officer that the proposed stay is temporary. A temporary period has a reasonable, finite end that does not equate to permanent residence. The circumstances surrounding an application should reasonably and convincingly indicate that the alien's temporary work assignment in the United States will end predictably and that the alien will depart upon completion of the assignment.

* * * * *

Dated: September 9, 1997.

Mary A. Ryan,

Assistant Secretary for Consular Affairs.

[FR Doc. 98-5241 Filed 3-2-98; 8:45 am]

BILLING CODE 4710-06-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8764]

RIN 1545-AV91

Source and Grouping Rules for Foreign Sales Corporation Transfer Pricing

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations that provide guidance to taxpayers who have made an election to be treated as a foreign sales corporation (FSC). The regulations provide rules that clarify the special sourcing rules under section 927(e)(1) and provide a deadline for the election to group transactions. The text of the temporary regulations also serves as the text of the proposed regulations on this subject in the Proposed Rules section of this issue of the **Federal Register**.

DATES: *Effective date:* These regulations are effective March 3, 1998.

Applicability: For dates of applicability, see §§ 1.925(a)–1T(c)(8)(i) and 1.927(e)–1T(c).

FOR FURTHER INFORMATION CONTACT: Elizabeth Beck (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to the Income Tax Regulations (26 CFR part 1) under sections 925 and 927 which were added by the Deficit Reduction Act of 1984, applicable for taxable years of foreign sales corporations beginning after December 31, 1984. Temporary regulations were published in the **Federal Register** (52 FR 6468) as a Treasury Decision (TD 8126) on March 3, 1987. Treasury and IRS believe that immediate guidance in the form of these temporary regulations is necessary for the reasons stated below.

Explanation of Provisions

These regulations set a deadline for an election to group transactions for purposes of the foreign sales corporation (FSC) administrative pricing methods and clarify that the foreign source limit for a FSC's related supplier extends to all transactions giving rise to foreign trading gross receipts.

I. Grouping Election Deadline

A. Current Temporary Regulations

Current § 1.925(a)–1T(c)(8) and § 1.925(b)–1T(b)(3) permit taxpayers annually to group transactions in applying the administrative pricing (including the marginal costing) rules to determine FSC benefits. Current § 1.925(a)–1T(c)(8)(i) requires an election to group to be evidenced on the FSC income tax return for the taxable year. Current § 1.925(a)–1T(e)(4) authorizes taxpayers to file amended returns subsequently (within the statute of limitations period) to redetermine FSC benefits based on a different grouping of transactions than that originally elected. Pursuant to this provision, taxpayers may change their grouping basis, or change from a grouping to a transaction-by-transaction basis. The IRS and the Treasury have become increasingly aware of taxpayers who, through the use of sophisticated computer programs, substantially revise their transaction groupings just prior to the expiration of the statute of limitations and many years after the original returns were filed. These revised groupings typically employ complex estimating techniques. The recent rise in this practice is placing a significant burden on the auditing

process and is creating a potential for abuse.

B. Revised Temporary Regulations

Under § 1.925(a)–1T(c)(8)(i), the election to group must be made on Schedule P of the FSC's timely filed U.S. income tax return (including extensions thereof) for the taxable year. No untimely or amended returns will be allowed to elect to group, to change a grouping basis, or to change from a grouping basis to a transaction-by-transaction basis for such year.

Conforming changes and cross-references are reflected in § 1.925(a)–1T(e)(4) and § 1.925(b)–1T(b)(3).

The regulations apply to taxable years beginning after December 31, 1997. There is also a transition rule providing that the regulations also apply to taxable years beginning before January 1, 1998. For these taxable years, the transition rule allows taxpayers to redetermine their grouping of transactions with respect to such years provided such redetermination is made no later than the due date of the FSC's timely filed U.S. income tax return (including extensions thereof) for its first taxable year beginning after December 31, 1997.

II. Scope of Related Supplier Foreign Source Limit

A. Current Temporary Regulations and TRA 97

Section 927(e)(1) provides that “[u]nder regulations, the income of a person described in section 482 from a transaction giving rise to foreign trading gross receipts of a FSC which is treated as from sources outside the United States shall not exceed the amount which would be treated as foreign source income earned by such person if the pricing rule under section 994 which corresponds to the rule used under section 925 with respect to such transaction applied to such transaction.” Transactions giving rise to foreign trading gross receipts include qualifying sales, leases, licenses and services. Current § 1.927(e)–1T restates the section 927(e)(1) rule as applicable on “the sale of export property.” While the statute is not limited to export sale transactions in that it applies to any transaction giving rise to foreign trading gross receipts of a FSC, the current regulation might be interpreted to apply the special foreign sourcing limit only to sales of export property.

Section 1171 of the Taxpayer Relief Act of 1997 (TRA 97) amended section 927(a)(2)(B) (without any inference intended regarding prior law) to provide that computer software licensed for reproduction abroad is included within