

**Drafting Information**

The principal author of these regulations is Nina Chowdhry of the Office of Associate Chief Counsel (International). However, other personnel from the IRS and Treasury Department participated in their development.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Proposed Amendments to the Regulations**

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

**PART 1—INCOME TAXES**

**Paragraph 1.** The authority citation for part 1 is amended by adding entries in numerical order to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

Section 1.874-1 also issued under 26 U.S.C. 874. \* \* \*

Section 1.882-4 also issued under 26 U.S.C. 882(c). \* \* \*

**Par. 2.** Section 1.874-1 is amended by:

- 1. Revising paragraph (b)(2).
- 2. Paragraphs (b)(3) and (b)(4) are redesignated as paragraphs (b)(5) and (b)(6), respectively.
- 3. New paragraphs (b)(3) and (b)(4) are added.

The revision and additions read as follows:

**§ 1.874-1 Allowance of deductions and credits to nonresident alien individuals.**

\* \* \* \* \*

(b)(2) through (4) [The text of proposed paragraphs (b)(2), (3), and (4) is the same as the text of § 1.874-1T(b)(2), (3), and (4) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

**Par. 3.** Section 1.882-4 is amended by:

- 1. Revising paragraph (a)(3)(ii).
- 2. Paragraphs (a)(3)(iii) through (a)(3)(v) are redesignated as paragraphs (a)(3)(v) through (a)(3)(vii), respectively.
- 3. New paragraphs (a)(3)(iii) and (iv) are added.

The revision and additions read as follows:

**§ 1.882-4 Allowance of deductions and credits to foreign corporations.**

\* \* \* \* \*

(a)(3)(ii) through (iv) [The text of proposed paragraphs (a)(3)(ii) through (iv) is the same as the text of § 1.882-4T(a)(3)(ii) through (iv) published

elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

[FR Doc. 02-2045 Filed 1-28-02; 8:45 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[REG-142299-01 and REG-209135-88]

RIN 1545-BA36 and 1545-AW92

**Certain Transfers of Property to Regulated Investment Companies and Real Estate Investment Trusts; Correction**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** This document contains corrections to REG-142299-01 and REG-209135-88 that was published in the **Federal Register** on January 2, 2002 (67 FR 48). These regulations apply to certain transactions or events that result in a Regulated Investment Company [RIC] or Real Estate Investment Trust [REIT] owning property that has a basis determined by reference to a C corporation's basis in the property.

**DATES:** This correction is effective January 2, 2002.

**FOR FURTHER INFORMATION CONTACT:** Lisa A. Fuller (202) 622-7750 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The notice of proposed rulemaking that is the subject of these corrections is under section 337(d) of the Internal Revenue Code.

**Need for Correction**

As published, REG-142299-01 and REG 209135-88 contains errors that may prove to be misleading and are in need of clarification.

**Correction of Publication**

Accordingly, the publication REG-142299-01 and REG-209135-88, which is the subject of FR. Doc. 01-31968, is corrected as follows:

- 1. On page 49, column 2, in the preamble under the paragraph heading "Background", lines 14 and 15, the language "property to a RIC or REIT,

then the RIC or REIT will be subject either to section", is corrected to read "property to a RIC or REIT, then either the RIC or REIT will be subject to section".

**LaNita Van Dyke,**

*Acting Chief, Regulations Unit, Associate Chief Counsel (Income Tax and Accounting).*

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**DEPARTMENT OF TRANSPORTATION**

**Coast Guard**

**33 CFR Part 165**

[CGD01-02-002]

RIN 2115-AA97

**Safety and Security Zone; Pilgrim Nuclear Power Plant, Plymouth, MA**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of proposed rulemaking; notice of meeting.

**SUMMARY:** The Coast Guard is proposing to establish permanent safety and security zones around the Pilgrim Nuclear Power Plant in Cape Cod Bay, Plymouth, MA. The safety and security zones will close all waters within an approximate 1000-yard distance from the plant, and will also close shore areas adjacent to the plant. The safety and security zones will prohibit entry into or movement within a portion of Cape Cod Bay and adjacent shore areas and are needed to ensure public safety and prevent sabotage or terrorist acts.

**DATES:** Comments and related materials must reach the Coast Guard on or before April 15, 2002. A public meeting will take place on Wednesday, February 6, 2002, at 7 p.m.

**ADDRESSES:** You may mail comments and related material to Marine Safety Office Boston, 455 Commercial Street, Boston, MA 02109. Marine Safety Office Boston maintains the public docket for this rulemaking. Comments and materials received from the public, as well as documents indicated in this preamble as being available in the docket, will become part of the docket and will be available for inspection or copying at Marine Safety Office Boston between the hours of 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays. The meeting will take place at the Plymouth Elks Club located on Long Pond Road, Plymouth, MA. This notice will be made available online at [www.uscg.mil/d1/units/msobos/](http://www.uscg.mil/d1/units/msobos/).

**FOR FURTHER INFORMATION CONTACT:** LT Dave Sherry, Marine Safety Office

Boston, Maritime Security Operations Division, at (617) 223-3030.

**SUPPLEMENTARY INFORMATION:**

**Request for Comments**

We encourage you to participate in this rulemaking by submitting comments and related material. If you do so, please include your name and address, identify the docket number for this rulemaking (CGD01-02-002), indicate the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and related material in an unbound format, no larger than 8½ by 11 inches, suitable for copying. If you would like to know your comments reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this proposed rule in view of them.

**Public Meeting**

The Coast Guard plans to hold a public meeting on February 6, 2002 to discuss the proposed rule. Because this notice is close in time to the meeting, the Coast Guard will ensure the widest dissemination of notice of this meeting through e-mails and phone calls to interested organizations, web site releases, and press releases to local newspapers.

The following agenda has been prepared for the meeting:

- (1) Introduction of Coast Guard, local and state law enforcement, Pilgrim Power Plant, and Lobstermen Association personnel.
- (2) Presentation of NPRM requirements.
- (3) Discussion of potential conflicts created by the NPRM and proposed solutions to these conflicts.
- (4) Scheduling of additional meetings (if deemed necessary).

For information regarding this meeting contact LT Dave Sherry at the address listed under **ADDRESSES**. If you want the Coast Guard to hold additional meetings, you may contact LT Dave Sherry with a request in writing explaining why you believe one would be beneficial. If we determine an additional meeting would aid in this rulemaking, we will hold one at a time and place announced by a later notice in the **Federal Register**.

**Background and Purpose**

In light of terrorist attacks on New York City and Washington DC on September 11, 2001 permanent safety and security zones are proposed to safeguard the Pilgrim Nuclear Power

Plant, persons at the facility, the public and surrounding communities from sabotage or other subversive acts, accidents, or other events of a similar nature. The Pilgrim Nuclear Power Plant presents a possible target of terrorist attack, due to the potential catastrophic impact nuclear radiation would have on the surrounding area, its large destructive potential if struck, and its proximity to a population center. These proposed safety and security zones prohibit entry into or movement within the specified areas.

This proposed rulemaking will establish security and safety zones having identical boundaries in all waters of Cape Cod Bay and land adjacent to those waters enclosed by a line as follows: beginning at position 41°57'30" N, 070°34'36" W; then running southeast to position 41°56'36" N, 070°33'30" W; then running southwest to position 41°56'28" N, 070°34'38" W; then running northwest to position 41°56'50" N, 070°34'58" W; then running northeast back to position 41°57'30" N, 070°34'36" W.

This proposed rulemaking proposes to make permanent temporary safety and security zones established on November 15, 2001 (67 FR 1607, January 14, 2002) under temporary section 165.T01-211 of Title 33 of the Code of Federal Regulations (CFR). That rulemaking established safety and security zones with identical boundaries in the rulemaking proposed herein. This rulemaking is necessary to provide permanent protection of the waterfront areas of the Pilgrim Nuclear Power Plant.

No person or vessel may enter or remain in the prescribed safety and security zones at any time without the permission of the Captain of the Port. Each person or vessel in a safety and security zone shall obey any direction or order of the Captain of the Port or designated Coast Guard representative on-scene. The Captain of the Port may take possession and control of any vessel in a security zone and/or remove any person, vessel, article or thing from a security zone. No person may board, take or place any article or thing on board any vessel or waterfront facility in a security zone without permission of the Captain of the Port.

Any violation of any safety or security zone proposed herein, is punishable by, among others, civil penalties (not to exceed \$25,000 per violation, where each day of a continuing violation is a separate violation), criminal penalties (imprisonment for not more than 10 years and a fine of not more than \$100,000), in rem liability against the offending vessel, and license sanctions.

This regulation is proposed under the authority contained in 50 U.S.C. 191, 33 U.S.C. 1223, 1225 and 1226.

**Regulatory Evaluation**

This proposed rule is not a "significant regulatory action" under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040, February 26, 1979).

The Coast Guard expects the economic impact of this proposed rule to be so minimal that a full regulatory evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary. The effect of this proposed regulation will not be significant for several reasons: there is ample room for vessels to navigate around the zones in Cape Cod Bay, and advance notifications will be made to the local maritime community via marine information broadcasts.

**Small Entities**

Under the Regulatory Flexibility Act (5 U.S.C. 601-612), the Coast Guard considered whether this proposed rule would have a substantial economic impact on a substantial number of small entities. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule will not have a significant economic impact on a substantial number of small entities.

This proposed rule will affect the following entities, some of which may be small entities: the owners or operators of vessels intending to transit, anchor, or conduct commercial fishing operations in a portion of Cape Cod Bay. For the reasons enumerated in the Regulatory Evaluation section above, these safety and security zones will not have a significant economic impact on a substantial number of small entities.

A public meeting will take place to evaluate the impact of this proposed rule on the commercial fishing industry and others. The regulation may be amended as a result of these impacts.

**Assistance for Small Entities**

Under subsection 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 [Pub. L. 104-121],

the Coast Guard wants to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking. If your small business or organization would be affected by this proposed rule and you have questions concerning its provisions or options for compliance, please call Lieutenant Dave Sherry, Marine Safety Office Boston, at (617) 223-3030.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1-888-REG-FAIR (1-888-734-3247).

#### Collection of Information

This proposed rule would call for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

#### Federalism

The Coast Guard analyzed this proposed rule under Executive Order 13132 and has determined that this rule does not have implications for federalism under that Order.

#### Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or tribal government or the private sector to incur direct costs without the Federal Government's having first provided the funds to pay those costs. This proposed rule would not impose an unfunded mandate.

#### Taking of Private Property

This proposed rule would not effect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

#### Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

#### Protection of Children

The Coast Guard analyzed this rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This proposed rule is not an economically significant rule and does not pose an environmental risk to health or risk to safety that may disproportionately affect children.

#### Indian Tribal Governments

This proposed rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments. A rule with tribal implications has a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

#### Environment

The Coast Guard considered the environmental impact of this proposed rule and concluded that, under figure 2-1, (34)(g), of Commandant Instruction M16475.ID, this rule is categorically excluded from further environmental documentation. A "Categorical Exclusion Determination" is available in the docket where indicated under **ADDRESSES**.

#### Energy Effects

We have analyzed this proposed rule under Executive Order 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not a "significant energy action" under that order because it is not a "significant regulatory action" under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy. It has not been designated by the Administrator of the Office of Information and Regulatory Affairs as a significant energy action. Therefore, it does not require a Statement of Energy Effects under Executive Order 13211.

#### List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 33 CFR part 165 as follows:

#### PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

1. The authority citation for part 165 continues to read as follows:

**Authority:** 33 U.S.C. 1231; 50 U.S.C. 191, 33 CFR 1.05-1(g), 6.04-1, 6.04-6, 160.5; 49 CFR 1.46.

2. Add § 165.115 to read as follows:

#### § 165.115 Safety and Security Zones: Pilgrim Nuclear Power Plant, Plymouth, Massachusetts.

(a) *Location.* All waters and land of Cape Cod Bay enclosed by a line beginning at position 41° 57' 30" N, 070° 34' 36" W; then running southeast to position 41° 56' 36" N, 070° 33' 30" W; then running southwest to position 41° 56' 28" N, 070° 34' 38" W; then running northwest to position 41° 56' 50" N, 070° 34' 58" W; then running northeast back to position 41° 57' 30" N, 070° 34' 36" W.

(b) *Effective date.* This section is effective beginning June 15, 2002.

(c) *Regulations.*

(1) In accordance with the general regulations in §§ 165.23 and 165.33, entry into or movement within this zone is prohibited unless authorized by the Captain of the Port Boston.

(2) All vessel operators shall comply with the instructions of the COTP or the designated on-scene U.S. Coast Guard patrol personnel. On-scene Coast Guard patrol personnel include commissioned, warrant, and petty officers of the Coast Guard on board Coast Guard, Coast Guard Auxiliary, local, state, and federal law enforcement vessels.

(3) No person may enter the waters or land area within the boundaries of the safety and security zones unless previously authorized by the Captain of the Port, Boston or his authorized patrol representative.

Dated: January 16, 2002.

**B.M. Salerno,**

*Captain, U.S. Coast Guard, Captain of the Port, Boston, Massachusetts.*

[FR Doc. 02-2209 Filed 1-25-02; 2:35 pm]

**BILLING CODE 4910-15-U**

#### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 62

[FRL-7134-6]

#### Approval and Promulgation of State Plans for Designated Facilities and Pollutants; States of Kansas, Missouri, and Nebraska

**AGENCY:** Environmental Protection Agency (EPA).