

qualify for an exception to the general rule under section 367(a)(1).

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.

Estimated total annual reporting burden: 1,000 hours. The estimated annual burden per respondent varies from 1 hour to 20 hours, depending on individual circumstances, with an estimated average of 10 hours.

Estimated number of respondents: 100.

Estimated annual frequency of responses: Once.

#### Background

The temporary regulations published in the Rules and Regulations section of this issue of the Federal Register amend the Income Tax Regulations (26 CFR part 1) relating to section 367(a). The temporary regulations contain rules relating to the transfer of stock or securities by a United States person to a foreign corporation in an exchange described in section 367(a).

The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations. Final regulations under section 367(a) regarding transfers of stock or securities will integrate the proposed regulations herein with the notice of proposed rulemaking published on August 26, 1991, in the Federal Register (56 FR 41993). Thus, the proposed regulations herein supplement and, where inconsistent with, supersede, the 1991 proposed regulations.

#### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that this regulation does not have a significant impact on a substantial number of small entities. Thus, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply to these regulations, and therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

#### Comments and Notice of Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) that are submitted timely to the Internal Revenue Service. All comments will be available for public inspection and copying.

A public hearing has been scheduled for April 11, 1996, at 10 a.m. in the IRS Auditorium. Because of access restrictions, visitors will not be admitted beyond the building lobby more than 15 minutes before the hearing starts.

The rules of 26 CFR 601.601(a)(3) apply to the hearing.

Persons that wish to present oral comments at the hearing must submit written comments by March 25, 1996 and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by March 21, 1996.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

#### Drafting Information

The principal author of these proposed regulations is Philip L. Tretiak of the Office of Associate Chief Counsel (International), Internal Revenue Service. However, other personnel from the IRS and Treasury Department participated in their development.

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

Income tax, 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 continues to read in part as follows:

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

Par. 2. New § 1.367-9 is added to read as follows:

#### **§ 1.367(a)-9 Transfers by U.S. persons of stock or securities of domestic corporations to foreign corporations.**

[The text of this proposed section is the same as the text of paragraphs (a), (c), (d), (e), (f), (g)(1), and (h)(1) of

§ 1.367-3T published elsewhere in this issue of the Federal Register].

Margaret Milner Richardson,  
*Commissioner of Internal Revenue.*

[FR Doc. 95-30828 Filed 12-22-95; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Coast Guard

#### 33 CFR Part 100

[CGD 87-087]

RIN 2115-AC84

#### Regattas and Marine Parades

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of withdrawal.

**SUMMARY:** The Coast Guard is withdrawing its rulemaking to increase the time requirement for submitting permit applications to the Coast Guard for approval prior to the start of a regatta or marine parade event. Since the Notice of Proposed Rulemaking (NPRM) was published for this rulemaking, the Coast Guard has participated in the National Performance Review and has determined that a broader regulatory examination of the entire Regatta and marine Parade Permit process, including the issue of appropriate permit application submission times, was needed. Therefore, this single issue rulemaking project is being withdrawn and the permit application submission time issue will be included in the broader overall review and revision of the regatta and marine parade permit process regulations.

**FOR FURTHER INFORMATION CONTACT:** Carlton Perry, Auxiliary, Boating, and Consumer Affairs Division, (202) 267-0979.

**SUPPLEMENTARY INFORMATION:** On February 4, 1988, the Coast Guard published an NPRM entitled Regattas and Marine Parades in the Federal Register (53 FR 3221). Interested persons were given until April 4, 1988, to submit comments. The Coast Guard received 45 letters commenting on the proposal.

Most of the 45 comments on the NPRM were submitted by event sponsors, which ranged from small sailing clubs and regional and national sailing or boating associations to a municipality and two commercial fireworks display sponsors. Most of the comments acknowledged or supported a need for some increase in the submission time for permit applications for some events, but objected to the proposed submission time of 90 days for

all marine events and suggested various submission times of 60 days or less. A few comments supported the proposed submission time of 90 days for larger events. Another comment suggested requiring a submission time of 105 days to allow for a full environmental impact analysis.

Many comments emphasized planning problems faced by sponsors due to short seasons, volunteer organization officials, long periods of inactivity prior to the boating season start-up events, and difficulty in getting firm, detailed information sooner than 30 days before an event.

The Coast Guard has determined that the best course of action at this point is to withdraw this single issue rulemaking and examine the issue of permit application submission times as part of a broader project to conduct a regulatory review of the entire regatta and marine parade permit process, [CGD 95-054] published elsewhere in this issue. Therefore, the Coast Guard is withdrawing the rulemaking [CGD 87-087] and merging its docket with [CGD 95-054].

Dated: December 18, 1995.

Rudy K. Peschel,

*Rear Admiral, U.S. Coast Guard, Chief, Office of Navigation Safety and Waterway Services.*

[FR Doc. 95-31215 Filed 12-22-95; 8:45 am]

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### 33 CFR Part 100

[CGD 95-054]

RIN 2115-AF17

#### Regattas and Marine Parades; Permit Application Procedures

**AGENCY:** Coast Guard, DOT.

**ACTION:** Advance notice of proposed rule; request for comments.

**SUMMARY:** In keeping with the National Performance Review, the Coast Guard is examining its procedures for permitting regattas and marine parades in order to improve its service to event sponsors and affected navigation in the event area. In order to identify and consider the permitting procedures and application requirements which should be modified or removed, the Coast Guard is requesting comments from interested and affected individuals and entities early in the process. This regulatory review seeks to identify better ways to reduce permit application processing time and eliminate unnecessary paperwork without adversely affecting vessel safety in the event area.

**DATES:** Comments are requested by February 9, 1996.

**ADDRESSES:** Comments may be mailed to the Executive Secretary, Marine Safety Council (G-LRA/3406) (CGD 95-054), U.S. Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001, or may be delivered to room 3406 at the same address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays. The telephone number is (202) 267-1477. The Executive Secretary maintains the public docket for this notice. Comments will become part of this docket and will be available for inspection or copying at room 3406, U.S. Coast Guard Headquarters.

The minutes of National Boating Safety Advisory Council (NBSAC) meetings at which regatta and marine parade permit application issues were discussed are available for examination in the docket.

**FOR FURTHER INFORMATION CONTACT:**

Carlton Perry, Project Manager, Auxiliary, Boating, and Consumer Affairs Division, (202) 267-0979. A copy of this notice may be obtained by calling the Coast Guard's toll-free Coast Guard Customer Infoline, 1-800-368-5647. In Washington, DC, call 267-0780.

**SUPPLEMENTARY INFORMATION:**

**Request for Comments**

The Coast Guard encourages interested persons to participate in this request for comments by submitting written data, views or arguments. Persons submitting comments should include their names and addresses and identify this notice (CGD 95-054). Please submit two copies of all comments and attachments in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. Persons wanting acknowledgment of receipt of comments should enclose stamped, self-addressed postcards or envelopes.

**Background and Purpose**

Under 33 U.S.C. 1233, the Coast Guard has discretionary authority to issue regulations to promote the safety of life on navigable waters during regattas or marine parades. Section 100.15 of Title 33, Code of Federal Regulations prescribes the requirements for regatta and marine parade (marine event) permit applications, including: (1) which events require a Coast Guard marine event permit; (2) limiting the validity of a marine event permit to not exceed one year; (3) the timeframe for submitting permit applications; and (4) information the sponsor must provide in an application package.

The Coast Guard reviews all regatta permit applications to determine whether or not a permit is required to hold the event. The Coast Guard checks the permit application package for completeness and contacts the applicant for missing or additional information. Permit applications are reviewed for extra or unusual hazards to the safety of life, such as an inherently hazardous competition; customary presence of commercial or pleasure craft in the area; any obstruction of a navigable channel; and accumulation of spectator craft. The Coast Guard addresses this extra or unusual hazard in a cooperative effort between the event sponsor and the issuing authority, e.g., a Coast Guard Group Commander, throughout the permit application review process. The Coast Guard issuing authority discusses the location and conduct of the event, consults with other affected commands, e.g., Captain of the Port or Vessel Traffic Service Center, assigns and directs safety patrol craft, in addition to sponsor provided safety patrol craft, as deemed necessary, establishes a safety patrol communication plan for use before, during and immediately after the event, and notifies local navigation of the event through the Local Notice to Mariners and often through local media sources, as well.

The Coast Guard may also need to contact Federal, State or local agency offices to determine if there are conflicting activities scheduled in the area. Not all events for which a permit application is submitted require Coast Guard approval. Those applications are returned to the sponsors with notification that the event does not require a permit. If a permit for a marine event is required, the Coast Guard must decide whether the permit should be issued or denied.

When necessary, the Coast Guard promulgates special local regulations in the Federal Register to ensure safety of life on navigable waters before, during, and after an approved marine event. These regulations may include restricted or other controlled movement of navigation through the event area. Before promulgating special local regulations, the Coast Guard must give the public notice and an opportunity to comment on the proposed regulations.

Applications for marine events which require a permit must also be reviewed and evaluated in accordance with Coast Guard procedures for complying with laws to protect the environment. Environmental review may require coordination with Federal, State, or local government environmental agencies to use their special expertise in determining whether the marine event