40 percent of the stock in X, a closely-held corporation. The assets of X include a 50 percent general partnership interest in PB. PB owns an interest in commercial real property. None of the entities (PS, X, or PB) is actively traded. In 1999, A transfers a 25 percent limited partnership interest in PS to B, A's child. On the federal gift tax return, Form 709, filed for the 1999 calendar year, A reports the transfer of the 25 percent limited partnership interest in PS and that the fair market value of 100 percent of PS is $y and that the value of 25 percent of PS is $z, reflecting marketability and minority discounts with respect to the 25 percent interest. However, A does not disclose that PS owns 40 percent of X, and that X owns 50 percent of PB and that, in arriving at the $y fair market value of 100 percent of PS, discounts were claimed in valuing PS's interest in X, X's interest in PB, and PB's interest in the commercial real property.

(ii) *Application of the adequate disclosure standard.* Because A has failed to comply with requirements of paragraph (f)(2) of this section regarding PS's interest in X, X's interest in PB, and PB's interest in the commercial real property, the transfer will not be considered adequately disclosed and the period of assessment for the transfer under section 6501 will remain open indefinitely.

(6) *Effective date.* This paragraph (f) is applicable to gifts made in calendar years ending after August 5, 1997, if the gift tax return for such calendar year is filed after this document is published as a final regulation in the **Federal Register**.

Robert E. Wenzel,

Deputy Commissioner of Internal Revenue.

[FR Doc. 98–33648 Filed 12–21–98; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 165

[CGD01–98–006]

RIN 2121–AA97

Security Zone: Dignitary Arrival/ Departure New York, NY

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to establish permanent security zones around the Wall Street heliport on the East River, the West 30th Street heliport on the Hudson River, and the Marine Air Terminal at La Guardia Airport on Bowery Bay, to protect the President, Vice President, and visiting heads of foreign states or foreign governments during their arrival, departure, and transits to and from the Wall Street and West 30th Street heliports, and the Marine Air Terminal. This action is necessary to protect visiting dignitaries and the Port of New York/New Jersey against terrorism, sabotage or other subversive acts and incidents of a similar nature during the dignitaries' visit to New York City. This action establishes permanent exclusion areas that are active only from shortly before the dignitaries' arrival into an area until shortly after the dignitaries' departure from that area.

DATES: Comments must be received on or before February 22, 1999.

ADDRESSES: Comments may be mailed to the Waterways Oversight Branch (CGD01–98–006), Coast Guard Activities New York, 212 Coast Guard Drive, Staten Island, New York 10305, or deliver them to room 205 at the same address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

The Waterways Oversight Branch of Coast Guard Activities New York maintains the public docket for this rulemaking. Comments, and documents as indicated in this preamble, will become part of this docket and will be available for inspection or copying at room 205, Coast Guard Activities New York, between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lieutenant Junior Grade A. Kenneally, Waterways Oversight Branch, Coast Guard Activities New York (718) 354–4195.

SUPPLEMENTARY INFORMATION:

Request for Comments

The Coast Guard encourages interested persons to participate in this rulemaking by submitting written data, views, or arguments. Persons submitting comments should include their names and addresses, identify this rulemaking (CGD01–98–006) and the specific section of this document to which each comment applies, and give the reason for each comment. 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.

The Coast Guard will consider all comments received during the comment period. It may change this proposed rule in view of the comments.

The Coast Guard plans no public hearing. Persons may request a public hearing by writing to the Waterways Oversight Branch at the address under **ADDRESSES**. The request should include the reasons why a hearing would be beneficial. If it determines that the opportunity for oral presentations will aid this rulemaking, the Coast Guard will hold a public hearing at a time and place announced by a later notice in the **Federal Register**.

Background and Purpose

New York City is often visited by the President and Vice President of the United States, as well as visiting heads of foreign states or foreign governments, on the average of 8 times per year. Often these visits are on short notice. The President, Vice President, and visiting heads of foreign states or foreign governments require Secret Service protection. These dignitaries arrive at John F. Kennedy, La Guardia, or Newark, New Jersey International Airports. They then transit to either the Wall Street or West 30th Street heliports or they fly directly into the Marine Air Terminal at La Guardia. Due to the sensitive nature of these visits a security zone is needed. Standard security procedures are enacted to ensure the proper level of protection to prevent sabotage or other subversive acts, accidents, or other activities of a similar nature. In the past, temporary security zones were requested by the U.S. Secret Service with limited notice for preparation by the U.S. Coast Guard and no opportunity for public comment. Establishing permanent security zones by notice and comment rulemaking gives the public the opportunity to comment on the proposed zones. The proposed regulation establishes three permanent security zones that could be activated upon request of the U.S. Secret Service pursuant to their authority under 18 U.S.C. § 3056.

The activation of a particular security zone will be announced via facsimile and marine information broadcasts.

Discussion of Proposed Rule

The three proposed security zones are as follows:

The security zone around the Wall Street heliport includes all waters of the East River within the following boundaries: East of a line drawn between approximate position 40°42′01″N 074°00′39″W (east of The Battery) to 40° 41′36″N 074°00′52″W (NAD 1983) (point north of Governors Island) and north of a line drawn from the point north of Governors Island to the southwest corner of Pier 7 North, Brooklyn; and south of a line drawn between the northeast corner of Pier 13, Manhattan, and the northwest corner of Pier 2 North, Brooklyn.

The security zone around the West 30th Street heliport includes all waters

of the Lower Hudson River south of a line drawn from the northwest corner of Pier 76 in Manhattan to a point in Weehawken, New Jersey at approximate position 40°45′52″N 074°01′01″W (NAD 1983) and north of a line drawn from the northwest corner of Pier 64, Manhattan to the northeast corner of Pier 14, Hoboken, New Jersey.

The security zone around the Marine Air Terminal, La Guardia airport includes all waters of Bowery Bay, Queens, New York, south of a line drawn from the western end of La Guardia Airport at approximate position 40°46′47″ N 073°53′05″ W (NAD 1983) to the Rikers Island Bridge at approximate position 40°46′51″ N 073°53′21″ W (NAD 1983) and east of a line drawn between that point at the Rikers Island Bridge to a point on the shore in Queens, New York, at approximate position 40°46′36″ N 073°53′31″ W (NAD 1983).

Each security zone will be activated 30 minutes before the dignitaries' arrival into the zone and remain in effect until 15 minutes after the dignitaries' departure from the zone.

The three new security zones are being proposed to ensure the Coast Guard can provide the U.S. Secret Service with the services they require to protect visiting dignitaries in a timely manner.

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. It has not been reviewed by the Office of Management and Budget 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 Coast Guard anticipates that these security zones will be activated on an average of 8 times per year. Costs resulting from these regulations, if any, will be minor and have no significant adverse financial effect on vessel operators. Although this regulation prevents traffic from transiting through the enacted security zone, the effect of this regulation will not be significant for the following reasons: the limited duration of the security zone, the limited number of instances the zones will be activated, and the extensive notifications that will be made to the local maritime community via facsimile and marine information broadcasts. The activation of any of the three security zones will be for 45 minutes. These security zones have been narrowly tailored to impose the least impact on maritime interests yet provide the level of security deemed necessary.

Small Entities

Under the Regulatory flexibility Act (5 U.S.C. § 601 *et seq.*), the Coast Guard considers whether this proposed rule, if adopted, will have a significant economic impact on a substantial number of small entities. ''Small entities'' include 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.

For the reasons stated in the Regulatory Evaluation section above, the Coast Guard certifies under 5 U.S.C. § 605(b) that this proposed rule, if adopted, will not have a significant economic impact on a substantial number of small entities. If, however, you think that your business or organization qualifies as a small entity and that this proposed rule will have a significant economic impact on your business or organization, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and in what way and to what degree this proposed rule will economically affect it.

Collection of Information

This proposed rule does not provide for a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. § 3501 *et seq.*).

Federalism

The Coast Guard has analyzed this proposed rule under the principles and criteria contained in Executive Order 12612 and has determined that this proposed rule does not have sufficient implications for federalism to warrant the preparation of a Federalism Assessment.

Unfunded Mandates

Under the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), the Coast Guard must consider whether this rule will result in an annual expenditure by State, local, and tribal governments, in the aggregate of $100 million (adjusted annually for inflation). If so, the Act requires that a reasonable number of regulatory alternatives be considered, and that from those alternatives, the least costly, most cost-effective, or least burdensome alternative that achieves the objective of the rule be selected. No State, local, or tribal government will be affected by this rule, so this rule will not result in annual or aggregate costs of $100 million or more. Therefore, the Coast Guard is exempt from any further regulatory requirements under the Unfunded Mandates Act.

Environment

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

List of Subjects in 33 CFR Part 165

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

Proposed Regulation

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

PART 165—[AMENDED]

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, and 160.5; 49 CFR 1.46.

2. Add § 165.164 to read as follows:

§ 165.164 Security Zones; Dignitary Arrival and Departure, New York, NY.

(a) The following areas are established as security zones:

(1) *Location.* Wall Street heliport: All waters of the East River within the following boundaries: East of a line drawn between approximate position 40°42′01″N 074°00′39″W (east of The Battery) to 40°41′36″N 074°00′52″W (NAD 1983) (point north of Governors Island) and north of a line drawn from the point north of Governors Island to the southwest corner of Pier 7 North, Brooklyn; and south of a line drawn between the northeast corner of Pier 13, Manhattan, and the northwest corner of Pier 2 North, Brooklyn.

(2) *Location.* West 30th Street heliport: All waters of the Lower Hudson River south of a line drawn from the northwest corner of Pier 76 in Manhattan to a point in Weehawken, New Jersey at approximate position 40°45′52″N 074°01′01″W (NAD 1983) and north of a line from the northwest corner of Pier 64, Manhattan to the

northeast corner of Pier 14, Hoboken, New Jersey.

(3) *Location.* Marine Air Terminal, La Guardia Airport: All waters of Bowery Bay, Queens, New York, south of a line drawn from the western end of La Guardia Airport at approximate position 40°46′47″N 073°53′05″W (NAD 1983) to the Rikers Island Bridge at approximate position 40°46′51″N 073°53′21″W (NAD 1983) and east of a line drawn between the point at the Rikers Island Bridge to a point on the shore in Queens, New York, at approximate position 40°46′36″N 073°53′31″W (NAD 1983).

(4) The security zone will be activated 30 minutes before the dignitaries' arrival into the zone and remain in effect until 15 minutes after the dignitaries' departure from the zone.

(5) The activation of a particular zone will be announced by facsimile and marine information broadcasts.

(b) *Regulations.* (1) The general regulations contained in 33 CFR 165.33 apply.

(2) All persons and vessels shall comply with the instructions of the Coast Guard Captain of the Port or the designated on scene patrol personnel. U.S. Coast Guard patrol personnel include commissioned, warrant, and petty officers of the Coast Guard. Upon being hailed by a U.S. Coast Guard vessel using siren, radio, flashing light, or other means, the operator of a vessel shall proceed as directed.

Dated: December 9, 1998.

R.E. Bennis,

Captain, U.S. Coast Guard, Captain of the Port, New York.

[FR Doc. 98–33847 Filed 12–21–98; 8:45 am]

BILLING CODE 4910–15–M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TN–197–1–9834b; FRL–6204–9]

Approval and Promulgation of Revisions to the Tennessee State Implementation Plan

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA proposes to approve the State Implementation Plan (SIP) revision submitted by the State of Tennessee for the purpose of establishing how to determine the efficiency of Volatile Organic Compound (VOC) capture systems. In the final rules section of this **Federal Register**, the EPA is approving the State's SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision amendment and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to the direct final rule, no further activity is contemplated in relation to this proposed rule. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this action. Any parties interested in commenting on this action should do so at this time.

DATES: To be considered, comments must be received by January 21, 1999.

ADDRESSES: You should address comments on this action to Michele Notarianni at the EPA, Region 4 Air, Pesticides, and Toxics Management Division, Air Planning Branch, 61 Forsyth Street, SW, Atlanta, Georgia 30303.

Copies of documents related to this action are available for the public to review during normal business hours at the locations below. If you would like to review these documents, please make an appointment with the appropriate office at least 24 hours before the visiting day. Reference file TN 197. The Region 4 office may have additional documents not available at the other locations.

Air and Radiation Docket and Information Center (Air Docket 6102), U.S. Environmental Protection Agency, 401 M Street, SW, Washington, DC 20460.

Environmental Protection Agency, Region 4 Air, Pesticides, and Toxics Management Division, Air Planning Branch, 61 Forsyth Street, SW, Atlanta, Georgia 30303–3104. Michele Notarianni, (404)562–9031.

Tennessee Department of Environment and Conservation, Division of Air Pollution Control, L & C Annex, 9th Floor, 401 Church Street, Nashville, TN 37243–1531. Phone number: (615) 532–0554.

FOR FURTHER INFORMATION CONTACT: Michele Notarianni at (404) 562–9031.

SUPPLEMENTARY INFORMATION: For additional information, see the direct final rule which is published in the rules section of this **Federal Register**.

Dated: November 3, 1998.

A. Stanley Meiburg,

Regional Administrator, Region 4.

[FR Doc. 98–33838 Filed 12–21–98; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[Region VII Docket No. 056–1056b; FRL–6205–9]

Approval and Promulgation of Implementation Plans; State of Missouri

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA proposes to approve the State Implementation Plan (SIP) revision submitted by the state of Missouri except Section (9). This revision makes minor corrections to the ''Construction Permits Required'' rule to increase readability, correct typographical and punctuation errors, and maintain consistency with the Federal regulations.

In the final rules section of the **Federal Register** the EPA is approving the state's SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision amendment and anticipates no relevant adverse comments. A detailed rationale for the approval is set forth in the direct final rule.

If no adverse comments are received in response to the direct final rule, no further activity is contemplated. If the EPA receives relevant adverse comments, the direct final rule will be withdrawn, and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period. Any parties interested in commenting on this action should do so at this time.

DATES: Written comments must be received on or before January 21, 1999.

ADDRESSES: Comments may be mailed to Kim Johnson, Environmental Protection Agency, Air Planning and Development Branch, 726 Minnesota Avenue, Kansas City, Kansas 66101.

FOR FURTHER INFORMATION CONTACT: Kim Johnson at (913) 551–7975.

SUPPLEMENTARY INFORMATION: See the information provided in the direct final rule which is located in the rules section of the **Federal Register**.

Dated: December 9, 1998.

Dennis Grams, P.E.,

Regional Administrator, Region VII.

[FR Doc. 98–33836 Filed 12–21–98; 8:45 am]

BILLING CODE 6560–50–P