

**DEPARTMENT OF COMMERCE****Bureau of Industry and Security****15 CFR Parts 740, 742, 744 and 748**

[Docket No. 06022180-6266-02]

RIN 0694-AD75

**Revisions and Clarification of Export and Reexport Controls for the People's Republic of China (PRC); New Authorization Validated End-User****AGENCY:** Bureau of Industry and Security, Commerce.**ACTION:** Proposed rulemaking; extension of comment period.

**SUMMARY:** This notice extends the comment period on a July 6, 2006 proposed rule in which the Bureau of Industry and Security (BIS) proposed amending the Export Administration Regulations (EAR) to revise and clarify the United States' policy for exports and reexports of dual-use items to the People's Republic of China (PRC).

**DATES:** All comments on the proposed rule must be received by no later than December 4, 2006.

**ADDRESSES:** Written comments on this rule may be sent to the Federal eRulemaking Portal: <http://www.regulations.gov>, or by e-mail to [publiccomments@bis.doc.gov](mailto:publiccomments@bis.doc.gov). Include RIN 0694-AD75 in the subject line of the message. Comments may be submitted by mail or hand delivery to Sheila Quarterman, Office of Exporter Services, Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, 14th St. & Pennsylvania Avenue, NW., Room 2705, Washington, DC 20230, ATTN: RIN 0694-AD75; or by fax to (202) 482-3355.

**FOR FURTHER INFORMATION CONTACT:** For further information regarding this notice or the proposed rule, contact Sheila Quarterman, Office of Exporter Services, Regulatory Policy Division, by telephone at (202) 482-2440 or by fax at (202) 482-3355.

**SUPPLEMENTARY INFORMATION:** On July 6, 2006, the Bureau of Industry and Security (BIS) published a proposed rule in the **Federal Register** (71 FR 38313) that proposed amending the Export Administration Regulations (EAR) to revise and clarify the United States' policy for exports and reexports of dual-use items to the People's Republic of China (PRC). Specifically, the proposed rule states that it is the policy of the United States Government to prevent exports that would make a material contribution to the military

capability of the PRC, while facilitating U.S. exports to legitimate civil end-users in the PRC. Consistent with this policy, BIS proposed to amend the EAR by revising and clarifying United States licensing requirements and licensing policy on exports and reexports of goods and technology to the PRC. The main amendments in the proposed rule include restrictions on certain exports and reexports for military end-users in the PRC; a change in scope of end-user certificate requirement for the PRC; and a new Authorization Validated End-User (VEU).

The proposed rule indicated that the deadline for public comments closes on November 3, 2006. BIS is now extending the comment period until December 4, 2006, to allow the public more time to submit comments in light of discussions heard during the public meetings.

Dated: October 13, 2006.

**Eileen Albanese,***Director, Office of Exporter Services.*

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**BILLING CODE 3510-33-P****DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Part 1**

[REG-127819-06]

RIN 1545-BF79

**TIPRA Amendments to Section 199****AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations concerning the application of section 199 of the Internal Revenue Code, which provides a deduction for income attributable to domestic production activities. The text of those regulations also serves as the text of these proposed regulations. This document also provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by January 17, 2007. Outlines of topics to be discussed at the public hearing scheduled for February 5, 2007, must be received by January 16, 2007.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-127819-06), room 5203, Internal Revenue Service, PO Box

7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-127819-06), Internal Revenue Service, Crystal Mall 4 Building, 1901 S. Bell St., Arlington, VA, or sent electronically, via the IRS Internet site at <http://www.irs.gov/regs> or via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS-REG-127819-06). The public hearing will be held in the auditorium of the New Carrollton Federal Building, 5000 Ellin Rd., Lanham, Maryland 20706.

**FOR FURTHER INFORMATION CONTACT:**

Concerning the regulations, Paul Handleman or Lauren Ross Taylor, (202) 622-3040; concerning submission of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Kelly D. Banks, (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:****Background**

Temporary regulations 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 199. The temporary regulations provide guidance concerning the amendments made by the Tax Increase Prevention and Reconciliation Act of 2005 to section 199 of the Internal Revenue Code. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

**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 also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. 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 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) or electronic comments that are submitted timely to the IRS.