accordance with Executive Order 13132, it is determined that this amendment does not have sufficient federalism implications to require consultations or warrant the preparation of a federalism summary impact statement. Executive Order 12372, regarding intergovernmental consultation on Federal programs and activities, does not apply to this amendment.

Executive Order 12866: This amendment is exempt from the review under Executive Order 12866, but has been reviewed internally by the Department of State to ensure consistency with the purposes thereof.

Executive Order 12988: The Department of State has reviewed the proposed regulations in light of sections 3(a) and 3(b)(2) of Executive Order 12988 to eliminate ambiguity, minimize litigation, establish clear legal standards, and reduce burden.

Paperwork Reduction Act: This rule does not impose any new reporting or recordkeeping requirements subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

List of Subjects in 22 CFR Part 122

Arms and munitions, Exports, Reporting and recordkeeping requirements.

■ Accordingly, for the reasons set forth above, Title 22, Chapter I, Subchapter M, Part 122 is amended as follows:

PART 122—REGISTRATION OF MANUFACTURERS AND EXPORTERS

■ 1. The authority citation for Part 122 continues to read as follows:

Authority: Secs. 2 and 38, Public Law 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778); E.O. 11958, 42 FR 4311, 1977 Comp. p. 79, 22 U.S.C. 2651a.

■ 2. Section 122.3 is amended by revising paragraphs (a) and (b) to read as follows:

§ 122.3 Registration fees.

(a) A person who is required to register may do so for a period of 1 year upon submission of a completed Form DS–2032, transmittal letter and payment of $1,750.

(b) *Expiration of registration.* A registrant must submit its request for registration renewal at least 30 days but no earlier than 60 days prior to the expiration date.

* * * * *

Dated: July 3, 2008.

John C. Rood,

Acting Under Secretary for Arms Control and International Security, Department of State.

[FR Doc. E8–16537 Filed 7–17–08; 8:45 am]

BILLING CODE 4701–25–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9391]

RIN 1545–BF85

Source Rules Involving U.S. Possessions and Other Conforming Changes; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a correction to final regulations (TD 9391) that were published in the **Federal Register** on Wednesday, April 9, 2008 (73 FR 19350) providing rules under section 937(b) of the Internal Revenue Code for determining whether income is derived from sources within a U.S. possession or territory specified in section 937(a)(1) (generally referred to in this preamble as a ''territory'') and whether income is effectively connected with the conduct of a trade or business within a territory.

DATES: This correction is effective July 18, 2008, and is applicable on April 9, 2008.

FOR FURTHER INFORMATION CONTACT: J. David Varley, (202) 622–7790 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations and removal of temporary regulations that are the subjects of this document are under sections 1, 170A, 861, 871, 876, 881, 884, 901, 931, 932, 933, 934, 935, 937, 957, 1402, 6012, 6038, 6046, 6688, and 7701 of the Internal Revenue Code.

Need for Correction

As published, final regulations (TD 9391) contain an error that may prove to be misleading and is in need of clarification.

List of Subject in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

■ Accordingly, 26 CFR part 1 is corrected by making the following correcting amendment:

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 * * *

§ 1.881–5T [Removed]

■ **Par. 2.** Section 1.881–5T is removed.

LaNita Van Dyke,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. E8–16305 Filed 7–17–08; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Parts 7, 16, and 25

[TTB Ruling 2008–3]

Classification of Brewed Products as ''Beer'' Under the Internal Revenue Code of 1986 and as ''Malt Beverages'' Under the Federal Alcohol Administration Act

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Ruling on the classification of brewed products.

SUMMARY: This document reproduces a ruling issued by the Alcohol and Tobacco Tax and Trade Bureau on July 7, 2008, to clarify that that certain brewed products classified as ''beer'' under the Internal Revenue Code of 1986 do not meet the definition of a ''malt beverage'' under the Federal Alcohol Administration Act.

DATES: The ruling was effective on July 7, 2008.

FOR FURTHER INFORMATION CONTACT: Ramona Hupp, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Room 200–East, Washington, DC 20220; telephone (202) 927–2166.

SUPPLEMENTARY INFORMATION: On July 7, 2008, the Alcohol and Tobacco Tax and Trade Bureau (TTB) issued TTB Ruling 2008–3 to clarify that certain brewed products classified as ''beer'' under the Internal Revenue Code of 1986 do not meet the definition of a ''malt beverage'' under the Federal Alcohol Administration Act. We made this ruling available through the TTB Web site on July 8, 2008. This ruling is reproduced below:

TTB Ruling 2008–3

Classification of Brewed Products as ''Beer'' Under the Internal Revenue Code of 1986 and as ''Malt Beverages'' Under the Federal Alcohol Administration Act

In recent months, the Alcohol and Tobacco Tax and Trade Bureau (TTB)

has received inquiries from brewers regarding the labeling standards that apply to beers produced from substitutes for malted barley, such as rice or corn. We also have fielded questions from brewers and importers regarding the appropriate labeling of beers that are made without hops. This ruling explains the statutory criteria for classification of products as ''beer'' and ''malt beverages'' under the applicable laws and regulations.

Laws and Regulations

Federal Alcohol Administration Act

Sections 105(e) and (f) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e) and (f), vest broad authority in the Secretary of the Treasury to prescribe regulations with respect to the labeling and advertising of wine, distilled spirits, and malt beverages that are introduced into interstate or foreign commerce or imported into the United States. Section 105(e) also provides that no person may bottle, or remove from customs custody in bottles, distilled spirits, wine, or malt beverages unless he has obtained a certificate of label approval issued in accordance with regulations prescribed by the Secretary. Regulations that implement the provisions of §§ 105(e) and (f), as they relate to malt beverages, are set forth in part 7 of the TTB regulations (27 CFR part 7), Labeling and Advertising of Malt Beverages. In the case of malt beverages, the labeling provisions of the FAA Act apply only if the laws of the State into which the malt beverages are shipped impose similar requirements.

Section 117(a)(7) of the FAA Act (27 U.S.C. 211(a)(7)) defines the term ''malt beverage'' as ''a beverage made by the alcoholic fermentation of an infusion or decoction, or combination of both, in potable brewing water, of malted barley with hops, or their parts, or their products, and with or without other malted cereals, and with or without the addition of unmalted or prepared cereals, other carbohydrates or products prepared therefrom, and with or without the addition of carbon dioxide, and with or without other wholesome products suitable for human food consumption.'' The same definition appears in the TTB regulations at 27 CFR 7.10.

Internal Revenue Code of 1986

Chapter 51 of the Internal Revenue Code of 1986 (IRC) sets forth excise tax collection and related provisions pertaining to distilled spirits, wines, and beer; these provisions and the regulations promulgated thereunder are also administered by TTB. Within Chapter 51 of the IRC, section 5051 (26 U.S.C. 5051) imposes a tax on all beer brewed or produced, and removed for consumption or sale, within the United States, or imported into the United States. Section 5412 of the IRC (26 U.S.C. 5412) provides that beer may be removed from the brewery for consumption or sale only in hogsheads, packages, and similar containers, marked, branded, or labeled in such manner as the Secretary of the Treasury may by regulation require. Regulations that implement the Chapter 51 provisions pertaining to beer are set forth in part 25 of the TTB regulations (27 CFR part 25) and include, in § 25.142 (27 CFR 25.142), label requirements for beer in bottles.

Section 5052(a) of the IRC (26 U.S.C. 5052(a)) defines the term ''beer,'' for purposes of Chapter 51, as ''beer, ale, porter, stout, and other similar fermented beverages (including saké or similar products) of any name or description containing one-half of 1 percent or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute therefor.'' The same definition appears in the TTB regulations at 27 CFR 25.11. In addition, with reference to what may be a substitute for malt, § 25.15(a) of the TTB regulations (27 CFR 25.15(a)) states that ''[o]nly rice, grain of any kind, bran, glucose, sugar, and molasses are substitutes for malt.''

''Beer'' versus ''Malt Beverage''

As indicated above, the definition of a ''beer'' under the IRC differs from the definition of a ''malt beverage'' under the FAA Act in several significant respects. First, the IRC does not require beer to be fermented from malted barley; instead, a beer may be brewed or produced from malt or ''from any substitute therefor.'' Second, the IRC does not require the use of hops in the production of beer. Third, the definition of ''beer'' in the IRC provides that the product must contain one-half of one percent or more of alcohol by volume, whereas there is no minimum alcohol content for a ''malt beverage'' under the FAA Act.

Accordingly, a fermented beverage that is brewed from a substitute for malt (such as rice or corn) but without any malted barley may constitute a ''beer'' under the IRC but does not fall within the definition of a '' malt beverage'' under the FAA Act. Similarly, a fermented beverage that is not brewed with hops may fall within the IRC definition of ''beer'' but also falls outside of the definition of a ''malt beverage'' under the FAA Act.

It should be noted that saké and similar products are included within the definition of ''beer'' under the IRC. *See* 26 U.S.C. 5052(a). However, saké is also included within the definition of a wine under the FAA Act, which, among other things, covers only wines with an alcohol content of at least seven percent alcohol by volume. *See* 27 U.S.C. 211(a)(6). Thus, saké and similar products with an alcohol content of at least seven percent alcohol by volume are subject to the labeling and other requirements of the FAA Act.

TTB Jurisdiction Over These Products

Beers (other than saké and similar products) that do not conform to the definition of a ''malt beverage'' in the FAA Act are outside the scope of the FAA Act and, therefore, are not subject to the labeling, advertising, and other provisions of the TTB regulations promulgated under the FAA Act. This means, among other things, that brewers and importers of such products are not required to obtain a certificate of label approval for these beers.

Brewery products that are not malt beverages under the FAA Act but that conform to the IRC definition of ''beer'' are still subject to all applicable requirements of the IRC and part 25 of the TTB regulations, including the labeling of bottles (§ 25.142) and the approval of formulas (27 CFR 25.55). Furthermore, all alcohol beverages containing not less than one-half of one percent alcohol by volume and intended for human consumption are subject to the Government health warning statement requirements of the Alcoholic Beverage Labeling Act of 1988 (the ABLA, codified at 27 U.S.C. 213 through 219 and 219a) and the ABLA implementing regulations in part 16 of the TTB regulations (27 CFR part 16).

In cases where a brewery product (other than saké and similar products) fails to meet the definition of a ''malt beverage'' under the FAA Act, the product will be subject to ingredient and other labeling requirements administered by the U.S. Food and Drug Administration (FDA). As reflected in the 1987 Memorandum of Understanding between FDA and TTB's predecessor agency, the Bureau of Alcohol, Tobacco and Firearms (ATF), TTB is responsible for the promulgation and enforcement of regulations with respect to the labeling of distilled spirits, wines, and malt beverages pursuant to the FAA Act. Importantly, however, in cases where an alcohol beverage is not covered by the labeling provisions of the FAA Act, the product is subject to ingredient and other labeling requirements under the Federal

Food, Drug, and Cosmetic Act, and the implementing regulations that are administered by FDA.

Required Quantities of Malted Barley and Hops to Qualify as a Malt Beverage Under the FAA Act

TTB and its predecessor agency have previously provided guidance on the minimum quantities of malted barley and hops required to be used in the production of malt beverages. In 1994, the Bureau of Alcohol, Tobacco and Firearms (ATF) issued ATF Compliance Matters 94–1, which provided that beers fermented from at least 25 percent malted barley (calculated as the percentage of malt, by weight, compared to the total dry weight of all ingredients contributing fermentable extract to the base product) and made with at least 7½ pounds of hops (or the equivalent thereof in hop extracts or hop oils) per 100 barrels were ''malt beverages'' under the FAA Act. Because neither the FAA Act nor the implementing regulations in 27 CFR part 7 prescribe minimum standards for the amount of malted barley used in the production of a malt beverage, we are now reconsidering this guidance.

Pending a decision on whether to engage in rulemaking on this issue, TTB will continue to address inquiries from brewers regarding the classification of fermented beverages that contain hops and malted barley, but are made from less than 25 percent malted barley or less than 7½ pounds of hops per 100 barrels. For example, we recently determined that a neutral malt beer base containing a much lower amount of malted barley (one percent of the total dry weight of all ingredients contributing fermentable extract to the product) conformed to the definition of a ''malt beverage.''

Brewers and importers should contact the Assistant Director, Advertising, Labeling and Formulation Division, if they have a question as to whether a particular product falls within the definition of a ''malt beverage'' and therefore is subject to the certificate of label approval and other requirements under the FAA Act.

TTB Holding

Held, in order for a brewery product to fall within the definition of a ''malt beverage'' under the FAA Act, it must be a fermented beverage made from both malted barley and hops, or their parts, or their products. A fermented beverage that qualifies as a ''beer'' under the IRC (other than saké or similar products) but that is made without both malted barley and hops is not subject to the requirements of the FAA Act.

Dated: July 7, 2008.

John J. Manfreda,

Administrator.

Dated: July 14, 2008.

John J. Manfreda,

Administrator.

[FR Doc. E8–16413 Filed 7–17–08; 8:45 am]

BILLING CODE 4810–31–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[USCG–2008–0220]

RIN 1625–AA00

Regattas and Marine Parades; Great Lakes Annual Marine Events

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

SUMMARY: The Coast Guard is amending special local regulations for annual regattas and marine parades in the Captain of the Port Detroit zone. This rule is intended to ensure safety of life on the navigable waters immediately prior to, during, and immediately after regattas or marine parades. This rule will establish restrictions upon, and control movement of, vessels in a specified area immediately prior to, during, and immediately after regattas or marine parades.

DATES: This rule is effective July 18, 2008.

ADDRESSES: Comments and material received from the public, as well as documents mentioned in this preamble as being available in the docket, are part of docket USCG–2008–0220 and are available online at *www.regulations.gov*. This material is also available for inspection or copying at two locations: The Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays and the U.S. Coast Guard, Sector Detroit, 110 Mt. Elliot Ave., Detroit, MI 48207 between 8 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: If you have questions on this rule, call CDR Joseph Snowden, Prevention, U.S. Coast Guard Sector Detroit at (313) 568–9580. If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone (202) 366–9826.

SUPPLEMENTARY INFORMATION:

Regulatory Information

On April 25, 2008, we published a notice of proposed rulemaking (NPRM) entitled Regattas and Marine Parades; Great Lakes Annual Marine Events, in the **Federal Register** (73 FR 22303). We received 0 letters commenting on the proposed rule. No public meeting was requested, and none was held.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. Delaying this rule would be contrary to the public interest of ensuring the safety and security of the spectators and participants during this event and immediate action is necessary to prevent possible loss of life or property.

Background and Purpose

This rule will remove the specific entries from table 1 found in 33 CFR 100.901, Great Lakes annual marine events that apply to regattas and marine parades in the Captain of the Port Detroit zone and list each regatta or marine parade as a subpart. This rule will also add several regattas and marine parades not previously listed in 33 CFR Part 100 and remove several events that no longer occur annually or are not regattas or marine parades.

Discussion of Comments and Changes

No comments were received and no changes were made to this rule.

Regulatory Analyses

We developed this rule after considering numerous statutes and executive orders related to rulemaking. Below we summarize our analyses based on 13 of these statutes or executive orders.

Regulatory Planning and Review

This rule is not a ''significant regulatory action'' under section 3(f) of Executive Order 12866, Regulatory Planning and Review, 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.

The Coast Guard's use of these special local regulations will be periodic in nature, of short duration, and designed to minimize the impact on navigable waters. These special local regulations will only be enforced immediately before and during the time the marine events are occurring. Furthermore, these special local regulations have been designed to allow vessels to transit