stock. Y stock is traded on an established securities market. Although the option is immediately exercisable, it has no readily ascertainable fair market value when it is granted. Under the option, Q has the right to purchase 100 shares of Y common stock for $10 per share, which is the fair market value of a Y share on the date of grant of the option. The grant of the option is not one that satisfies the requirements for a transaction that is exempt from section 16(b) of the Securities Exchange Act of 1934. On December 15, 2013, Y stock is trading at more than $10 per share. On that date, Q fully exercises the option, paying the exercise price in cash, and receives 100 Y shares. Q’s rights in the shares received as a result of the exercise are not conditioned upon the future performance of substantial services. Because no exemption from section 16(b) was available for the June 3, 2013 grant of the option, the section 16(b) liability period expires on December 1, 2013. Accordingly, the section 16(b) liability period expires before the date that Q exercises the option and the Y common stock is transferred to Q. Thus, the shares acquired by Q pursuant to the exercise of the option are not subject to a substantial risk of forfeiture under section 83(c)(3) as a result of section 16(b). As a result, section 83(c)(3) does not preclude taxation under section 83 when the shares acquired pursuant to the December 15, 2013 exercise of the option are transferred to Q.

(ii) Assume the same facts as in paragraph (i) of this Example 4 except that Q exercises the nonstatutory option on October 30, 2013 when Y stock is trading at more than $10 per share. The shares acquired are subject to a substantial risk of forfeiture under section 83(c)(3) as a result of section 16(b). As a result, section 83(c)(3) does not preclude taxation under section 83 when the shares acquired pursuant to the December 15, 2013 exercise of the option are transferred to Q.

(iii) Assume the same facts as in paragraph (i) of this Example 4 except that on November 5, 2013, Q also purchases 100 shares of Y common stock on the public market. The purchase of the shares is not a transaction exempt from section 16(b) of the Securities Exchange Act of 1934. Because no exemption from section 16(b) was available for the November 5, 2013 purchase of shares, the section 16(b) liability period with respect to such shares will last for a period of six months after the November 5, 2013 purchase of shares. Notwithstanding the non-exempt purchase of Y common stock on November 5, 2013, the shares acquired by Q pursuant to the December 15, 2013 exercise of the option are not subject to a substantial risk of forfeiture under section 83(c)(3) as a result of section 16(b). As a result, section 83(c)(3) does not preclude taxation under section 83 when the shares acquired pursuant to the December 15, 2013 exercise of the option are transferred to Q.

* * * * *

(l) Effective/applicability date. This section applies to property transferred on or after January 1, 2013. For rules relating to property transferred before that date, see §1.83–3 as contained in 26 CFR part 1 (as of April 1, 2012).

John Dalrymple,
Deputy Commissioner for Services and Enforcement.
Approved: January 31, 2014.

Mark J. Mazur,
Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2014–03988 Filed 2–25–14; 8:45 am]
BILLING CODE 4830–01–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 141 and 142

National Primary Drinking Water Regulations: Minor Corrections to the Revisions to the Total Coliform Rule

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: In this action, the Environmental Protection Agency (EPA) is making minor corrections to the final Revisions to the Total Coliform Rule (RTCR), as authorized under the Safe Drinking Water Act, to correct typographical errors in sections relating to recordkeeping and State primary requirements, which could affect implementation and enforcement of the RTCR if they were left uncorrected. This action also includes other edits to the final rule language that are intended to improve the understanding of the rule and avoid confusion. This action does not impose new requirements; rather it clarifies what must be included in States’ primary applications related to this rule and the specific records water systems must keep.

DATES: This rule is effective on April 28, 2014 without further notice, unless EPA receives adverse comment by March 28, 2014. If EPA receives adverse comment, we will publish a timely withdrawal in the Federal Register informing the public that the rule will not take effect. The incorporation by reference of certain material listed in the rule was approved by the Director of the Federal Register as of April 15, 2013.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–HQ–OW–2008–0878, by one of the following methods:

• Mail: Water Docket, Environmental Protection Agency, Mailcode: 2822T,
This table is not intended to be exhaustive, but rather provides a guide for readers regarding entities regulated by this action. This table lists the types of entities that EPA is now aware of that could potentially be regulated by this action. Other types of entities not listed in the table could also be regulated. To determine whether your facility is regulated by this action, you should carefully examine the definition of “public water system” in § 141.2 and the applicability criteria in § 141.851(b) of the final RTCR. If you have questions regarding the applicability of this action to a particular entity, consult the person listed in the preceding FOR FURTHER INFORMATION CONTACT section.

### C. Copies of This Document and Other Related Information

This document is available for download at [http://water.epa.gov/lawsregs/rulesregs/sdwa/tcr/regulation_revisions.cfm](http://water.epa.gov/lawsregs/rulesregs/sdwa/tcr/regulation_revisions.cfm). For other related information, see preceding discussion on docket.

### D. Minor Corrections to the Revisions to the Total Coliform Rule (RTCR)

A. Today’s final rule corrects, as authorized under the Safe Drinking Water Act (SDWA), two typographical errors in the Final RTCR (78 FR 10269, February 13, 2013) rule language. First, this action corrects a mistaken cross-reference regarding water system recordkeeping requirements for assessment forms and documentation of corrective actions and sanitary defects. EPA is correcting the cross-reference at § 141.861(b)(1) to correctly provide that assessments, corrective actions and identification of sanitary defects are required under the treatment technique requirements of § 141.859 of the final RTCR. The burden for these recordkeeping requirements was reflected in the Revised Total Coliform Rule (see Paperwork Reduction Act, section II.B of this notice) and in section 7 of the Economic Analysis (EA) for the Revised Total Coliform Rule (EPA–815–R–12–004). EPA also discussed these requirements in the preamble to the final RTCR on page 10295. Second, today’s final rule also corrects the introductory paragraph at § 142.16(q)(2) to correctly indicate that the State’s application for primacy must contain a written description of all provisions included in the subsections of the paragraph, (q)(2)(i) through (q)(2)(ix). It was always EPA’s intent that primacy applications must contain a written description of all provisions in § 142.16(q)(2), but when EPA added subparagraph (q)(2)(ix) to the final rule, EPA neglected to change the numbering in the paragraph (2) lead-in to the list of elements. EPA intended this to be the case, as demonstrated in the preamble to the final RTCR on page 10301. In addition, the burden for this State activity was also included in section 7 of the EA for the RTCR. EPA is not developing a new EA for today’s action because the EA for the final RTCR accounts for all costs associated with this rule.

Today’s final rule also corrects the numbering in § 141.855(a) by adding subparagraph (d)(2) and reserving it, to most simply correct a numbering error that identified a subparagraph (d)(1) without a subsequent (d)(2). Correcting the numbering in this fashion will not interfere with any cross references to this subparagraph.

Today’s rule also includes clarifying revisions to the language regarding primacy applications in § 142.16(q)(2)(ii) to make it more clear in the special primacy requirements section of the rule that systems must implement at least one of listed additional criteria to qualify for reduced monitoring. EPA clearly intended this to be the case, as reflected in § 141.854(h)(2) for NCWSs and § 141.855(d) for CWSs, and in the preamble to the final rule at page 10281 and 10282.

Next, the final rule clarifies the situations requiring public notification in Appendix A to Subpart Q of Part 141 to list out all of the possible reporting violations under the RTCR that will require Tier 3 public notice. EPA clearly intended this to be the case, as reflected in item (g) of Table 1 to § 141.204 (Violation Categories and Other Situations Requiring a Tier 3 Public
Notice), which provides that all reporting and recordkeeping violations under the RTCR require Tier 3 public notice. Also, page 10294 of the preamble to the final RTCR clearly states that Tier 3 PN is required for both monitoring and reporting violations under the RTCR.

Finally, the final rule clarifies the analytical methods table at § 141.852(a)(5) to place the citation “Standard Methods Online 9223 B–97” for the Colilert analytical method in the correct column. These revisions do not change any rule requirements, are consistent with the rule requirements as intended by the Total Coliform Rule/Distribution System Advisory Committee that recommended the revisions to the Total Coliform Rule, and are intended only to clarify requirements and reduce confusion.

II. Statutory and Executive Order Review

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a “significant regulatory action” under the terms of Executive Order (EO) 12866 (58 FR 51735, October 4, 1993) and is therefore not subject to review under the EO.

B. Paperwork Reduction Act

This action does not impose any new information collection burden. In this action, EPA is making minor corrections to the final RTCR to correct typographical errors in sections relating to recordkeeping and State primacy requirements and other edits to the final rule language that are intended to improve the understanding of the rule and avoid confusion. The Office of Management and Budget (OMB) has previously approved the information collection requirements contained in the existing regulations (40 CFR Parts 141 and 142) under the provisions of the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. and has assigned OMB control number 2040–0205. The OMB control numbers for EPA’s regulations in 40 CFR are listed in 40 CFR part 9.

C. Regulatory Flexibility Act (RFA)

The Regulatory Flexibility Act (RFA) generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small organizations, and small governmental jurisdictions.

The RFA provides default definitions for each type of small entity. Small entities are defined as: (1) A small business as defined by the Small Business Administration’s (SBA) regulations at 13 CFR 121.201; (2) a small governmental jurisdiction that is a government of a city, county, town, school district or special district with a population of less than 50,000; and (3) a small organization that is any “not-for-profit enterprise which is independently owned and operated and is not dominant in its field.” However, the RFA also authorizes an agency to use alternative definitions for each category of small entity, “which are appropriate to the activities of the agency” after proposing the alternative definition(s) in the Federal Register and taking comment (5 U.S.C. 601(3)–(5)). In addition, to establish an alternative small business definition, agencies must consult with SBA’s Chief Counsel for Advocacy.

For purposes of assessing the impacts of the RTCR on small entities, EPA considered small entities to be PWSs serving 10,000 or fewer people. This is the cut-off level specified by Congress in the 1996 Amendments to the Safe Drinking Water Act (SDWA) for small system flexibility provisions. As required by the RFA, EPA proposed using this alternative definition in the FR (63 FR 7620, February 13, 1998), requested public comment, consulted with the SBA, and finalized the alternative definition in the agency’s Consumer Confidence Report regulation (63 FR 44524, August 19, 1998). As stated in that Final Rule, the alternative definition would be applied for all future drinking water regulations.

After considering the economic impacts of the minor corrections to the RTCR on small entities, I certify that this action will not have a significant economic impact on a substantial number of small entities. The costs for recordkeeping and State primacy requirements were accounted for and detailed in the RTCR EA and summarized in the preamble of the final RTCR. A copy of the final RTCR and the RTCR EA can be found at http://water.epa.gov/lawsregs/rulesregs/sdwa/ tcr/regulation_revisions.cfm.

D. Unfunded Mandates Reform Act (UMRA)

This rule does not contain a Federal mandate under the provisions of Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), 2 U.S.C. 1531–1538. This rule makes minor editorial corrections and clarifying edits to the final RTCR. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

This rule is also not subject to the requirements of section 203 of UMRA because it makes only minor corrections and clarifying edits that will not significantly or uniquely affect small governments.

E. Executive Order 13132: Federalism

This action does not have Federalism implications. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government as specified in Executive Order 13132. Today’s action makes minor corrections to the final RTCR to correct typographical errors in sections relating to recordkeeping and State primacy requirements and other edits to the final rule language that are intended to improve the understanding of the rule and avoid confusion. The recordkeeping and primacy requirements as corrected by today’s action were included in the cost calculations that were described in the preamble to the final RTCR and used to determine that Executive Order 13132 does not apply to the final RTCR.

F. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

This action does not have tribal implications, as specified in Executive Order 13175 (65 FR 67249, November 9, 2000). This rule makes minor corrections to the final RTCR that will not have tribal implications. Thus, Executive Order 13175 does not apply to this action.

G. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks

EPA interprets Executive Order 13045 (62 FR 19085, April 23, 1997) as applying only to those regulatory actions that concern health or safety risks, such that the analysis required under section 5–501 of the EO has the potential to influence the regulation. This action is not subject to EO 13045 because it does not establish an environmental standard intended to mitigate health or safety risks.

H. Executive Order 12211: Actions That Significantly Affect Energy Supply, Distribution, or Use

This rule is not subject to Executive Order 12211 (66 FR 28355, May 22, 2001) because it is not a significant
regulatory action under Executive Order 12866.

I. National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTTAA), Public Law 104–113, 12(d) (15 U.S.C. 272 note), directs EPA to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by voluntary consensus standards bodies. NTTAA directs EPA to provide Congress, through OMB, explanations when EPA decides not to use available and applicable voluntary consensus standards.

This final rule makes only minor corrections and edits that do not involve technical standards. Therefore, EPA is not considering the use of any voluntary consensus standards.

J. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations

Executive Order 12898 (59 FR 7629, February 16, 1994) establishes federal executive policy on environmental justice. Its main provision directs federal agencies, to the greatest extent practicable and permitted by law, to make environmental justice part of their mission. Agencies must do this by identifying and addressing, as appropriate, any disproportionately high and adverse human health or environmental effects of their programs, policies, and activities on minority populations and low-income populations in the United States.

EPA has determined that this action will not have disproportionately high and adverse human health or environmental effects on minority or low-income populations because it does not affect the level of protection provided to human health or the environment. This rule makes minor corrections and edits to the final RTCR that will not have disproportionately high and adverse human health or environmental effects on any population, including any minority or low-income population.

K. Consultations With the Science Advisory Board, National Drinking Water Advisory Council, and the Secretary of Health and Human Services

In accordance with section 1412(d) and (e) of SDWA, EPA consulted with the Science Advisory Board (SAB), National Drinking Water Advisory Council (NDWAC), and the Secretary of the U.S. Department of Health and Human Services on the final RTCR. Because today’s action is making only minor corrections to the final RTCR to correct typographical errors and other edits to the final rule language that are intended to improve the understanding of the rule and avoid confusion, EPA did not consult with the SAB, NDWAC or the Secretary on today’s action.

L. Considerations of Impacts on Sensitive Subpopulations as Required by Section 1412(b)(3)(C)(i)(V) of the 1996 Amendments of SDWA

As required by Section 1412(b)(3)(C)(i)(V) of SDWA, EPA sought public comment regarding the effects of contamination associated with the proposed RTCR on the general population and sensitive subpopulations. Sensitive subpopulations include “infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that are identified as likely to be at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population” (SDWA section 1412(b)(3)(C)(i)(V), 42 U.S.C. 300g–1(b)(3)(C)(i)(V)). As indicated in the preamble to the final RTCR, EPA anticipates that the requirements of the final RTCR will help reduce pathways of entry for fecal contamination and/or waterborne pathogens into the distribution system, thereby reducing exposure and risk from these contaminants in drinking water to the entire general population.

Today’s final rule is making only minor corrections to the final RTCR to correct typographical errors and other edits to the final rule language that are intended to improve the understanding of RTCR and avoid confusion and does not alter the conclusion that the final RTCR seeks to provide a similar level of drinking water protection to all groups including sensitive subpopulations.

M. Effect of Compliance With the Minor Corrections to the RTCR on the Technical, Financial, and Managerial Capacity of Public Water Systems

Section 1420(d)(3) of SDWA, as amended, requires that, in promulgating an NPWR, the Administrator shall include an analysis of the likely effect of compliance with the regulation on the technical, managerial and financial (TMF) capacity of PWSs. EPA completed an analysis of the impact of complying with the requirements of the RTCR on the TMF capacity of PWSs and a detailed discussion of EPA’s analysis was presented in chapter 8.14 of the RTCR EA. The PWS recordkeeping requirements as corrected by today’s rule were included in the analysis of the TMF capacity for the final RTCR and therefore no changes to that analysis are needed to accompany this action.

N. Congressional Review Act

The Congressional Review Act, 5 U.S.C. 801 et seq., as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States (U.S.). EPA will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the U.S. prior to publication of the rule in the Federal Register. A major rule cannot take effect until 60 days after it is published in the Federal Register. This action is not a “major rule” as defined by 5 U.S.C. 804(2). This rule will be effective April 28, 2014.

List of Subjects

40 CFR Part 141

Environmental protection, Chemicals, Incorporation by reference, Indian-lands, Intergovernmental relations, Radiation protection, Reporting and recordkeeping requirements, Water supply.

40 CFR Part 142

Environmental protection, Administrative practice and procedure, Chemicals, Indian-lands, Radiation protection, Reporting and recordkeeping requirements, Water supply.


Gina McCarthy,

Administrator.

For the reasons set forth in the preamble, Title 40 chapter 1 of the Code of Federal Regulations is amended as follows:

PART 141—NATIONAL PRIMARY DRINKING WATER REGULATIONS

1. The authority citation for part 141 continues to read as follows:
Authority: 42 U.S.C. 300f, 300g–1, 300g–2, 300g–3, 300g–4, 300g–5, 300g–6, 300j–4, 300j–9, and 300j–11.

2. Appendix A to Subpart Q of Part 141 is amended by revising entries I.A.1 and I.A.2 to read as follows:

### Appendix A to Subpart Q of Part 141—NPDWR Violations and Other Situations Requiring Public Notice

<table>
<thead>
<tr>
<th>Contaminant</th>
<th>MCL/MRDL/TT violations</th>
<th>Monitoring, testing &amp; reporting procedure violations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier of public notice required</td>
<td>Citation</td>
</tr>
<tr>
<td>I. Violations of National Primary Drinking Water Regulations (NPDWR):</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Microbiological Contaminants

1. Total coliform bacteria † ............................................................ 2 141.63(a) ........ 3 141.21(a)–(e).
2. Total coliform (TT violations resulting from failure to perform assessments or corrective actions, monitoring violations, and reporting violations) ‡. ............................... 1 141.860(b)(1) .. 3 141.860(c)(1).
1. Seasonal system failure to follow State-approved start-up plan prior to serving water to the public or failure to provide certification to State ‡. ............................... 2 141.860(b)(2) .. 3 141.860(d)(3).
2. a Fecal coliform/E. coli † ............................................................ 1 141.63(b) ......... 4 1,3 141.21(e).
3. E. coli (MCL, monitoring, and reporting violations) ‡. ............................... 1 141.860 (a) ....... 3 141.860(c)(2).
2. c E. coli (TT violations resulting from failure to perform level 2 Assessments or corrective action) ‡. ............................... 2 141.860(b)(1) .. 3 141.860(d)(2).

Appendix A—Endnotes

† Until March 31, 2016.
‡ Beginning April 1, 2016.
1. Violations and other situations not listed in this table (e.g., failure to prepare Consumer Confidence Reports), do not require notice, unless otherwise determined by the primary agency. Primary agencies may, at their option, also require a more stringent public notice tier (e.g., Tier 1 instead of Tier 2 or Tier 2 instead of Tier 3) for specific violations and situations listed in this Appendix, as authorized under §§141.202(a) and 141.203(a).
2. MCL—Maximum contaminant level, MRDL—Maximum residual disinfectant level, TT—Treatment technique.
3. The term Violations of National Primary Drinking Water Regulations (NPDWR) is used here to include violations of MCL, MRDL, treatment technique, monitoring, and testing procedure requirements.
4. Failure to test for fecal coliform or E. coli is a Tier 1 violation if testing is not done after any repeat sample tests positive for coliform.

### Organism

<table>
<thead>
<tr>
<th>Total coliforms</th>
<th>Methodology category</th>
<th>Method ¹</th>
<th>Citation ¹</th>
</tr>
</thead>
</table>
## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 180


**Fluxapyroxad; Pesticide Tolerances**

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

**ACTION:** Final rule.

**SUMMARY:** This regulation establishes tolerances for residues of fluxapyroxad in or on multiple commodities which are identified and discussed later in this document. BASF Corporation requested these tolerances under the Federal Food, Drug, and Cosmetic Act (FFDCA).

**DATES:** This regulation is effective February 26, 2014. Objections and requests for hearings must be received on or before April 28, 2014, and must be filed in accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the SUPPLEMENTARY INFORMATION).

**ADDRESSES:** The docket for this action, identified by docket identification (ID) number EPA–HQ–OPP–2012–0638, is available at http://www.regulations.gov or at the Office of Pesticide Programs Regulatory Public Docket (OPP Docket) in the Environmental Protection Agency Docket Center (EPA/DC), EPA West Bldg., Rm. 3334, 1301 Constitution Ave. NW., Washington, DC 20460–0001. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566–1744, and the telephone number for the OPP Docket is (703) 305–5805. Please review the visitor instructions and additional information about the docket available at http://www.epa.gov/dockets.

**FOR FURTHER INFORMATION CONTACT:** Lois Rossi, Registration Division (7505P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave. NW., Washington, DC 20460–0001; telephone number: (703) 305–7090; email address: RDFRNotices@epa.gov.

**SUPPLEMENTARY INFORMATION:**

### I. General Information

**A. Does this action apply to me?**

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. The following list of North American Industrial Classification System (NAICS) codes is not intended to be exhaustive, but rather...