

10-minute OEI TOTHAT results in a transient overtemperature in excess of the steady-state temperature limit identified in § 33.7(a)(3) of these special conditions, the transient gas overtemperature must be applied to each acceleration to the Rated 10-minute OEI TOTHAT of the test sequence in § 33.87(a) of these special conditions.

#### § 33.93 Teardown inspection.

The applicant must perform the teardown inspection required by § 33.93(a) after completing the endurance test prescribed by § 33.87 of these special conditions.

#### § 33.201 Design and test requirements for Early ETOPS eligibility.

In addition to the requirements of § 33.201(c)(1), the simulated ETOPS mission cyclic endurance test must include two cycles of 10 minute duration, each at the Rated 10-minute OEI TOTHAT; one before the last diversion cycle and one at the end of the ETOPS test.

Issued in Burlington, Massachusetts, on July 11, 2014.

Kimberly K. Smith,

*Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-105067-14]

RIN 1545-BM17

#### Segregation Rule Effective Date

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations that modify the effective date provision of recently published final regulations under Section 382 of the Internal Revenue Code. The temporary regulations affect corporations whose stock is or was acquired by the Department of the Treasury (Treasury) pursuant to certain programs under the Emergency Economic Stabilization Act of 2008 (EESA). The text of those temporary regulations published in this issue of

the **Federal Register** also serves as the text of these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be submitted by October 29, 2014.

**ADDRESSES:** Send submissions to CC:PA:LPD:PR (REG-105067-14), Room 5203, Internal Revenue Service, P.O. 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-105067-14), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224, or sent electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-105067-14).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Stephen R. Cleary, (202) 317-5353; concerning submission of comments and requests for a public hearing, Oluwafumnilayo Taylor, (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

#### Background and Explanation of Provisions

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend 26 CFR Part 1. The temporary regulations modify the effective date provision for TD 9638 [78 FR 62418], published on October 22, 2013, which provided final regulations that altered the operation of certain of the public group segregation rules under section 382. The temporary regulations apply to stock acquired by Treasury pursuant to certain programs under EESA (Programs). In particular, the temporary regulations apply to the subsequent sale by Treasury of that stock. 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, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that, if the regulations apply to any small entities, the effect will not be to increase their tax liability, but to prevent a potential increase in tax

liability that might otherwise occur. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Code, these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

#### Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic copies that are submitted timely to the IRS. The IRS and the Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be made available for public inspection and copying at [www.regulations.gov](http://www.regulations.gov) or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

#### Drafting information

The principal author of these regulations is Stephen R. Cleary, Office of Associate Chief Counsel (Corporate). However, other personnel from the IRS and the Treasury Department participated in their development.

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

Income taxes, 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 \* \* \*  
Section 1.382-3 also issued under 26 U.S.C. 382(g)(4)(C) and 26 U.S.C. 382(m).  
\* \* \*

■ **Par. 2.** Section 1.382-3 is amended by revising paragraph (j)(17) to read as follows:

#### § 1.382-3 Definitions and Rules Relating to a 5-percent Shareholder.

\* \* \* \* \*

(j) \* \* \*

(17) *Effective/applicability date.* [The text of the proposed amendment to

§ 1.382–3(j)(17) is the same as the text of § 1.382–3T(j)(17) published elsewhere in this issue of the **Federal Register**].

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2014–17831 Filed 7–30–14; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### 31 CFR Part 34

RIN 1505–AC49

#### Gulf Coast Restoration Trust Fund

**AGENCY:** Office of the Fiscal Assistant Secretary, Treasury.

**ACTION:** Proposed rulemaking.

**SUMMARY:** The Department of the Treasury proposes regulations for the Resources and Ecosystem Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act). The proposed regulations concern amounts available to eligible Louisiana parishes from the Gulf Coast Restoration Trust Fund, a fund established in the Treasury of the United States by the RESTORE Act. Treasury published other proposed regulations for the RESTORE Act on September 6, 2013.

**DATES:** *Comment due date:* September 2, 2014.

**ADDRESSES:** Treasury invites comments on the allocation to Louisiana parishes contained in this proposed rule. Comments may be submitted through one of these methods:

*Electronic Submission of Comments:* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt, and enables the Department to make them available to the public. Comments submitted electronically through the <http://www.regulations.gov> Web site can be viewed by other commenters and interested members of the public.

*Mail:* Send to Department of the Treasury, Attention Janet Vail, Room 1132; 1500 Pennsylvania Avenue NW., Washington, DC 20220.

*Email:* Send to [RESTORErule@treasury.gov](mailto:RESTORErule@treasury.gov).

In general, Treasury will post all comments to [www.regulations.gov](http://www.regulations.gov) without change, including any business or personal information provided, such as names, addresses, email addresses, or

telephone numbers. Treasury will also make such comments available for public inspection and copying in Treasury's Library, Department of the Treasury, 1500 Pennsylvania Avenue NW., Washington, DC 20220, on official business days between the hours of 10:00 a.m. and 5:00 p.m. Eastern Time. You can make an appointment to inspect comments by telephoning (202) 622–0990. All comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. You should only submit information that you wish to make publicly available.

**FOR FURTHER INFORMATION CONTACT:** Please send questions by email to [RESTORErule@treasury.gov](mailto:RESTORErule@treasury.gov) or contact Janet Vail, 202–622–6873.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The RESTORE Act makes funds available for the restoration and protection of the Gulf Coast region through a new trust fund in the Treasury of the United States, known as the Gulf Coast Restoration Trust Fund. The trust fund will contain 80 percent of the administrative and civil penalties paid after July 6, 2012, under the Federal Water Pollution Control Act in connection with the *Deepwater Horizon* oil spill. One component of the Act, the Direct Component, sets aside 35 percent of the penalties paid into the trust fund for grants to the State of Alabama, the State of Mississippi, the State of Texas, the State of Louisiana and 20 Louisiana parishes, and 23 Florida counties. The Direct Component provides an equal amount to each of the five Gulf Coast States, and allocates 30 percent of Louisiana's share to the 20 eligible parishes.

On September 6, 2013, Treasury published a proposed rule to implement the Act (78 FR 54801). The proposed rule identified the 20 Louisiana parishes eligible to receive funds under the Direct Component, but not the share of each parish. The Act provides a weighted formula for determining each parish's share. In the notice accompanying the proposed rule, Treasury requested comments on the information and methodology necessary for determining each parish's share. As discussed below, Treasury has considered these comments and other information, and now proposes regulations that allocate a percentage to each eligible Louisiana parish under the Direct Component.

##### II. This Proposed Rule

Under the Direct Component, each eligible Louisiana parish receives a share based on a weighted formula of three elements: (a) 40 percent based on the weighted average of miles of parish shoreline oiled, (b) 40 percent based on the weighted average of the population of the parish, and (c) 20 percent based on the weighted average of the land mass of the parish. 33 U.S.C. 1321(t)(1)(D)(i). In their comments on the proposed rule, the State of Louisiana and one parish proposed that Treasury include additional factors, in order to account for the degree of oiling, measures of re-oiling, the type of shoreline that experienced oiling, and other factors. They suggested that an approach which takes these factors into account would provide a more comprehensive assessment of injury and fairer allocation of funds. Louisiana did not describe how these additional factors should be weighed or provide a statutory basis for applying these new criteria, and noted that “creating a consistent and fair metric based on these factors will be very difficult.”<sup>1</sup>

Treasury is proposing regulations that base the allocation for each eligible parish solely on the factors listed in the Act for the Direct Component. The Act clearly identifies just three factors for determining each parish's share. If Treasury added additional factors and a new formula for weighing them in its regulation, the responsibility for allocating the trust fund would shift from Congress to Treasury. Nothing in the statute or the legislative history indicates that Congress intended Treasury to make its own determination about the relative harm suffered by individual parishes. The touchstone for Treasury's proposed regulation, therefore, is the statute itself.

The first statutory factor is the weighted average of miles of the parish shoreline oiled. For this factor, Treasury used data from the United States Coast Guard showing the number of miles of parish shoreline oiled between 2010, the initial year of response to the *Deepwater Horizon* spill, and July 6, 2012, the date of enactment for the RESTORE Act. According to the Coast Guard, the data were gathered using the Shoreline Clean-up Assessment Technique (SCAT), a systematic method for surveying an affected shoreline after an oil spill. SCAT was performed under the structure of the Gulf Coast Incident Management Team (GC-IMT), the entity

<sup>1</sup> Letter from Garret Graves, State of Louisiana, to Dep't of the Treasury (Nov. 5, 2013) at 6 (available at [www.regulations.gov](http://www.regulations.gov) under number Treas-DO-2013-0005-0055).