to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the ADDRESSES heading. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available at 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 hearing will be published in the Federal Register.

Drafting Information

The principal author of these regulations is Andrew Holubeck of the Office of the Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). However, other personnel from the IRS and the Treasury Department participated in their development.

List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 301 is proposed to be amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Paragraph 2. Section 301.7701–2 is amended by revising paragraphs (c)(2)(iv)(C)(2) and adding paragraph (e)(8)(ii) to read as follows:

§ 301.7701–2 Business entities; definitions

* * * * *

(c) * * *

(2) * * *

(iv) * * *

(C) * * *

(2) [The text of the proposed amendment to § 301.7701–2(c)(2)(iv)(C)(2) is the same as the text of § 301.7701–2T(c)(2)(iv)(C)(2) published elsewhere in this issue of the Federal Register].

* * * * *

(e) * * *

(8)[] [The text of the proposed amendments to § 301.7701–2(e)(8)(i) is the same as the text of § 301.7701–2T(e)(8)(i) published elsewhere in this issue of the Federal Register].

John Dalrymple,
Deputy Commissioner for Services and Enforcement.
[FR Doc. 2016–10384 Filed 5–3–16; 8:45 am]
BILLING CODE 4830–01–P

DEPARTMENT OF JUSTICE

Bureau of Alcohol, Tobacco, Firearms, and Explosives

27 CFR Parts 478 and 479

[Docket No. ATF 29P]

RIN 1140–AA33

Identification Markings Placed on Firearm Silencers and Firearm Mufflers

AGENCY: Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), Department of Justice.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Department of Justice is considering amending the regulations of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to require licensed manufacturers, licensed importers, and nonlicensed makers to place identification markings on the outer tube of firearm silencers and firearm mufflers. The Department wishes to gather information and comments from the public and industry concerning whether or not the regulations should be amended.

DATES: Written comments must be postmarked and electronic comments must be submitted on or before August 2, 2016. Commenters should be aware that the electronic Federal Docket Management System will not accept comments after Midnight Eastern Time on the last day of the comment period.

ADDRESSES: You may submit comments, identified by docket number (ATF 29P), by any of the following methods:

• Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.

• Fax: (202) 648–9741.


Instructio...
Regulations that implement 18 U.S.C. 
923(i) are set forth in 27 CFR 478.92. In 
general, § 478.92(a)(1)(i) requires 
licensed manufacturers and licensed 
importers of firearms to legibly identify 
each firearm manufactured or imported 
by engraving, casting, stamping 
(impressing), or otherwise 
conspicuously placing on the frame or 
receiver an individual serial number. 
The serial number must be placed in a 
manner not susceptible of being readily 
obliterated, altered, or removed and 
must not duplicate any serial number 
placed by a licensed importer or 
manufacturer on any other firearm. For 
firearms manufactured or imported on 
and after January 30, 2002, the 
engraving, casting, or stamping 
(impressing) of the serial number must 
be to a minimum depth of .003 inch and 
in a print size no smaller than \( \frac{3}{16} \) inch. 
In addition, § 478.92(a)(1)(ii) requires 
licensed manufacturers and licensed 
importers to conspicuously place 
additional identification markings on 
the frame, receiver, or barrel of each 
firearm imported or manufactured in a 
manner not susceptible of being readily 
obliterated, altered, or removed. For 
firearms manufactured or imported on 
and after January 30, 2002, the 
engraving, casting, or stamping 
(impressing) of this information must be 
to a minimum depth of .003 inch. The 
additional information includes:
1. The model, if such designation has 
   been made;
2. The caliber or gauge;
3. The name of the licensed 
   manufacturer or licensed importer (or 
   recognized abbreviation) and, when 
   applicable, the name of the foreign 
   manufacturer;
4. In the case of a domestically made 
   firearm, the city and State (or 
   recognized abbreviation thereof) where 
   the licensed manufacturer maintains his 
   place of business; and
5. In the case of an imported firearm, 
   the name of the country in which it was 
   manufactured and the city and State (or 
   recognized abbreviation thereof) where 
   the licensed importer maintains his 
   place of business.
The same marking requirements apply 
to manufacturers, importers or makers 
of NFA firearms pursuant to 27 CFR 
479.102(a).
The current regulations do not specify 
the placement of required identification 
markings on firearm silencers and 
firearm mufflers. However, ATF has 
provided the industry with some 
guidance on this issue. In its 
“Frequently Asked Questions—
Silencers,” dated April 17, 2008, ATF 
stated the following:
The silencer must be marked in accordance 
with 27 CFR 478.92 and 479.102. The 
regulations require that the markings be 
conspicuous and legible, meaning that the 
markings may be placed on any external part, 
such as the outer tube or end cap. ATF 
strongly recommends that manufacturers 
place all required markings on the outer tube 
of the silencer, as this is the accepted 
industry standard. Moreover, this practice 
improves the need to remark in the event an 
end cap bearing the markings is damaged and 
requires replacement.

II. National Firearms Act Trade and 
Collectors Association Petition

On April 27, 2008, ATF received a 
petition filed on behalf of the National 
Firearms Act Trade and Collectors 
Association (NFATCA). NFATCA is a 
trade group representing the firearms 
and import community. Some of its 
members primarily manufacture, 
transport, and possess silencers for 
lawful use.

Although in its April 2008 guidance 
ATF recommended that manufacturers 
place all required markings on the outer 
tube of the silencer, it stated that the 
required markings could also be placed 
on any external part of the silencer, 
including the end cap, provided the 
required markings are conspicuous and 
legible. According to the petitioner, the 
industry’s response to ATF’s guidance was 
not favorable:

There has been an overwhelmingly 
negative response from the members of our 
trade to this particular guidance ... there is 
strong policy agreement between ATF and 
our trade that only the silencer [outer] 
tube should be marked in accordance 
with the marking requirements of Parts 478 and 479 
of Title 27 of the Code of Federal 
Regulations. ... Allowing end caps to be the 
possible marking location for silencers does 
constitute a serious public safety issue in the 
areas of diversion, tracing, and evasion of 
other NFA rules.

In addition, the petitioner stated that 
“[w]e have also been further advised 
that the Bureau does not see how they 
would be able to take any adverse legal 
action against a person or entity that 
should decide to mark the end caps of 
a silencer without promulgating a 
change in the regulations.”

Accordingly, the petitioner requested 
that the relevant regulations be 
 amended to require that a silencer be 
marked on the outer tube (as opposed to 
other locations), unless a variance is 
granted by the Director on a case-by-

case basis for good cause. ATF finds that 
the petitioner has raised valid concerns 
and it believes that an amendment of 
the regulations is warranted. Therefore, 
base on the statutory language and 
the factual context below, ATF seeks to 
addres the marking requirements of 
silencers to ensure that the serial 
numbers are placed on the part of the 
silencer that is least likely to be 
destroyed or removed, and therefore 
most likely to ensure that law 
enforcement are able to identify and 
trace a particular firearm silencer or 
firearm muffler.

III. Discussion

ATF is requesting information from 
industry members, trade associations, 
consumers, and all other interested 
parties to determine whether to require 
placement of identification markings on 
the outer tube of firearm silencers and 
firearm mufflers. Along with industry 
members, ATF considers the term 
“outer tube” to mean the largest 
external part of a silencer and is that 
portion of a silencer which encapsulates 
all components of the silencing unit and 
which contains and controls the 
expansion of the escaping gases.

As indicated, placing all required 
markings on the outer tube of a 
completed firearm silencer or firearm 
muffler is the accepted industry 
standard. In addition, requiring 
identification markings to be placed on 
a single part provides consistency of 
markings throughout the industry and 
eliminates the need to remark a device 
in the event an end cap bearing the 
markings is damaged and requires 
replacement. If a silencer is not aligned 
with the barrel, the end cap might be 
damaged when a projectile passes 
through it. Outer tubes are rarely 
damaged in this way. Such damage 
often requires replacement of the end 
cap. Further, end caps are often 
removable so that processors may access 
the internal components within the 
silencer. Permitting serialization of a 
removable and fungible component may 
facilitate trafficking or illegal transfer of 
silencers by permitting registrants to use 
the serialized end cap of a registered 
silencer with an otherwise unregistered 

Although ATF is soliciting comments 
on the following specific questions, it is 
also requesting any relevant information 
on the subject.

1. What percentage of manufacturers 
mark the end cap? If an outer tube is 
present, why do manufacturers mark the 
end cap instead of the outer tube of the 
silencer?
2. If there is an additional cost (fixed 
or variable) between marking the end 
cap instead of the outer tube of the 
silencer?
3. Are there other parts or locations 
where the markings may be placed and 
still meet the requirements? If so, 
where?
4. Are there silencer designs for a completed device for which marking the outer tube would be impossible? If so, what are those designs?

5. When there are multiple outer tubes that make up one complete device, how should they be marked?

IV. Statutory and Executive Order Review

This advance notice of proposed rulemaking (ANPRM) has been drafted and reviewed in accordance with Executive Order 12866, "Regulatory Planning and Review," section 1(b), The Principles of Regulation, and in accordance with Executive Order 13563, "Improving Regulation and Regulatory Review," section 1(b), General Principles of Regulation.

The Department of Justice has determined that this ANPRM is a “significant regulatory action” under Executive Order 12866, section 3(f), and accordingly this ANPRM has been reviewed by the Office of Management and Budget. However, this action does not propose or impose any requirements. The ANPRM is being published to seek information from the public about the feasibility of marking silencer tubes.

Furthermore, the requirements of section 603 of the Regulatory Flexibility Act do not apply to this action because, at this stage, it is an ANPRM and not a “rule” as defined in section 601 of the Regulatory Flexibility Act. Following review of the comments received in response to this ANPRM, if ATF promulgates a notice or notices of proposed rulemaking regarding this matter, ATF will conduct all analyses required by the Regulatory Flexibility Act, Executive Order 12866, and any other statutes or Executive Orders relevant to those rules and in effect at the time of promulgation.

Public Participation

A. Comments Sought

ATF requests comments on this ANPRM from all interested persons. ATF specifically requests comments on the clarity of this ANPRM and how easy it is to understand. Additional comments are sought on the costs or benefits of the proposal in this ANPRM and on the appropriate methodology and data for calculating those costs and benefits.

All comments must reference the docket number (ATF 29P), be legible, and include the commenter’s complete first and last name and full mailing address. ATF will not consider, or respond to, comments that do not meet these requirements or comments containing profanity. In addition, if ATF cannot read your comment due to technical difficulties and cannot contact you for clarification, ATF may not be able to consider your comment.

ATF will carefully consider all comments, as appropriate, received on or before the closing date, and will give comments received after that date the same consideration if it is practical to do so, but assurance of consideration cannot be given except as to comments received on or before the closing date.

ATF will not acknowledge receipt of comments.

B. Confidentiality

ATF will make all comments meeting the requirements of this section available for public viewing at ATF and on the Internet as part of the eRulemaking initiative, and subject to the Freedom of Information Act. ATF will not redact personal identifying information that appears within the comment and it will appear on the Internet.

The commenter should not include material that is considered confidential or inappropriate for disclosure to the public. Any person submitting a comment containing confidential material shall specifically designate that portion of the comment that contains material that is confidential under law (e.g., trade secrets, processes). The commenter shall place any portion of a comment that is confidential under law on pages separate from the balance of the comment with each page prominently marked “confidential” at the top of the page.

Confidential information will be included in the rulemaking administrative record but will not be disclosed to the public. Any comments containing material that is not confidential under law may be disclosed to the public. In any event, a commenter’s full first and last name and complete mailing address are not exempt from disclosure.

C. Submitting Comments

Submit comments in any of three ways (but do not submit the same comments multiple times or by more than one method).

- Federal eRulemaking Portal: We strongly recommend that you submit your comments to ATF via the Federal eRulemaking portal. Visit http://www.regulations.gov and follow the instructions for submitting comments. Comments will be posted within a few days of being submitted. However, if large volumes of comments are being processed simultaneously, your comment may not be viewable for up to several weeks. Please keep the comment tracking number that regulations.gov provides after you have successfully uploaded your comment.
- Mail: Send written comments to the address listed in the ADDRESSES section of this document. Written comments must appear in minimum 12 point font size (.17 inches), include the commenter’s complete first and last name and full mailing address, be signed, and may be of any length.
- Facsimile: Submit comments by facsimile transmission to (202) 648–9741. Fax comments must:
  (1) Be legible and appear in minimum 12-point font size (.17 inches);
  (2) Be on 8½” x 11” paper;
  (3) Be signed and contain the commenter’s complete first and last name and full mailing address; and
  (4) Be no more than five pages long.

D. Request for Hearing

Any interested person who desires an opportunity to comment orally at a public hearing should submit his or her request, in writing, to the Director of ATF within the 90-day comment period. The Director, however, reserves the right to determine, in light of all circumstances, whether a public hearing is necessary.

Disclosure

Copies of the petition, this advance notice, and the comments received will be available at http://www.regulations.gov (search for Docket No. ATF 29P) and for public inspection by appointment during normal business hours at: ATF Reading Room, Room 1E–063, 99 New York Avenue NE., Washington, DC 20226; telephone: (202) 648–8740.

Drafting Information

The author of this document is Shermaine Kenner, Office of Regulatory Affairs, Enforcement Programs and Service; Bureau of Alcohol, Tobacco, Firearms, and Explosives.

List of Subjects

27 CFR Part 478

Administrative practice and procedure, Arms and munitions, Customs duties and inspection, Exports, Imports, Intergovernmental relations, Law enforcement officers, Military personnel, Penalties, Reporting and recordkeeping requirements, Research, Seizures and forfeitures, Transportation.

27 CFR Part 479

Administrative practice and procedure, Arms and munitions, Customs duties and inspection, Excise taxes, Exports, Imports, Military
DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2016–0267]

RIN 1625–AA00

Safety Zone; Tall Ships Challenge Great Lakes 2016, Fairport Harbor, OH, Bay City, MI, Chicago, IL, Green Bay, WI, Duluth, MN, Erie, PA

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to create safety zones around each tall ship visiting the Great Lakes during the Tall Ships Challenge 2016 race series. These safety zones will provide for the regulation of vessel traffic in the vicinity of each tall ship in the navigable waters of the United States. The Coast Guard is taking this action to safeguard participants and spectators from the hazards associated with the limited maneuverability of these tall ships and to ensure public safety during tall ships events. We invite your comments on this proposed rulemaking.

DATES: Comments and related material must be received by the Coast Guard on or before June 3, 2016.

ADDRESSES: You may submit comments identified by docket number USCG–2016–0267 using the Federal eRulemaking Portal at http://www.regulations.gov. See the “Public Participation and Request for Comments” portion of the SUPPLEMENTARY INFORMATION section for further instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: If you have questions about this proposed rulemaking, call or email Mark Bobal, Ninth District Inspections and Investigations Branch, Passenger Vessel Safety Specialist, U.S. Coast Guard; telephone 216–902–6052, email Mark.D.Bobal@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

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<th>Acronym</th>
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<td>CFR</td>
<td>Code of Federal Regulations</td>
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II. Background, Purpose, and Legal Basis

During the Tall Ships Challenge Great Lakes 2016, tall ships will be participating in parades and then mooring in the harbors of Fairport Harbor, OH, Bay City, MI, Chicago, IL, Green Bay, WI, Duluth, MN, and Erie, PA. This is a tri-annual event that teaches character building and leadership through sail training. The Tall Ships event seeks to educate the public about both the historical aspects of sailing ships as well as their current use as training vessels for students. Tall ships are large, traditionally-rigged sailing vessels. The event will consist of festivals at each port of call, sail training cruises, tall ship parades, and races between the ports. More information regarding the Tall Ships Challenge 2016 and the participating vessels can be found at http://www.sailtraining.org/tallships/2016greatlakes/TSC2016index.php.

At 12:01 a.m. July 6, 2016, a safety zone will be established around each tall ship participating in this event. The safety zone around each ship will remain in effect as the tall ships travel throughout the Great Lakes. The safety zones will terminate at 12:01 a.m. on September 12, 2016. These safety zones are necessary to protect the tall ships from potential harm and to protect the public from the hazards associated with the limited maneuverability of tall sailing ships. When operating under sail they require a substantial crew to manually turn the rudder and adjust the sails, therefore they cannot react as quickly as modern ships. Additionally, during parades of sail the tall ships will be following a set course through a crowded harbor, it is imperative that spectator craft stay clear since maneuvering the tall ships to avoid large crowds of spectator craft would not be possible. Due to the high profile nature and extensive publicity associated with this event, each Captain of the Port (COTP) expects a large number of spectators in confined areas adjacent to the tall ships.

The combination of large numbers of recreational boaters, congested waterways, boaters crossing commercially transited waterways and low maneuverability of the tall ships could easily result in serious injuries or fatalities. Therefore, the Coast Guard will enforce a safety zone around each ship to ensure the safety of both participants and spectators in these areas. The Coast Guard proposes this rulemaking under authority in 33 U.S.C. 1231.

III. Discussion of Proposed Rule

The Coast Guard proposes to establish safety zones from 12:01 a.m. on July 6, 2016 until 12:01 a.m. on September 12, 2016. The safety zones would cover all navigable waters within 100 yards of a tall ship in the Great Lakes. The duration of the zone is intended to ensure the safety of vessels and these navigable waters during the 2016 Tall Ships Challenge. No vessel or person would be permitted to enter the safety zone without obtaining permission from the COTP or a designated representative. If the tall ships are operating in a confined area such as a small harbor and there is not adequate room for vessels to stay out of the safety zone because of a lack of navigable water, then vessels will be permitted to operate within the safety zone and shall travel at the minimum speed necessary to maintain a safe course. The navigation rules shall apply at all times within the safety zone. The regulatory text we are proposing appears at the end of this document.

IV. Regulatory Analyses

We developed this proposed rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders and we discuss First Amendment rights of protestors.

A. Regulatory Planning and Review

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This NPRM has not been designated a “significant regulatory action,” under Executive Order 12866. Accordingly, the NPRM has not been reviewed by the Office of Management and Budget.

This regulatory action determination is based on the size, location, duration, and time-of-day of the safety zone. Vessel traffic would be able to safely