

controlled group of corporations, all the members of which are not included on a single consolidated return, an election (or revocation) must be made by the designated member by satisfying the requirements of paragraph (b)(2) or (b)(3) of this section (whichever applies), and such election (or revocation) by the designated member shall be binding on all the members of the group for the credit year to which the election (or revocation) relates. If the designated member fails to timely make (or revoke) an election, each member of the group must compute the group credit using the method used to compute the group credit for the immediately preceding credit year.

(ii) *Designated member.* For purposes of this paragraph (b)(4), for any credit year, the term *designated member* means that member of the group that is allocated the greatest amount of the group credit under § 1.41-6(c) based on the amount of credit reported on the original timely-filed Federal income tax return (even if that member subsequently is determined not to be the designated member). If the members of a group compute the group credit using different methods (the method described in section 41(a), the AIRC method of section 41(c)(4), or the ASC method of section 41(c)(5)) and at least two members of the group qualify as the designated member, then the term *designated member* means that member that computes the group credit using the method that yields the greatest group credit. For example, A, B, C, and D are members of a controlled group but are not members of a consolidated group. For the 2008 taxable year (the credit year), the group credit using the method described in section 41(a)(1) is \$10x. Under this method, A would be allocated \$5x of the group credit, which would be the largest share of the group credit under this method. For the credit year, the group credit using the AIRC method is \$10x. Under the AIRC method, B would be allocated \$5x of the group credit, which is the largest share of the group credit computed using the AIRC method. For the credit year, the group credit using the ASC method is \$15x. Under the ASC method, C would be allocated \$5x of the group credit, which is the largest share of the group credit computed using the ASC method. Because the group credit is greatest using the ASC method and C is allocated the greatest amount of credit under that method, C is the designated member. Therefore, if C makes a section 41(c)(5) election on its original timely-filed return for the credit year, that

election is binding on all members of the group for the credit year.

(c) *Special rules—(1) Qualified research expenses (QREs) required in all years.* Unless a taxpayer has QREs in each of the three taxable years preceding the taxable year for which the credit is being determined, the credit equals that percentage of the QREs for the taxable year provided by section 41(c)(5)(B)(ii).

(2) *Section 41(c)(6) applicability.* QREs for the three taxable years preceding the credit year must be determined on a basis consistent with the definition of QREs for the credit year, without regard to the law in effect for the three taxable years preceding the credit year. This consistency requirement applies even if the period for filing a claim for credit or refund has expired for any of the three taxable years preceding the credit year.

(3) *Section 41(h)(2) applicability.* Solely for purposes of the computation under section 41(h)(2), the average QREs for the three taxable years preceding the taxable year for which the credit is being determined shall be treated as the base amount.

(4) *Short taxable years.* If one or more of the three taxable years preceding the credit year is a short taxable year, then the QREs for such year are deemed to be equal to the QREs actually paid or incurred in that year multiplied by 12 and divided by the number of months in that year. If a credit year is a short taxable year, then the average QREs for the three taxable years preceding the credit year are modified by multiplying that amount by the number of months in the short taxable year and dividing the result by 12.

(5) *Controlled groups.* For purposes of computing the group credit under § 1.41-6, a controlled group must apply the rules of this paragraph (c) on an aggregate basis. For example, if the controlled group has QREs in each of the three taxable years preceding the taxable year for which the credit is being determined, the controlled group applies the credit computation provided by section 41(c)(5)(A) rather than section 41(c)(5)(B)(ii).

(d) *Effective/applicability dates.* This section is applicable for taxable years ending after December 31, 2006. For certain transitional rules, see Division A, section 104(b)(3), (c)(2), and (c)(4) of the Tax Relief and Health Care Act of 2006 (Pub. L. 109-432, 120 Stat. 2922).

(e) *Expiration date.* The applicability of this section expires on or before June 13, 2011.

Dated: June 6, 2008.

**Steven T. Miller,**

*Acting Deputy Commissioner for Services and Enforcement.*

**Eric Solomon,**

*Assistant Secretary of the Treasury (Tax Policy).*

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## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 104

[Docket No. USCG-2008-0028]

RIN 1625-AB26

#### Implementation of Vessel Security Officer Training and Certification Requirements—International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as Amended

**AGENCY:** Coast Guard, DHS.

**ACTION:** Interim rule; correction.

**SUMMARY:** On May 20, 2008, the Coast Guard published in the **Federal Register** an interim rule with request for comments to amend its regulations to implement the vessel security officer training and certification amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended, and the Seafarers' Training, Certification and Watchkeeping Code. In the interim rule a clerical error was made stating as an option that to qualify for a VSO endorsement, a person must "have approved sea service of not less than 90 days on any vessel subject to section 104.215 of this part \* \* \*." Instead, the option should have stated that a person must have not less than six months to qualify for a VSO endorsement, not 90 days. This document corrects that error.

**DATES:** This interim rule is effective June 19, 2008.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this interim rule, contact Ms. Mayte Medina, Maritime Personnel Qualifications Division, Coast Guard, by telephone 202-372-1406 or by e-mail at [Mayte.Medina2@uscg.mil](mailto:Mayte.Medina2@uscg.mil). If you have questions on viewing or submitting material to the docket, contact Ms. Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

**SUPPLEMENTARY INFORMATION:**

## Need for Correction

On May 20, 2008, the Coast Guard published in the **Federal Register** an interim rule with request for comments to amend its regulations to implement the vessel security officer training and certification amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended, and the Seafarers' Training, Certification and Watchkeeping Code. In 33 CFR 104.215(d)(1)(v)(B), a typographical error was made stating as an option that to qualify for a VSO endorsement, a person must "have approved sea service of not less than 90 days on any vessel subject to section 104.215 of this part \* \* \*." Instead, the option should have stated that a person must have not less than six months to qualify for a VSO endorsement, not 90 days. In the preamble section of the Interim Rule section, the discussion of 33 CFR 104.215 states that "The sea service requirements in § 104.215 will provide two options: (1.) 12 months; or (2.) 6 months with knowledge of ship operations." The paragraph further discusses the requirements to qualify under the six-month option. This shows the intent of the Coast Guard to provide an option of sea service of not less than 6 months in § 104.215(d)(v)(B). Since this error would be misleading and cause confusion, this document corrects the typographical error found in amendatory instruction 2.

## Correction of Publication

■ In rule FR Doc. E8–11225 published on May 20, 2008, (73 FR 29060) make the following correction.

### § 104.215 [Corrected]

■ 1. On page 29070, in the second column, revise § 104.215(d)(1)(v)(B) by removing the words "90 days" and adding the words "6 months" in their place.

Dated: June 9, 2008.

David L. Nichols,

*Acting Chief, Regulations and Administrative Law, United States Coast Guard.*

[FR Doc. E8–13552 Filed 6–16–08; 8:45 am]

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## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 150 and 165

[Docket No. USCG–2007–0087]

RIN 1625, RIN 1625–AA00, 1625–AA11, and 1625–AA87

#### Regulated Navigation Areas, Safety Zones, Security Zones, and Deepwater Port Facilities; Navigable Waters of the Boston Captain of the Port Zone

AGENCY: Coast Guard, DHS.

ACTION: Final rule.

**SUMMARY:** The Coast Guard is establishing regulated navigation areas around a recently constructed deepwater port facility in the waters of the Atlantic Ocean near the entrance to Boston Harbor as well as safety and security zones around liquefied natural gas carriers (LNGCs) calling on these deepwater port facilities. The purpose of these regulated navigation areas, as well as safety and security zones, is to protect vessels and mariners from the potential safety hazards associated with deepwater port operations and to protect the LNGCs and deepwater port infrastructure from security threats or other subversive acts. All vessels, with the exception of LNGCs and deepwater port support vessels, are prohibited from anchoring or otherwise deploying equipment which could become entangled in submerged infrastructure within 1000 meters of the submerged turret loading (STL) buoys associated with the deepwater port, and are prohibited from entering waters within 500 meters of the deepwater port STL buoys or the LNGCs using them. Additionally, this rule makes minor amendments to the existing LNG security regulations for the Boston Captain of the Port (COTP) Zone to reflect multi-agency enforcement of those regulations.

**DATES:** This rule is effective July 17, 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–2007–0087 and are available online at <http://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 Coast Guard Sector Boston, 427 Commercial Street, Boston, MA 02109 between 7 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call LCDR Heather Morrison at 617–223–3028. 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 11, 2008, we published a notice of proposed rulemaking (NPRM) entitled "Regulated Navigation Areas, Safety Zones, Security Zones, and Deepwater Port Facilities; Navigable Waters of the Boston Captain of the Port Zone" in the **Federal Register** (73 FR 71). We received no comments on the proposed rule. No public meeting was requested, and none was held.

##### Background and Purpose

On May 14, 2007, the Maritime Administration (MARAD), in accordance with the Deepwater Port Act of 1974, as amended, issued a license to Excelerate Energy to own, construct, and operate a natural gas deepwater port, "Northeast Gateway." Northeast Gateway Deepwater Port (NEGDWP) is located in the Atlantic Ocean, approximately 13 nautical miles south-southeast of the City of Gloucester, Massachusetts, in Federal waters. The coordinates for its two submerged turret loading (STL) buoys are: STL Buoy A, Latitude 42°23'38" N, Longitude 070°35'31" W and STL Buoy B, Latitude 42°23'56" N, Longitude 070°37'00" W. The NEGDWP can accommodate the mooring, connecting, and offloading of two liquefied natural gas carriers (LNGCs) at a time. The NEGDWP operator plans to offload LNGCs by regasifying the liquefied natural gas (LNG) on board the vessels. The regasified natural gas is then transferred through two submerged turret loading buoys, via a flexible riser leading to a seabed pipeline that ties into the Algonquin Gas Transmission Pipeline for transfer to shore.

In order to protect mariners from the hazards associated with submerged deepwater port infrastructure and to ensure safety and security at and around LNGCs engaged in regasification and transfer operations at deepwater ports, the Coast Guard is exercising its authority under the Ports and Waterway Safety Act (33 U.S.C. 1221, *et seq.*) to establish regulated navigation areas