

distilled spirits for consumption in the United States.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1374, as amended (26 U.S.C. 5301))

**§ 27.155 Bottles to be used for display purposes.**

Empty liquor bottles may be imported and furnished to liquor dealers for display purposes, provided each bottled is marked to show that it is to be used for such purpose. The importer shall keep records of the receipt and disposition of such bottles, showing the names and addresses of consignees, dates of shipment, and size, quantity, and description of such bottles.

(Approved by the Office of Management and Budget under control number 1512-0352)

**§ 27.156 Used liquor bottles.**

The Director may, pursuant to letterhead application, authorize an importer to receive liquor bottles assembled for the importer as provided in § 194.263 of this chapter. Used liquor bottles so received may be stored at any suitable location pending exportation for reuse. The importer shall keep records of the receipt and disposition of used liquor bottles.

(Approved by the Office of Management and Budget under control number 1512-0352)

**§§ 27.157-27.160 [Reserved]**

**PART 70—PROCEDURE AND ADMINISTRATION**

Par. 29. The authority citation for part 70 continues to read as follows:

Authority: 5 U.S.C. 301 and 552; 26 U.S.C. 4181, 4182, 5146, 5203, 5207, 5275, 5367, 5415, 5504, 5555, 5684(a), 5741, 5761(b), 6020, 6021, 6064, 6102, 6155, 6159, 6201, 6203, 6204, 6301, 6303, 6311, 6313, 6314, 6321, 6323, 6325, 6326, 6331-6343, 6401-6404, 6407, 6416, 6423, 6501-6503, 6511, 6513, 6514, 6532, 6601, 6602, 6611, 6621, 6622, 6651, 6653, 6656, 6657, 6658, 6665, 6671, 6672, 6701, 6723, 6801, 6862, 6863, 6901, 7011, 7101, 7102, 7121, 7122, 7207, 7209, 7214, 7304, 7401, 7403, 7406, 7423, 7424, 7425, 7426, 7429, 7430, 7432, 7502, 7503, 7505, 7506, 7513, 7601-7606, 7608-7610, 7622, 7623, 7653, 7805.

Par. 30. Section 70.411(c)(27) is revised to read as follows:

**§ 70.411 Imposition of taxes, qualification requirements, and regulations.**

\* \* \* \* \*

(c) \* \* \*

(27) *Importation of liquors.* Part 27 of Title 27 CFR contains the substantive and procedural requirements relative to the importation of distilled spirits, wine, and beer into the United States from foreign countries including special (occupational) and commodity taxes,

permits, marking, branding, and labeling of containers and packages.

\* \* \* \* \*

**PART 250—LIQUORS AND ARTICLES FROM PUERTO RICO AND THE VIRGIN ISLANDS**

Par. 31. The authority citation for Part 250 continues to read as follows:

Authority: 19 U.S.C. 81c; 26 U.S.C. 5001, 5007, 5008, 5010, 5041, 5051, 5061, 5081, 5111, 5112, 5114, 5121, 5122, 5124, 5131-5134, 5141, 5146, 5207, 5232, 5271, 5276, 5301, 5314, 5555, 6001, 6301, 6302, 6804, 7101, 7102, 7651, 7652, 7805; 27 U.S.C. 203, 205; 31 U.S.C. 9301, 9303, 9304, 9306.

**§ 250.112a [Amended]**

Par. 32. In § 250.112a remove the number "251" and add in its place the number "27" in the following places.

- (a) Section 250.112a(a)(1)
- (b) Section 250.112a(b)(1)
- (c) Section 250.112a(b)(3)

Par. 33. In § 250.136, the undesignated paragraph is redesignated as paragraph (a) and paragraph (b) is added to read as follows:

**§ 250.136 Affixing closures.**

(a) \* \* \*

(b) Closures or other devices need bear no letter or design; however, if a closure or other device bears any lettering or design which was not approved for use on such closure or other device as part of the certificate of label approval (COLA), ATF Form 5100.31, or which does not appear on a label used in connection with a closure or device, then such lettering or design is required to be approved for use by the Director in response to a letterhead application from the importer. Such application shall contain a copy of the lettering or design which is to appear on the closure or other device and identify the label or labels with which such closures or other devices will be used as provided in section 27.73(b).

Par. 34. In § 250.231, the undesignated paragraph is redesignated as paragraph (a) and paragraph (b) is added to read as follows:

**§ 250.231 Affixing closures.**

(a) \* \* \*

(b) Closures or other devices need bear no letter or design; however, if a closure or other device bears any lettering or design which was not approved for use on such closure or other device as part of the certificate of label approval (COLA), ATF Form 5100.31, or which does not appear on a label used in connection with a closure or device, then such lettering or design is required to be approved for use by the Director in response to a letterhead

application from the importer. Such application shall contain a copy of the lettering or design which is to appear on the closure or other device and identify the label or labels with which such closures or other devices will be used as provided in § 27.73(b).

**§ 250.267 [Amended]**

Par. 35. In § 250.267(a) is amended by removing the number "251" and adding the number "27" wherever it appears.

**PART 251—IMPORTATION OF DISTILLED SPIRITS, WINES, AND BEER [REMOVED AND RESERVED]**

Par. 29. Part 251 is removed and reserved.

Dated: June 10, 1996.

John W. Magaw,

Director.

Approved: July 3, 1996.

John P. Simpson,

Deputy Assistant Secretary (Regulatory, Tariff and Trade Enforcement).

[FR Doc. 96-19427 Filed 8-2-96; 8:45 am]

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**DEPARTMENT OF TRANSPORTATION**

**Coast Guard**

**33 CFR Part 165**

[CGD01-96-072]

RIN 2121-AA97

**Safety Zone: New York Super Boat Race, New York**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to establish a temporary safety zone in the lower Hudson River, for the New York Super Boat Race. The temporary safety zone would be in effect on Sunday, September 8, 1996, from 12 p.m. until 4 p.m. unless extended on terminated sooner by the Captain of the Port, New York. The proposed safety zone would close the entire Lower Hudson River between Battery Park and Pier 76 in Manhattan.

**DATES:** Comments must be received on or before August 20, 1996.

**ADDRESSES:** Comments should be mailed to lieutenant John W. Green, Waterways Oversight Branch, Coast Guard Activities New York, Bldg. 108, Governors Island, New York 10004-5096.

**FOR FURTHER INFORMATION CONTACT:** Lieutenant John W. Green, Waterways Oversight Branch, Coast Guard Activities New York (212) 668-7906.

**SUPPLEMENTARY INFORMATION:****Request for Comments**

The Coast Guard encourages interested persons to participate in this rulemaking by submitting written data, views, or arguments. Good cause exists for providing a comment period of less than 30 days. Due to the date final information concerning the event was received, a comment period of greater than 15 days would not allow sufficient time to publish a final rule prior to the scheduled date of the event. Since this proposal is neither complex nor technical, a 15 day comment period is sufficient to provide reasonable notice of the proposed regulation. A longer comment period would be impracticable, unnecessary, and contrary to the public interest.

Persons submitting comments should include their names and addresses, identify this notice (CGD01-96-072) and the specific section of the proposal to which their comments apply, and give reasons for each comment. Persons wanting acknowledgment of receipt of comments should enclose a stamped, self-addressed postcard or envelope.

The Coast Guard will consider all comments received during the comment period. It may change this proposal in view of the comments. The Coast Guard plans no public hearing; however, persons may request a public hearing by writing to the Waterways Oversight Branch at the address under **ADDRESSES**. If it is determined that the opportunity for oral presentations will aid this rulemaking, the Coast Guard will hold a public hearing at a time and place announced by a later notice in the Federal Register.

**Background and Purpose**

Super Boat Racing Inc. has submitted an Application for Approval of Marine Event for a Super Boat Race in the waters of the Lower Hudson River. This regulation would establish a temporary safety zone in the waters of the Lower Hudson River south of a line drawn from Pier 76 in Manhattan and a point in Weehawken, New Jersey at 40°45'52"N latitude, 074°01'01"W longitude, and north of a line connecting the following points:

Latitude	Longitude
40°42'16.0"N	074°01'09.0"W, then south to
40°41'55.0"N	074°01'16.0"W, then west to
40°41'47.0"N	074°01'36.0"W, then northwest to
40°41'55.0"N	074°01'59.0"W, then to shore at
40°42'20.5"N (NAD 83)	074°02'06.0"W

The safety zone would be effective on Sunday, September 8, 1996, from 12 p.m. until 4 p.m., unless extended or terminated sooner by the Captain of the Port New York. This safety zone would close all waters of the Lower Hudson River south of a line drawn from Pier 76 in Manhattan to a point located directly opposite on the New Jersey shoreline and north of a line drawn between Battery Park in Manhattan and the southern most point of Ellis Island in the Upper New York Bay. This safety zone is needed to protect mariners from the hazards associated with a boat race in which the participants transit at high speeds.

This event will include up to 45 powerboats, 40 to 50 feet in length, racing on an 8 mile oval course at speeds in excess of 100 mph. No more than 100 spectator craft are expected for the event.

**Regulatory Evaluation**

This proposal is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that order. It has been exempted from review by the Office of Management and Budget under that order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this proposal to be so minimal that a full Regulatory Evaluation under paragraph 10(e) of the regulatory policies and procedures of DOT is unnecessary. This safety zone would close all waters of the Lower Hudson River south of a line drawn from Pier 76 in Manhattan to a point located directly opposite of the New Jersey shoreline and north of a line drawn between Battery Park in Manhattan and the southern most point of Ellis Island in the Upper New York Bay on Sunday, September 8, 1996, from 12 p.m. until 4 p.m., unless extended or terminated sooner by the Captain of the Port New York. Although this regulation would prevent traffic from transiting this area, the effect of this regulation would not be significant for several reasons: the volume of commercial vessel traffic transiting the Lower Hudson River on a Sunday is less than half of the normal daily traffic volume; pleasure craft desiring to view the event will be directed to designated spectator viewing areas outside the safety zone; pleasure craft can take an alternate route through the East River and the Harlem River; the duration of the event is limited to four hours; the extensive advisories which will be made

to the affected maritime community by Local Notice to Mariners, Safety Voice Broadcast, and facsimile notification.

**Small Entities**

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard must consider whether this proposal will have a significant economic impact on a substantial number of small entities. "Small entities" include independently owned and operated small businesses that are not dominant in their field and that otherwise qualify as "small business concerns" under Section 3 of the Small Business Act (21 U.S.C. 632).

For reasons set forth in the above Regulatory Evaluation, the Coast Guard expects the impact of this proposal to be minimal. The Coast Guard certifies under 5 U.S.C. 605(b) that this proposal will not have a significant economic impact on a substantial number of small entities. If, however, you think that your business or organization qualifies as a small entity and that this rule will have significant economic impact on your business or organization, please submit a comment explaining why you think it qualifies and in what way and to what degree this rule will economically affect it.

**Collection of Information**

This proposal contains no collection of information requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

**Federalism**

The Coast Guard has analyzed this action in accordance with the principles and criteria contained in Executive Order 12612 and has determined that this proposal does not raise sufficient federalism implications to warrant the preparation of a Federalism Assessment.

**Environment**

The Coast Guard has considered the environmental impact of this proposal and concluded that under section 2.B.2.e. of Commandant Instruction M16475.1B, it is categorically excluded from further environmental documentation. A Categorical Exclusion Determination and Environmental Analysis Checklist is included in the docket.

**List of Subjects in 33 CFR Part 165**

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

## Proposed Regulations

For reasons set out in the preamble, the Coast Guard proposes to amend 33 CFR Part 165 as follows:

**PART 165—[AMENDED]**

1. The authority citation for part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05–1(g), 6.04–1, 6.04–6, and 160.5; 49 CFR 1.46.

2. A temporary § 165.T01–072, is added to read as follows:

**§ 165.T01–072 Safety Zone; New York Super Boat Race, Hudson River, New York and New Jersey.**

(a) *Location.* All waters of the Lower Hudson River between Pier 76 in Manhattan and a point of the New Jersey shore in Weehawken, New Jersey at 40°45'52"N latitude, 074°01'01"W longitude and north of a line connecting the following points:

<i>Latitude</i>	<i>Longitude</i>
40°42'16.0" N	074°01'09.0" W, then south to
40°41'55.0" N	074°01'16.0" W, then west to
40°41'47.0" N	074°01'36.0" W, then northwest to
40°41'55.0" N	074°01'59.0" W, then to shore at
40°42'20.5" N (NAD 83)	074°02'06.0" W

(b) *Effective period.* This safety zone is in effect on Sunday, September 8, 1996, from 12 p.m. until 4 p.m., unless extended or terminated sooner by the Captain of the Port New York.

(c) *Regulations.* (1) The general regulations contained in § 165.23 apply.

(2) All persons and vessels shall comply with the instructions of the Coast Guard Captain of the Port or the designated on scene patrol personnel. U.S. Coast Guard patrol personnel include commissioned, warrant, and petty officers of the Coast Guard. Upon being hailed by a U.S. Coast Guard vessel via siren, radio, flashing light, or other means, the operator of a vessel shall proceed as directed.

Dated: July 18, 1996.

Richard C. Vlaun,

*Captain, U.S. Coast Guard, Captain of the Port, New York.*

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# DEPARTMENT OF VETERANS AFFAIRS

## 38 CFR Part 1

RIN 2900–AF29

### Reduction of Debt Through the Performance of Work-Study Services

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of Veterans Affairs (VA) proposes to amend its general regulations to provide that the money payable for performance of work-study services may be offset against an individual's outstanding debt to the United States arising from participation in educational and vocational rehabilitation programs VA administers. This would help veterans pay outstanding debts to the United States.

**DATES:** Comments must be received on or before October 4, 1996.

**ADDRESSES:** Mail or hand deliver written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1154, Washington, DC 20420. Comments should indicate that they are submitted in response to "RIN 2900–AF29." All written comments will be available for public inspection at the above address in the Office of Regulations Management, Room 1158, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays).

**FOR FURTHER INFORMATION CONTACT:** June C. Schaeffer, Assistant Director for Policy and Program Administration, Education Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Ave., NW., Washington, DC 20420, (202) 273–7187.

**SUPPLEMENTARY INFORMATION:** Participants in some VA education programs and in the VA vocational rehabilitation program have been able to supplement their educational assistance by performing VA-related work services. An eligible individual contracts with VA to perform work and receives payment for that work.

In 1991 the governing statute, 38 U.S.C. 3485, was amended to allow VA to adopt a method by which individuals who are indebted to VA for overpayments of education or rehabilitation benefits may reduce their debt by entering into an agreement to provide work-study services. The money otherwise payable for the performance of these services would be used to eliminate their outstanding indebtedness. VA is authorized by the statute to waive certain requirements of

law which normally would apply to individuals participating in a work-study program, and to waive various provisions of law which apply to payment or offset of a debt owed to VA. VA is proposing to exercise this authority as described in the proposed rule.

The statute gives VA authority to waive, in whole or in part, the limitations otherwise contained in 38 U.S.C. 3485(a) concerning the number of hours and periods during which work-study services can be performed. Section 3485(a) permits work-study performance during or between enrollment periods, but limits the number of hours to be worked to 25 times the number of weeks in the enrollment period. For those performing work-study services in order to liquidate a debt, but who currently may not be enrolled in school, VA finds no reason to limit those work-study contracts by the number of weeks in a school term. Thus, VA proposes to waive that restriction. The Department proposes to allow maximum flexibility for the debtor while at the same time facilitating collection and program administration. Accordingly, proposed § 1.929(d) would allow the hours worked to be as much as 40 times the number of weeks in the contract, while limiting the contract period in which the work-study services are to be performed to the lesser of the number of weeks needed to liquidate the debt or 52 weeks.

When an individual is performing work-study services to liquidate a debt, VA also is permitted by 38 U.S.C. 3485 to waive its usual practice of collection of the debt by offset of other benefits to which the individual may be entitled. In order to simplify administration and encourage individuals who may have limited cash resources to liquidate debt through performance of work-study services, VA has chosen to exercise the waiver. This issue is addressed in proposed § 1.929(f).

The primary purpose of the work-study program is to provide eligible persons a means of obtaining additional subsistence or educational assistance funds to enable them to continue their programs of education. Therefore, VA proposes that in localities where only a limited number of work-study positions are available, those individuals actually in school will be given preference over those who are not in school. This ensures that the granting of work-study contracts to debtors to liquidate their debts will not deny deserving persons in school who have not defaulted on their obligations to VA the economic