

**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. \* \* \*

■ **Par. 2.** Section 1.1502–13 is amended by revising paragraphs (c)(6)(ii)(C)(2) and (c)(6)(ii)(D)(1) to read as follows:

**§ 1.1502–13 Intercompany transactions.**

\* \* \* \* \*

(c) \* \* \*

(6) \* \* \*

(ii) \* \* \*

(C) \* \* \*

(2) *Effect on earnings and profits and investment adjustments.* Any amount excluded from gross income under paragraph (c)(6)(ii)(C)(1) of this section shall not be taken into account as earnings and profits of any member and shall not be treated as tax-exempt income under § 1.1502–32(b)(2)(ii).

(D) *Other amounts.* (1) The Commissioner may determine that treating S's intercompany item as excluded from gross income is consistent with the purposes of this section and other applicable provisions of the Internal Revenue Code, regulations, and published guidance, if the following conditions are met, depending on whether the intercompany item is an item of income or an item of gain:

\* \* \* \* \*

■ **Par. 3.** Section 1.1502–13T is amended by revising paragraph (f)(5)(ii)(F)(2) to read as follows:

**§ 1.1502–13T Intercompany transactions (temporary).**

\* \* \* \* \*

(f) \* \* \*

(5) \* \* \*

(ii) \* \* \*

(F) \* \* \*

(2) *Prior periods.* For transactions in which old T's liquidation into B occurs before October 25, 2007, see § 1.1502–13(f)(5)(ii)(B)(1) and (f)(5)(ii)(B)(2) in effect prior to October 25, 2007, as contained in 26 CFR part 1, revised April 1, 2009.

\* \* \* \* \*

**LaNita Van Dyke,**

*Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

[FR Doc. 2011–7506 Filed 3–30–11; 8:45 am]

**BILLING CODE 4830–01–P**

**DEPARTMENT OF HOMELAND SECURITY****Coast Guard****33 CFR Part 53**

[USCG–2009–0239]

**RIN 1625–AB33**

**Protection for Whistleblowers in the Coast Guard**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Direct final rule; confirmation of effective date.

**SUMMARY:** On December 21, 2010, the Coast Guard published a direct final rule that notified the public of the Coast Guard's intent to amend its "Coast Guard Whistleblower Protection" regulations to conform to statutory protections for all members of the Armed Forces. We have not received an adverse comment, or notice of intent to submit an adverse comment, on this rule. Therefore, the rule will go into effect as scheduled.

**DATES:** The effective date of the direct final rule published December 21, 2010, (75 FR 79956), is confirmed as April 20, 2011.

**ADDRESSES:** The docket for this rulemaking, USCG–2009–0239, is available for inspection or copying at 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. You may also find this docket on the Internet by going to <http://www.regulations.gov>, typing USCG–2009–0239 in the "Keyword" box, and then clicking "Search."

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this notice, e-mail or call Commander Michael Cavallaro, U.S. Coast Guard Office of General Law, telephone 202–372–3777, e-mail [Michael.S.Cavallaro@uscg.mil](mailto:Michael.S.Cavallaro@uscg.mil). If you have questions on viewing or submitting material to the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.

**SUPPLEMENTARY INFORMATION:** On December 21, 2010, we published a direct final rule entitled "Protection for Whistleblowers in the Coast Guard" in the **Federal Register**. (75 FR 79956). That rule broadens the whistleblower protection already afforded uniformed members of the Coast Guard by conforming Coast Guard regulations to statutory changes made to broaden

whistleblower protections for all members of the Armed Forces.

We published the rule as a direct final rule under 33 CFR 1.05–55 because we considered this rule to be noncontroversial and did not expect an adverse comment regarding this rulemaking. In the direct final rule we notified the public of our intent to make the rule effective on April 20, 2011, unless adverse comment or notice of intent to submit an adverse comment was received on or before February 22, 2011. We have not received any comments, or notice of intent to submit an adverse comment, on this rulemaking. Therefore the rule will go into effect as scheduled, on April 20, 2011.

Dated: March 25, 2011.

**F.J. Kenney,**

*Rear Admiral, U.S. Coast Guard, Judge Advocate General.*

[FR Doc. 2011–7642 Filed 3–30–11; 8:45 am]

**BILLING CODE 9110–04–P**

**DEPARTMENT OF HOMELAND SECURITY****Coast Guard****33 CFR Part 165**

[Docket No. USCG–2010–0864]

**RIN 1625–AA87**

**Security Zone: Passenger Vessels, Sector Southeastern New England Captain of the Port Zone**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule; change of effective period.

**SUMMARY:** The Coast Guard is extending the effective period for temporary fixed and moving security zones around certain passenger vessels in the Sector Southeastern New England Captain of the Port Zone through October 1, 2011. Temporary section 33 CFR 165.T01–0864, which established these temporary security zones, was set to expire on April 1, 2011. Extending the effective period for these security zones provides continued and uninterrupted protection of passengers, vessels, and the public from destruction, loss, or injury from sabotage, subversive acts, or other malicious acts of a similar nature.

**DATES:** Section 165.T01–0864 temporarily added at 75 FR 63717, October 18, 2010, effective from October 18, 2010, until April 1, 2011, will continue in effect through October 1, 2011.

**ADDRESSES:** Documents indicated in this preamble as being available in the

docket are part of docket USCG–2010–0864 and are available online by going to <http://www.regulations.gov>, inserting USCG–2010–0864 in the “Keyword” box, and then clicking “Search.” They are also available for inspection or copying at 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.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about this notice, call or e-mail Mr. Edward G. LeBlanc at Sector Southeastern New England; telephone (401) 435–2351, e-mail [Edward.G.LeBlanc@uscg.mil](mailto:Edward.G.LeBlanc@uscg.mil). If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.

#### **SUPPLEMENTARY INFORMATION:**

##### **Regulatory Information**

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM). This rule extends the existing temporary security zones that are a necessary and key component of the Coast Guard’s maritime security mission in Southeastern New England, and a separate permanent rulemaking is being pursued under docket USCG–2010–0803, where the public will be afforded ample opportunity to comment. Providing a public notice and comment period for this temporary final rule is contrary to national security concerns and the public interest.

For the same reasons, under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

##### **Basis and Purpose**

The security zones in place pursuant to the Temporary Final Rule at docket USCG–2010–0864 (75 FR 63714, October 18, 2010) were established to protect certain passenger vessels in the Southeastern New England Captain of the Port Zone from destruction, loss, or

injury from sabotage, subversive acts, or other malicious acts of a similar nature. The authority for these security zones is set to expire on April 1, 2011. The Coast Guard is in the process of completing a separate rulemaking to create permanent security zones in these locations under docket USCG–2010–0803. The temporary security zones created by this rule ensures that there is no gap in authority relative to the Coast Guard’s maritime security mission to protect passenger vessels from destruction, loss, or injury from sabotage, subversive acts, or other malicious acts of a similar nature while the rulemaking process is ongoing.

##### **Discussion of Rule**

The Coast Guard is extending the effective date of security zones within a maximum 100-yard radius around passenger vessels that are moored, or in the process of mooring, at any berth or at anchor within the Sector Southeastern New England Captain of the Port Zone. This rule will also continue fixed moving security zones that will be in effect in waters up to 200 yards around escorted passenger vessels while underway in the navigable waters within the Sector Southeastern New England Captain of the Port Zone.

##### **Regulatory Analyses**

We developed this rule after considering numerous statutes and executive orders relating to rulemaking. Below we summarize our analyses based on 13 of these statutes or executive orders.

##### **Regulatory Planning and Review**

This rule is not a “significant regulatory action” under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order.

The Coast Guard expects the economic impact of this rule to be so minimal that a full regulatory evaluation under the regulatory policies and procedures of DHS is unnecessary. The effect of this rule will not be significant. Temporary moving security zones will only be in effect while escorted passenger vessels are underway, and the zone will not restrict any waterway for a long period of time. The vast majority of passenger vessel transits in the waters of Sector Southeastern New England Captain of the Port Zone are less than two hours. Temporary fixed security zones around passenger vessels that are moored, or in the process of mooring, at

any berth or at anchor are anticipated to have minimal impact on vessel traffic because such vessels anchored or moored in designated anchorages or at waterfront facilities are away from navigation channels used by mariners. Additionally, vessels may be permitted to enter these security zones with expressed permission of the Captain of the Port, minimizing any adverse impact. It has been determined that the necessary security enhancements provided by this rule greatly outweigh any potential negative impacts.

##### **Small Entities**

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered whether this rule would have a significant economic impact on a substantial number of small entities. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

The Coast Guard certifies under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entities.

This rule may affect the following entities, some of which may be small entities: The owners and operators of vessels intending to transit the waters of Sector Southeastern New England Captain of the Port Zone while the security zones are enforced. These security zones will not have a significant impact on a substantial number of small entities for the following reasons: The moving security zones will only be enforced when an escorted passenger vessel is underway, and such transits in the Sector Southeastern New England Captain of the Port Zone are typically less than two hours in duration; the fixed security zones around passenger vessels moored, or in the process of mooring, at a berth or at anchorage, allow for vessel traffic to transit the navigable waters outside the zone. Additionally, vessels may be permitted to enter these security zones with the express prior permission of the Captain of the Port, minimizing any adverse impact.

##### **Assistance for Small Entities**

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we offer to assist small entities in understanding the rule so that they could better evaluate its effects on them and participate in the rulemaking process. If you think your small business or organization would be

affected by this rule and you have any questions concerning its provisions or options for compliance, please call Mr. Edward G. Leblanc at (401) 435-2351.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1-888-REG-FAIR (1-888-734-3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

#### Collection of Information

This rule calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

#### Federalism

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on State or local governments and would either preempt State law or impose a substantial direct cost of compliance on them. We have analyzed this rule under that Order and have determined that it does not have implications for federalism.

#### Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or Tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this rule will not result in such expenditure, we do discuss the effects of this rule elsewhere in this preamble.

#### Taking of Private Property

This rule will not cause a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference With Constitutionally Protected Property Rights.

#### Civil Justice Reform

This rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to

minimize litigation, eliminate ambiguity, and reduce burden.

#### Protection of Children

We have analyzed this rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and does not create an environmental risk to health or risk to safety that may disproportionately affect children.

#### Indian Tribal Governments

This rule does not have Tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

#### Energy Effects

We have analyzed this rule under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not a "significant energy action" under that order because it is not a "significant regulatory action" under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy. The Administrator of the Office of Information and Regulatory Affairs has not designated it as a significant energy action. Therefore, it does not require a Statement of Energy Effects under Executive Order 13211.

#### Technical Standards

The National Technology Transfer and Advancement Act (NTTAA) (15 U.S.C. 272 note) directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through the Office of Management and Budget, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies. This rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

#### Environment

We have analyzed this rule under and Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.ID, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA)(42 U.S.C. 4321-4370f), and have concluded this action is one of a category of actions which do not individually or cumulatively have a significant effect on the human environment. This rule is categorically excluded, under figure 2-1, paragraph (34)(g) of the Instruction. This rule fits the category selected from paragraph (34)(g), as it establishes a temporary security zone for a limited period of time. A final "Environmental Analysis Check List" and a final "Categorical Exclusion Determination" will be available in the docket where indicated under ADDRESSES.

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

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

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 165 as follows:

#### PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

**Authority:** 33 U.S.C. 1226, 1231; 46 U.S.C. Chapter 701, 3306, 3703; 50 U.S.C. 191, 195; 33 CFR 1.05-1, 6.04-1, 6.04-6, and 160.5; Pub. L. 107-295, 116 Stat. 2064; Department of Homeland Security Delegation No. 0170.1.

■ 2. Section 165.T01-0864 temporarily added at 75 FR 63717, October 18, 2010, effective from October 18, 2010, until April 1, 2011, will continue in effect through October 1, 2011.

Dated: March 23, 2011.

V.B. Gifford, Jr.,

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

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#### POSTAL SERVICE

#### 39 CFR Part 111

#### Forwarding and Return Service for Parcel Select Mailpieces

**AGENCY:** Postal Service™.

**ACTION:** Final rule.

**SUMMARY:** The Postal Service is revising the *Mailing Standards of the United*