section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We have determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that the regulation:

1. Is not a ''significant regulatory action'' under Executive Order 12866;

2. Is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

3. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket. See the **ADDRESSES** section for a location to examine the regulatory evaluation.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The Federal Aviation Administration (FAA) amends § 39.13 by adding the following new airworthiness directive (AD):

2006–12–04 Viking Air Limited (Formerly Bombardier, Inc.): Amendment 39–14629. Docket No. FAA–2006–24966; Directorate Identifier 2006–NM–049–AD.

Effective Date

(a) This AD becomes effective June 21, 2006.

Affected ADs

(b) None

Applicability

(c) This AD applies to Viking Air Limited Model DHC–7–1, DHC–7–100, DHC–7–101, DHC–7–102, and DHC–7–103 airplanes, certificated in any category; except airplanes having serial numbers 3 through 10 inclusive, 12 through 14 inclusive, and 16 through 27 inclusive.

Unsafe Condition

(d) This AD results from a report that the designed life limit for the primary structure for the affected airplanes is 80,000 total flight cycles. We are issuing this AD to prevent continued operation of an airplane beyond its designed life limit for the primary structure, which could result in reduced structural integrity of the airplane.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Airworthiness Limitations Revision

(f) Within 30 days after the effective date of this AD: Revise the FAA-approved Airworthiness Limitations section (ALS) of the Bombardier DHC–7 Dash 7 maintenance manual and the Dash 7 Series 150 maintenance manual to state the following (this may be done by inserting a copy of this AD into the ALS). Thereafter, maintain the airplane in accordance with the limitations specified in these maintenance manual revisions:

''Do not operate the airplane beyond 80,000 total flight cycles.''

(g) When the statement specified in paragraph (f) of this AD has been included in the general revisions of the ALS, the general revisions may be incorporated into the ALS and the copy of the AD may be removed from the ALS.

(h) The airworthiness limitation specified in paragraph (f) of this AD may be removed from the maintenance manuals specified in paragraph (f) of this AD after the Manager, New York Aircraft Certification Office (ACO), FAA, approves analysis that substantiates continued safe operation beyond the designed life limit of 80,000 total flight cycles.

Alternative Methods of Compliance (AMOCs)

(i)(1) The Manager, New York ACO, FAA, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

(2) Before using any AMOC approved in accordance with § 39.19 on any airplane to which the AMOC applies, notify the appropriate principal inspector in the FAA Flight Standards Certificate Holding District Office.

Related Information

(j) Canadian airworthiness directive CF–2005–36, dated September 28, 2005, also addresses the subject of this AD.

Material Incorporated by Reference

(k) None.

Issued in Renton, Washington, on May 31, 2006.

Jeffrey E. Duven,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 06–5119 Filed 6–5–06; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 522

Implantation or Injectable Dosage Form New Animal Drugs; Oxytetracycline Injection, 200 Milligram/Milliliter

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule; technical amendment.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to correct the indications for use for the 200 milligram (mg)/milliliter (mL) strength of oxytetracycline injectable solution used in beef cattle for the treatment and control of various bacterial diseases. This action is being taken to improve the accuracy of the regulations.

DATES: This rule is effective June 6, 2006.

FOR FURTHER INFORMATION CONTACT: George K. Haibel, Center for Veterinary Medicine (HFV–6), Food and Drug Administration, 7519 Standish Pl., Rockville, MD 20855, 240–276–9019, e-mail: *george.haibel@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION: FDA has found that the April 1, 2005, edition of Title 21 parts 500 to 599 of the Code of Federal Regulations (CFR) does not accurately reflect the approved indications for use for the 200 mg/mL strength of oxytetracycline injectable solution. Certain indications of use for the 300 mg/mL strength of oxytetracycline injectable solution appear to have been included as an error in the section for the 200 mg/mL strength solution during reformatting (69 FR 31878, June 8, 2004). At this time, FDA is amending the regulations in 21 CFR 522.1660a to reflect the correct approved indications for use. This action is being taken to improve the accuracy of the regulations.

This rule does not meet the definition of ''rule'' in 5 U.S.C. 804(3)(A) because it is a rule of ''particular applicability.''

Therefore, it is not subject to the congressional review requirements in 5 U.S.C. 801–808.

List of Subjects in 21 CFR Part 522

Animal drugs.

■ Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR part 522 is amended as follows:

PART 522—IMPLANTATION OR INJECTABLE DOSAGE FORM NEW ANIMAL DRUGS

■ 1. The authority citation for 21 CFR part 522 continues to read as follows:

Authority: 21 U.S.C. 360b.

§ 522.1660a [Amended]

■ 2. In § 522.1660a, remove paragraphs (e)(1)(i)(D) and (e)(1)(i)(E).

Dated: May 25, 2006.

Stephen F. Sundlof,

Director, Center for Veterinary Medicine.

[FR Doc. E6–8694 Filed 6–5–06; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9265]

RIN 1545–BF48

Guidance Under Section 7874 Regarding Expatriated Entities and Their Foreign Parents

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations under section 7874 of the Internal Revenue Code (Code) relating to the determination of whether a foreign entity shall be treated as a surrogate foreign corporation under section 7874(a)(2)(B) of the Code. The text of these temporary regulations also serves as the text of the proposed regulations (REG–112994–06) set forth in the notice of proposed rulemaking on this subject published elsewhere in this issue of the **Federal Register**.

DATES: *Effective Date:* These regulations are effective June 6, 2006.

Applicability Dates: For dates of applicability, *see* § 1.7874–2T(j).

FOR FURTHER INFORMATION CONTACT: Milton Cahn, 202–622–3860 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

A. Section 7874—Overview

This document contains temporary amendments to 26 CFR part 1 under section 7874 of the Internal Revenue Code (Code). Section 7874 provides rules for expatriated entities and their surrogate foreign corporations. An expatriated entity is defined in section 7874(a)(2)(A) as a domestic corporation or partnership with respect to which a foreign corporation is a surrogate foreign corporation, and also as any U.S. person related (within the meaning of section 267(b) or 707(b)(1)) to such domestic corporation or partnership.

A foreign corporation is treated as a surrogate foreign corporation under section 7874(a)(2)(B), if, pursuant to a plan or a series of related transactions: (i) The foreign corporation directly or indirectly acquires substantially all the properties held directly or indirectly by a domestic corporation, or substantially all the properties constituting a trade or business of a domestic partnership; (ii) after the acquisition at least 60 percent of the stock (by vote or value) of the foreign corporation is held by (in the case of an acquisition with respect to a domestic corporation) former shareholders of the domestic corporation by reason of holding stock in the domestic corporation, or (in the case of an acquisition with respect to a domestic partnership) by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership (ownership percentage test); and (iii) the expanded affiliated group that includes the foreign corporation (EAG) does not have business activities in the foreign country in which the foreign corporation was created or organized that are substantial when compared to the total business activities of the EAG. Section 7874(c)(1) defines the term *expanded affiliated group* as an affiliated group defined in section 1504(a) but without regard to the exclusion of foreign corporations in section 1504(b)(3) and with a reduction of the 80 percent ownership threshold of section 1504(a) to a more-than-50 percent ownership threshold.

The tax treatment of expatriated entities and surrogate foreign corporations varies depending on the level of owner continuity. If the percentage of stock (by vote or value) in the surrogate foreign corporation held by former owners of the domestic entity, by reason of holding an interest in the domestic entity, is 80 percent or more, the surrogate foreign corporation is treated as a domestic corporation for all purposes of the Code. If such ownership percentage is 60 percent or more (but less than 80 percent), the surrogate foreign corporation is treated as a foreign corporation but certain income or gain required to be recognized by the expatriated entity under section 304, 311(b), 367, 1001, or any other applicable provision with respect to the transfer of property (other than inventory or similar property) or the license of property cannot be offset by net operating losses or credits (other than credits allowed under section 901). These measures generally apply from the first date properties are acquired pursuant to the plan through the end of the 10-year period following the completion of the acquisition.

Section 7874(c)(4) provides that transfers of properties or liabilities (including by contribution or distribution) are disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of the section.

The IRS and Treasury Department have broad authority to issue regulations under section 7874. Section 7874(c)(6) authorizes the Secretary of the Treasury to prescribe such regulations as may be appropriate to determine whether a corporation is a surrogate foreign corporation, including regulations to treat warrants, options, contracts to acquire stock, convertible debt interests, and other similar interests as stock, and to treat stock as not stock. In addition, under section 7874(g) the Secretary of the Treasury is authorized to provide regulations needed to carry out the section. Those regulations could include guidance providing adjustments to the application of the section as are necessary to prevent the avoidance of the section, including avoidance through the use of related persons, pass-through or other non-corporate entities, or other intermediaries.

The legislative history of section 7874 indicates that the section was intended to apply to so-called inversion transactions in which a U.S. parent corporation of a multinational corporate group is replaced by a foreign entity. *See* H.R. Conf. Rep. No. 108–755, 108th Cong., 2d Sess., at 568 (Oct. 7, 2004). The Senate Finance Committee stated its belief ''that inversion transactions resulting in a minimal presence in a foreign country of incorporation are a means of avoiding U.S. tax and should be curtailed.'' S. Rep. No. 108–192, 108th Cong., 1st Sess., at 142 (Nov. 7, 2003). In particular, Congress believed that such transactions permit corporations and other entities to