

triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. FAA 2006-25008/Airspace Docket No. 06-ACE-6." The postcard will be date/time stamped and returned to the commenter.

#### Agency Findings

The regulations adopted herein 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. Therefore, it is determined that this final rule does not have federalism implications under Executive Order 13132.

The FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, 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.

This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority since it contains aircraft executing instrument approach procedures to Lee C. Fine Memorial Airport, Kaiser/Lake Ozark, MO.

#### List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

#### Adoption of the Amendment

■ Accordingly, the Federal Aviation Administration amends 14 CFR part 71 as follows:

### PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

■ 1. The authority citation for part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

#### § 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9N, dated September 1, 2005, and effective September 16, 2005, is amended as follows:

*Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.*

\* \* \* \* \*

#### ACE MO E5 Kaiser/Lake Ozark, MO

Kaiser/Lake Ozark, Lee C. Fine Memorial Airport, MO

(Lat. 38°05'46" N., long. 92°32'58" W.)

Camdenton Memorial Airport, MO

(Lat. 37°58'26" N., long. 92°41'28" W.)

Osage Beach, Grand Glaize-Osage Beach Airport, MO

(Lat. 38°06'38" N., long. 92°40'50" W.)

That airspace extending upward from 700 feet above the surface of the earth within a 7-mile radius of Lee C. Fine Memorial Airport and within a 6.3-mile radius of Camdenton Memorial Airport and within a 6.3-mile radius of Grand Glaize-Osage Beach Airport.

\* \* \* \* \*

Dated: Issued in Kansas City, MO, on July 26, 2006.

**Donna R. McCord,**

*Acting Area Director, Western Flight Services Operations.*

[FR Doc. 06-6698 Filed 8-7-06; 8:45am]

**BILLING CODE 4910-13-M**

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

#### Food and Drug Administration

#### 21 CFR Part 558

#### New Animal Drugs For Use in Animal Feeds; Oxytetracycline

**AGENCY:** Food and Drug Administration, HHS.

**ACTION:** Final rule.

**SUMMARY:** The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental new animal drug application (NADA) filed by Phibro Animal Health. The

supplemental NADA provides for the approval of the dihydrate salt of oxytetracycline in their Type A medicated article used in aquaculture feed, a change of oxytetracycline concentration in the Type A medicated article, and the addition of an indication for control of gaffkemia in lobsters.

**DATES:** This rule is effective August 8, 2006.

**FOR FURTHER INFORMATION CONTACT:** Joan C. Gotthardt, Center for Veterinary Medicine (HFV-130), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 301-827-7571, e-mail: joan.gotthardt@fda.hhs.gov.

**SUPPLEMENTARY INFORMATION:** Phibro Animal Health, 65 Challenger Rd., 3d floor, Ridgefield Park, NJ 07660, filed a supplement to NADA 38-439 for TERRAMYCIN for Fish (oxytetracycline) Type A medicated article used for control of certain bacterial diseases in several aquaculture species and for skeletal marking of Pacific salmon. The supplement provides for the approval of the dihydrate salt of oxytetracycline, a change of oxytetracycline concentration in the Type A medicated article, and the addition of an indication for control of gaffkemia in lobsters. The supplemental NADA is approved as of June 30, 2006, and the regulations are amended in 21 CFR 558.450 to reflect the approval. The basis of approval is discussed in the freedom of information summary.

In accordance with the freedom of information provisions of 21 CFR part 20 and 21 CFR 514.11(e)(2)(ii), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Division of Dockets Management (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852, between 9 a.m. and 4 p.m., Monday through Friday.

The agency has determined under 21 CFR 25.33(a) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

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 558

Animal drugs, Animal feeds.

■ 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 558 is amended as follows:

## **PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS**

■ 1. The authority citation for 21 CFR part 558 continues to read as follows:

**Authority:** 21 U.S.C. 360b, 371.

### **§ 558.450 [Amended]**

■ 2. In § 558.450, in the table in paragraph (d)(2)(i) in the “Limitations” column, remove “in feed containing oxytetracycline hydrochloride or mono-alkyl (C<sub>8</sub>–C<sub>18</sub>) trimethyl ammonium oxytetracycline”; in the table in paragraph (d)(2)(ii) in the “Limitations” column for both entries “1” and “2”, remove “as mono-alkyl (C<sub>8</sub>–C<sub>18</sub>) trimethyl ammonium oxytetracycline”; and in the table in paragraph (d)(2)(iii) in the “Limitations” column, remove “in feed containing monoalkyl (C<sub>8</sub>–C<sub>18</sub>) trimethyl ammonium oxytetracycline”.

Dated: July 25, 2006.

**Bernadette A. Dunham,**

*Deputy Director, Office of New Animal Drug Evaluation, Center for Veterinary Medicine.*

[FR Doc. E6–12862 Filed 8–7–06; 8:45 am]

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## **DEPARTMENT OF THE TREASURY**

### **Internal Revenue Service**

#### **26 CFR Part 1**

[TD 9273]

**RIN 1545–AX65**

### **Stock Transfer Rules: Carryover of Earnings and Taxes**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations addressing the carryover of certain tax attributes, such as earnings and profits and foreign income tax accounts, when two corporations combine in a corporate reorganization or liquidation that is described in both section 367(b) and section 381 of the Internal Revenue Code (Code).

**DATES:** *Effective Date:* These regulations are effective August 8, 2006.

*Applicability Date:* These regulations apply to certain section 367(b) exchanges that occur on or after November 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey L. Parry at (202) 622–3850 (not a toll-free number).

## **SUPPLEMENTARY INFORMATION:**

### **Background**

The Treasury Department and the IRS issued final regulations “1.367(b)–1 through 1.367(b)–6, dealing with tax consequences of certain foreign-to-foreign and inbound corporate transactions, in June 1998 and January 2000 (the January 2000 final regulations). The preamble to the January 2000 final regulations referred to proposed regulations that would be issued to address the carryover of certain corporate tax attributes in transactions involving one or more foreign corporations. Those proposed regulations were issued on November 15, 2000, in the **Federal Register** (65 FR 69138) (REG–116050–99)) (the 2000 proposed regulations). The public hearing with respect to the 2000 proposed regulations was cancelled because no request to speak was received. However, the Treasury Department and the IRS received and considered several written comments, which are discussed in this preamble.

After consideration of the 2000 proposed regulations and the comments received, the Treasury Department and the IRS adopt substantial portions of those proposed regulations with significant modifications as final regulations under section 367(b).

### **Overview**

#### *A. General Policies of Section 367(b)*

In general, section 367 governs corporate restructurings under sections 332, 351, 354, 355, 356, and 361 (Subchapter C nonrecognition transactions) in which the status of a foreign corporation as a “corporation” is necessary for the application of the relevant Subchapter C nonrecognition provisions. Other provisions in Subchapter C (Subchapter C carryover provisions) apply to such transactions in conjunction with the enumerated provisions and detail additional consequences that occur in connection with the transactions. For example, sections 362 and 381 govern the carryover of basis and earnings and profits from the transferor corporation to the transferee corporation in applicable transactions.

The Subchapter C carryover provisions generally are drafted to apply to domestic corporations and U.S. shareholders. As a result, those provisions often do not fully take into account the relevant cross-border aspects of U.S. taxation. For example, section 381 does not specifically take into account source and foreign tax credit issues that arise when earnings

and profits move from one corporation to another.

Congress enacted section 367(b) to ensure that international tax considerations in the Code are adequately addressed when the Subchapter C provisions apply to an exchange involving a foreign corporation. A primary consideration in this regard is to prevent the avoidance of U.S. taxation. Because determining the proper interaction of the Code’s international and Subchapter C provisions is “necessarily highly technical,” Congress granted the Secretary broad regulatory authority to provide the “necessary or appropriate” rules rather than enacting a more comprehensive statutory regime. H.R. Rep. No. 658, 94th Cong., 1st Sess. 241 (1975). Thus, section 367(b)(2) provides in part that the regulations “shall include (but shall not be limited to) regulations \* \* \* providing \* \* \* the extent to which adjustments shall be made to earnings and profits, basis of stock or securities, and basis of assets.”

These final regulations address the carryover of foreign earnings and profits and foreign income taxes in tax-free corporate asset acquisitions by generally applying the principles of Subchapter C provisions such as section 381, which governs the carryover of earnings and profits (and other tax attributes) in certain tax-free corporate reorganizations described in section 368 and in corporate liquidations described in section 332. However, these regulations (like the 2000 proposed regulations) modify certain of the mechanics of the Subchapter C rules as necessary or appropriate to ensure that those rules are as consistent as possible with key international tax policies of the Code and to prevent material distortions of income.

These final regulations address the portions of the 2000 proposed regulations (Prop. Reg.) dealing with inbound nonrecognition transactions (Prop. Reg. § 1.367(b)–3) and foreign section 381 transactions (Prop. Reg. § 1.367(b)–7). They also address the special rules of Prop. Reg. § 1.367–9. The final regulations, however, do not address the portions of the 2000 proposed regulations involving corporate divisions of one or more foreign corporations (Prop. Reg. § 1.367(b)–8). The Treasury Department and the IRS believe that relevant cross-border tax consequences of section 355 transactions should be dealt with in a separate guidance project.