

labeling, advertising, distribution, holding, and use of a VFD drug. Accordingly, this regulation sets forth necessary conditions for tilmicosin phosphate (NADA 141-064) including the information that shall be included in a VFD:

- The name, address, and phone number of the veterinarian and the client;
- Identification of the animals to be treated, including, identification of the species, number of animals, and the location of the animals;
- Date of treatment and, if different, date of prescribing the VFD drug;
- The condition or disease being diagnosed or treated;
- Name of the animal drug;
- Level of animal drug in the feed and the amount of feed;
- Feeding instructions with withdrawal time;
- Any special instructions and cautionary statements necessary for use of the drug in conformance with the approval;
- Expiration date of the VFD;
- Number of refills, if permitted by the approval;
- Signature of the veterinarian; and
- The veterinarian's license number and name of the State issuing the license.

At such time as FDA finalizes general regulations governing VFD drugs, the general regulations may supersede certain specific VFD requirements of this approval regulation.

List of Subjects

21 CFR Part 556

Animal drugs, Foods.

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 parts 556 and 558 are amended as follows:

PART 556—TOLERANCES FOR RESIDUES OF NEW ANIMAL DRUGS IN FOOD

1. The authority citation for 21 CFR part 556 continues to read as follows:

Authority: Secs. 402, 512, 701 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 342, 360b, 371).

2. Section 556.735 is revised to read as follows:

§ 556.735 Tilmicosin.

A tolerance is established for residues of parent tilmicosin (marker residue) in

liver (target tissue) of cattle at 1.2 parts per million (ppm) and of swine at 7.2 ppm.

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

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

Authority: Secs. 512, 701 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b, 371).

4. Section 558.4 is amended in paragraph (d) in the "Category II" table by alphabetically adding a new entry for "Tilmicosin" to read as follows:

§ 558.4 Medicated feed applications.

* * * * *

(d) * * *

CATEGORY II

Drug	Assay limits per-cent ¹ Type A	Type B maximum (100x)	Assay limits per-cent ¹ Type B/ C ²
Tilmicosin	90—110	18.2 g/lb (4.0 %).	85—115

¹ Percent of labeled amount.

² Values given represent ranges for either Type B or Type C medicated feeds. For those drugs that have two range limits, the first set is for a Type B medicated feed and the second set is for a Type C medicated feed. These values (ranges) have been assigned in order to provide for the possibility of dilution of a Type B medicated feed with lower assay limits to make Type C medicated feed.

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5. New § 558.618 is added to read as follows:

§ 558.618 Tilmicosin.

(a) *Approvals.* Type A medicated articles: 90.7 grams of tilmicosin (as tilmicosin phosphate) per pound (200 grams per kilogram) to 000986 in § 510.600(c) of this chapter.

(b) *Special considerations.* Do not use in any feed containing bentonite.

(c) *Related tolerances.* See § 556.735 of this chapter.

(d) *Conditions of use.* It is used in swine feed as follows:

(1) *Amount per ton.* 181.8 grams to 363.6 grams tilmicosin.

(2) *Indications for use.* For the control of swine respiratory disease associated with *Actinobacillus pleuropneumoniae* and *Pasteurella multocida*.

(3) *Limitations.* For use in swine feed only. The safety of tilmicosin has not been established in pregnant swine or swine intended for breeding purposes. Feed continuously as the sole ration for 21-day period, beginning approximately 7 days before an expected disease

outbreak. Withdraw 7 days before slaughter. Federal law restricts this drug to use under the professional supervision of a licensed veterinarian. Any animal feed bearing or containing this drug shall be fed to animals only by or upon a lawful veterinary feed directive (VFD) issued by a licensed veterinarian in the course of the veterinarian's professional practice. VFD's for tilmicosin phosphate shall not be refilled.

(4) *VFD Requirements.* This drug and any article or feed manufactured from it shall bear the following cautionary statements: "Caution: Federal law limits this drug to use under the professional supervision of a licensed veterinarian. Animal feed bearing or containing this veterinary feed directive drug shall be fed to animals only by or upon a lawful veterinary feed directive issued by a licensed veterinarian in the course of the veterinarian's professional practice." A VFD shall contain the following information: The name, address, and phone number of the veterinarian and the client; identification of the animals to be treated, including, identification of the species, number of animals, and the location of the animals; date of treatment and, if different, date of prescribing the VFD drug; the condition or disease being diagnosed or treated; name of the animal drug; level of animal drug in feed and amount of feed; feeding instructions with withdrawal time; any special instructions and cautionary statements necessary for use of the drug in conformance with the approval; expiration date of VFD; number of refills, if permitted by approval; signature of the veterinarian; veterinarian's license number and name of the State issuing the license.

Dated: December 17, 1996.

Stephen F. Sundlof,

Director, Center for Veterinary Medicine.

[FR Doc. 96-32881 Filed 12-26-96; 8:45 am]

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DEPARTMENT OF STATE

22 CFR Part 171

[Public Notice 2492]

Privacy Act of 1974; Implementation

AGENCY: Department of State.

ACTION: Final rule.

SUMMARY: The Department of State is amending its regulations by exempting portions of a record system from certain provisions of the Privacy Act of 1974, as amended (5 U.S.C. 552a). Certain portions of the Garnishment of Wages

Records (STATE-61) are exempted from 5 U.S.C. 552a(c)(3), (d), (e)(1), (e)(4)(G), (H) and (I) and (f).

EFFECTIVE DATE: January 27, 1997.

FOR FURTHER INFORMATION CONTACT: Celeste Houser-Jackson, 202-647-5061.

SUPPLEMENTARY INFORMATION: A notice of proposed rulemaking was published in the Federal Register (61 FR 53158, October 10, 1996) inviting interested persons to submit comments concerning the proposed regulations. Since no comments were received, the amendment to the Privacy Provisions of the Department of State's Access to Information regulations was formally adopted as published.

List of Subjects in 22 CFR Part 171

Privacy.

PART 171—[AMENDED]

1. The authority citation for Part 171 continues to read as follows:

Authority: The Freedom of Information Act, 5 U.S.C. 552; the Privacy Act, 5 U.S.C. 552a; The Administrative Procedure Act, 5 U.S.C. 551, et seq.; The Ethics in Government Act, 5 U.S.C. App. 201; Executive Order 12958, 60 FR 19825; and Executive Order 12600, 52 FR 23781.

§ 171.32 [Amended]

2. In § 171.32, paragraph (j)(2) will be amended by adding "Garnishment of Wages Records. STATE-61", after "Records of the Inspector General and Automated Individual Cross Reference System. STATE-53".

Dated: December 16, 1996.

Joseph E. Lake,

Acting Assistant Secretary for the Bureau of Administration.

[FR Doc. 96-32739 Filed 12-26-96; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 8701]

RIN 1545-AC06

Treatment of Shareholders of Certain Passive Foreign Investment Companies

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains final regulations that provide rules for making the deemed sale and deemed

dividend elections under section 1291(d)(2). These regulations reflect changes to the law made by the Tax Reform Act of 1986 and the Technical and Miscellaneous Revenue Act of 1988, and apply to a shareholder of a passive foreign investment company (PFIC) that elects under section 1295 to treat the PFIC as a qualified electing fund (QEF) for a taxable year after the first taxable year during the shareholder's holding period that the foreign corporation was a PFIC.

DATES: These regulations are effective December 27, 1996.

Applicability: For the specific dates of applicability, see §§ 1.1291-9(k) and 1.1291-10(i).

FOR FURTHER INFORMATION CONTACT: Gayle Novig, (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information contained in these final regulations have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control numbers 1545-1028 and 1545-1304. All of these paperwork requirements will be consolidated under control number 1545-1507. Responses to these collections of information are mandatory.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The estimated annual burden per respondent varies from .75 hour to 1 hour, depending on individual circumstances, with an estimated average of .76 hour.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be sent to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, T:FP, Washington, DC 20224, and to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503.

Books or records relating to this collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

This document contains final regulations to be added to the Income Tax Regulations (26 CFR part 1) under section 1291(d)(2) of the Internal Revenue Code. The final regulations provide rules for making a deemed sale or deemed dividend election to purge a shareholder's holding period of stock of a PFIC of those taxable years during which the PFIC was not a QEF. The Tax Reform Act of 1986 added section 1291(d)(2)(A), relating to the deemed sale election, effective for taxable years of foreign corporations beginning after December 31, 1986. The Technical and Miscellaneous Revenue Act of 1988 amended section 1291(d)(2) to add new section 1291(d)(2)(B), relating to the deemed dividend election, effective for taxable years of foreign corporations beginning after December 31, 1986.

On March 2, 1988, temporary regulations (TD 8178) relating to the deemed sale election under section 1291(d)(2)(A), in addition to elections under sections 1294, 1295, and 1297, were published in the Federal Register (53 FR 6770). A notice of proposed rulemaking (INTL-941-86) cross-referencing the temporary regulations was also published in the Federal Register for the same day (53 FR 6781).

On April 1, 1992, temporary regulations (TD 8404) relating to both the deemed sale and deemed dividend elections under section 1291(d)(2) (A) and (B), were published in the Federal Register (57 FR 10992). A notice of proposed rulemaking (INTL-941-86; INTL-656-87; INTL-704-87) cross-referencing the temporary regulations was published in the Federal Register for the same day (57 FR 11024).

Written comments responding to these notices were received. No public hearing was held for the notice of proposed rulemaking published on March 2, 1988. A public hearing was held November 23, 1992, for the notice of proposed rulemaking published April 1, 1992. After consideration of all the comments, the proposed regulations under section 1291(d)(2) are adopted as revised by this Treasury decision, and the corresponding temporary regulations are removed. Substantive revisions are discussed below. All other revisions are stylistic, and are primarily intended to conform the regulations under § 1.1291-10 to those under § 1.1291-9.

Explanation of Provisions and Revisions and Summary of Comments

1. Introduction

A shareholder of a foreign corporation that qualifies as a PFIC under the