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 1.6695–1 is amended by:

1. Revising paragraph (b)(4)(i).

2. Adding paragraph (g).

The revision and addition read as follows:

§ 1.6695–1 Other assessable penalties with respect to the preparation of income tax returns for other persons.

(b) * * *

(4)(i) [The text of proposed paragraph (b)(4)(i) is the same as the text of § 1.6695–1T(b)(4)(i) published elsewhere in this issue of the **Federal Register**].

* * * * *

(g) [The text proposed paragraph (g) is the same as the text of § 1.6695–1T(g) published elsewhere in this issue of the **Federal Register**].

Robert E. Wenzel,

Deputy Commissioner of Internal Revenue. [FR Doc. 98–34361 Filed 12–30–98; 8:45 am] BILLING CODE 4830–01–P

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 165

[CGD01-98-165]

RIN 2121-AA97

Regulated Navigation Area: Kill Van Kull Channel, Newark Bay Channel, South Elizabeth Channel, Elizabeth Channel, Port Newark Channel, and New Jersey Pierhead Channel, New York and New Jersey

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to revise the Regulated Navigation Area (RNA) to include the Kill Van Kull Channel, Newark Bay Channel, South Elizabeth Channel, Elizabeth Channel, Port Newark Channel, and New Jersey Pierhead Channel, New York and New Jersey. This action is necessary because of the extensive channel deepening project being undertaken jointly by the Army Corps of Engineers and the Port Authority of New York and New Jersey. The RNA is needed to ensure the safety of vessels transiting the restricted channel during blasting and dredging operations.

DATES: Comments must reach the Coast Guard on or before March 1, 1999.

ADDRESSES: You may mail comments to the Waterways Oversight Branch (CGD01–98–165), Coast Guard Activities New York, 212 Coast Guard Drive, Staten Island, New York 10305, or deliver them to room 202 at the same address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

The Waterways Oversight Branch of Coast Guard Activities New York maintains the public docket for this rulemaking. Comments, and documents as indicated in this preamble, will become part of this docket and will be available for inspection or copying at room 202, Coast Guard Activities New York, between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lieutenant Commander B. Krenzien, Waterways Management Division, Coast Guard Activities New York (718) 354– 4191.

SUPPLEMENTARY INFORMATION:

Request for Comments

The Coast Guard encourages interested persons to participate in this rulemaking by submitting written data, views, or arguments. Persons submitting comments should include their names and addresses, identify this rulemaking (CGD01-98-165) and the specific section of this document to which each comment applies, and give the reason for each comment. Please submit two copies of all comments and attachments in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. Persons wanting acknowledgement of receipt of comments should enclose stamped, selfaddressed postcards or envelopes.

The Coast Guard will consider all comments received during the comment period. It may change this proposed rule in view of the comments.

The Coast Guard plans no public hearing. Persons may request a public hearing by writing to the Waterways Oversight Branch at the address under ADDRESSES. The request should include the reasons why a hearing would be beneficial. If it determines 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

The Kill Van Kull Channel, Newark Bay Channel, South Elizabeth Channel, Elizabeth Channel, Port Newark

Channel, and New Jersey Pierhead Channel are the proposed areas to be designated as a RNA. These channels are located in the waters between Bayonne, New Jersey, Staten Island, New York, and Elizabeth/Newark, New Jersey. The proposed RNA is to enhance vessel safety during the extensive channel deepening project being undertaken by the U.S. Army Corps of Engineers, which involves dredging and blasting in these areas. These channels connect the deepwater ports of New York Harbor. Current channel depths restrict the full economy of existing and future generations of deep draft vessels. Tankships arriving in the port with drafts approaching the forty five (45) foot controlling depths of Ambrose and Anchorage Channels must lighten some of their cargo to barges in the deep New York Harbor anchorages in order to safely transit the forty (40) foot channel depths. This results in substantial lightering and delay costs. Container vessels cannot lighter in the anchorages and therefore must load to less than full drafts. This project, which is expected to last approximately six (6) years, will deepen the existing forty (40) foot channel to forty five (45) feet to accommodate the deeper draft vessels. The dredging areas will continue to be available for use by the general public. Proposed restrictions on vessel transits during this project are unchanged from the current regulations in § 165.165(d) except for (d) (1, 5, 7, and 9). Paragraph (d)(1) is proposed to allow vessels to enter or transit a work area where drill barges and/or dredges are located once granted permission from Vessel Traffic Service New York (VTSNY). Blasting operations being conducted in the work area will normally preclude vessels from receiving permission. One-way traffic will be maintained during this project in work areas where drill barges and/or dredges are located. Paragraph (d)(5) is proposed to specify that the prevailing current will be measured from the Battery tide station. This is expected to reduce confusion among mariners because use of the Battery tide station is the port norm. Paragraph (d)(7) is proposed to refer to the hawser and wire throughout the paragraph. Paragraph (d)(9) is proposed to define the phrase "tugs with tows" to include tugs with vessels or barges alongside or being pushed. This proposed rulemaking is needed to reduce the risks of collisions, groundings, and other navigational mishaps associated with this project. These are the same restrictions taken during 1991-92 when dredging was last conducted in this vicinity. They were instituted then due

to three groundings that resulted in one oil spill and one channel blockage. Public notifications for specific dredging dates will be made prior to the commencement of dredging via the Local Notice to Mariners, marine information broadcasts, facsimile, and at New York Harbor Operations Committee meetings.

Discussion of Proposed Rule

The proposed RNA encompasses: all waters of the Kill Van Kull (KVK) Channel east of KVK Light 16A (LLNR 37340) in North of Shooters Island Reach, east of Shooters Island Light 2 (LLNR 37375) in South of Shooters Island Reach, and west of KVK Channel Junction Lighted Bell Buoy 'KV' (LLNR 37265) in Constable Hook Reach; all waters of Newark Bay Channel south of Newark Bay Light 19 (LLNR 37505); all waters of South Elizabeth Channel, Elizabeth Channel and Port Newark Channel; and all waters of New Jersey Pierhead Channel south of the New Jersey Pierhead South Channel Lighted Buoy 5 (LLNR 37020). This proposed rule is necessary to safeguard marine traffic from the dangers of the dredging and blasting work proposed in the project area.

Regulatory Evaluation

This proposed rule 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 not been reviewed 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 proposed rule to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary. The effect of this regulation will not be significant for several reasons: vessels will be allowed to transit work areas where degrees and/ or drill barges are located unless blasting is to be conducted, delays resulting form blasting are expected to last no longer than 15 minutes and occur less than 4 times daily in any one area, there are no restrictions on vessel traffic in the RNA in areas where there are no dredges or drill barges, the Port Authorities of New York and New Jersey are working with the U.S. Army Corps of Engineers on this project to ensure future generations of deep draft vessels are able to use the Port of New York/ New Jersey, it will reduce substantial costs associated with lightering

operations currently required by vessels unable to transit the harbor fully loaded, and advance notifications will be made to the local maritime community by the Local Notice to Mariners, facsimile, marine information broadcasts, and New York Harbor Operations Committee meetings. Additionally, these are the same restrictions taken during 1991–92 when dredging was last conducted in this vicinity, and other than minor delays in vessel transit time, no impact was noted.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard considers whether this proposed rule, if adopted, will have a significant economic impact on a substantial number of small entities. "Small entities" include small businesses, notfor-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.

For the reasons stated in the Regulatory Evaluation section above, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule, if adopted, 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 proposed rule will have a significant economic impact on your business or organization, please submit a comment (see ADDRESSES) explaining why you think it qualifies and in what way and to what degree this proposed rule will economically affect it.

Collection of Information

This proposed rule does not provide for a collection of information under the Paperwork Reduction Act of 1994 (44 U.S.C. 3501 *et seq.*).

Federalism

The Coast Guard has analyzed this proposed rule under the principles and criteria contained in Executive Order 12612 and has determined that this proposed rule does not have sufficient implications for federalism to warrant the preparation of a Federalism Assessment.

Unfunded Mandates

Under the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), the Coast Guard must consider whether this rule will result in an annual expenditure by state, local, and tribal governments, in the aggregate of \$100 million (adjusted annually for inflation). If so, the Act requires that a reasonable number of regulatory alternatives be considered, and that from those alternatives, the least costly, most costeffective, or least burdensome alternative that achieves the objective of the rule be selected. No state, local, or tribal government entities will be affected by this rule, so this rule will not result in annual or aggregate costs of \$100 million or more. Therefore, the Coast Guard is exempt from any further regulatory requirements under the Unfunded Mandates Act.

Environment

The Coast Guard considered the environmental impact of this proposed rule and concluded that under figure 2–1, paragraph 34(g), of Commandant Instruction M16475.1C, this proposed rule is categorically excluded from further environmental documentation. A "Categorical Exclusion Determination" is available in the docket for inspection or copying where indicated under ADDRESSES.

List of Subjects in 33 CFR Part 165

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

Proposed Regulation

For the reasons discussed 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. Revise § 165.165 to read as follows:

§165.165 Regulated Navigation Area; Kill Van Kull Channel, Newark Bay Channel, South Elizabeth Channel, Elizabeth Channel, Port Newark Channel and New Jersey Pierhead Channel, New York and New Jersey.

(a) Regulated Navigation Area (RNA). All waters of the Kill Van Kull (KVK) Channel east of KVK Light 16A (LLNR 37340) in North of Shooters Island Reach, east of Shooters Island Light 2 (LLNR 37375) in South of Shooters Island Reach, and west of KVK Channel Junction Lighted Bell Buoy "KV" (LLNR 37265) in Constable Hook Reach; all waters of Newark Bay Channel south of Newark Bay Light 19 (LLNR 37505); all waters of South Elizabeth Channel, Elizabeth Channel, Port Newark Channel, and New Jersey Pierhead Channel south of New Jersey Pierhead South Channel Lighted Buoy 5 (LLNR 37020).

- (b) Description of Work Areas in the RNA:
- (1) Work Area (1): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°38′40.0″ N	074°03′45.0″ W 074°04′16.0″ W 074°04′11.8″ W 074°04′43.8″ W 074°05′07.6″ W 074°05′14.8″ W 074°05′14.8″ W 074°05′05.0″ W 074°04′27.8″ W 074°03′45.1″ W 074°03′45.1″ W

(2) Work Area (2): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°38′50.4″ N	074°04′16.0″ W 074°04′37.8″ W 074°04′55,4″ W 074°05′12.9″ W 074°05′33.8″ W 074°05′43.6″ W 074°05′44.7″ W 074°05′35.7″ W 074°05′06.6″ W 074°04′11.8″ W 074°04′11.8″ W

(3) Work Area (3): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°38'45.8" N	074°05′43.6″ W 074°05′44.7″ W 074°05′35.8″ W 074°05′14.8″ W 074°05′17.1″ W 074°05′32.3″ W 074°05′344.1″ W 074°05′56.8″ W 074°06′38.1″ W 074°07′18.3″ W 074°07′18.3″ W 074°07′41.4″ W
40°38′35.2″ N	074°07′49.0″ W
40°38′31.2″ N	074°07′50.0″ W
40°38′30.1″ N	074°07′41.3″ W
40°38′33.9″ N	074°07′15.1″ W
40°38′44.0″ N	074°06′45.7″ W
40°38′46.7″ N	074°06′25.9″ W
40°38′44.8″ N	074°05′49.6″ W
40°38′45.8″ N	074°05′43.6″ W

(4) Work Area (4): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°38′31.2″ N	074°07′50.0″ W

Latitude	Longitude
10°38′35.2″ N	074°07′49.0″ W
0°38′36.6″ N	074°08′01.2″ W
0°38′28.2″ N	074°08′51.0″ W
.0°38′35.2″ N	074°09'06.2" W
0°38′30.0″ N	074°09′12.0″ W
0°38′24.8″ N	074°09'02.6" W
0°38′24.0″ N	074°08′52.0" W
0°38′31.5″ N	074°08'07.4" W
0°38′31.8″ N	074°07′54.6" W
0°38′31.2″ N	074°07′50.0" W

(5) Work Area (5): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°38′35.2″ N	074°07′49.0″ W 074°07′46.0″ W 074°08′01.3″ W 074°08′41.0″ W 074°08′52.0″ W 074°08′55.0″ W 074°08′55.0″ W 074°08′51.0″ W 074°08′51.0″ W 074°08′01.2″ W

(6) Work Area (6): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°39′17.0″ N	074°08′38.0″ W 074°08′00.0″ W 074°07′54.0″ W 074°08′03.9″ W 074°08′12.0″ W 074°08′17.9″ W 074°08′55.8″ W 074°08′58.2″ W 074°08′50.2″ W 074°08′38.0″ W

(7) Work Area (7): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°40′26.7″ N	074°08′17.9″ W 074°09′35.0″ W 074°09′31.9″ W 074°08′38.9″ W 074°08′30.2″ W 074°08′12.0″ W 074°08′17.9″ W

(8) Work Area (8): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°39'30.8" N	074°08′58.2″ W 074°09′22.5″ W 074°09′25.8″ W 074°09′24.9″ W 074°08′55.2″ W 074°08′58.2″ W

AND

Latitude	Longitude
40°39′21.6″ N	074°08′50.2″ W 074°03′38.0″ W 074°08′55.0″ W 074°09′12.0″ W 074°09′19.5″ W 074°09′22.8″ W 074°08′58.8″ W 074°08′50.2″ W

(9) Work Area (9): The waters bounded by a line connecting the following points:

Latitude	Longitude
40°40′34.3″N	074°07′54.0″W
40°41′08.5″N	074°07′38.5″W
40°41′11.6″N	074°07′50.8″W
40°41′17.6″N	074°07′56.4″W
40°41′20.0″N	074°08′00.3″W
40°41′42.3″N	074°08′21.2″W
40°41′59.4″N	074°09′11.0″W
40°41′55.8″N	074°09′13.1″W
40°41′39.1″N	074°08′24.6″W
40°41′21.0″N	074°08′07.6″W
40°40′46.1″N	074°08′38.9″W
40°40′44.5″N	074°08′30.2″W
40°40′50.4″N	074°08′30.3″W
40°41′13.4″N	074°08′09.7″W
40°41′13.7″N	074°08′05.6″W
40°41′03.2″N	074°07′55.7″W
40°40′54.4″N	074°07′55.7″W
40°40′35.9″N	074°08′03.9″W
40°40′34.3″N	074°07′54.0″W

- (c) Projected dates for each work area. Dredging is tentatively scheduled to commence in Work Area 2 in March 1999. As contracts are let for dredging of each of the remaining work areas, commencement dates will be made available via the Local Notice to Mariners, marine information broadcasts, facsimile, and at New York Harbor Operations Committee meetings.
 - (d) Regulations:
- (1) No vessel shall enter or transit any work area where drill barges and/or dredges are located without permission of Vessel Traffic Service New York (VTSNY).
- (2) Each vessel transiting in the vicinity of the work areas, where drill barges and/or dredges are located, is required to do so at no wake speed.
- (3) No vessel shall enter the RNA when they are advised by the drilling barge or VTSNY that a misfire or hangfire has occurred. Vessels already underway in the RNA shall proceed to clear the impacted area immediately.
- (4) Vessels, 300 gross tons or greater and tugs with tows, are prohibited from meeting or overtaking other vessels when transiting alongside an active work area.
- (5) Vessels, 300 gross tons or greater and tugs with tows, transiting with the

prevailing current (as measured from the Battery tide station) are regarded as the stand-on vessel.

- (6) Prior to entering the RNA, the master, pilot or operator of each vessel, 300 gross tons or greater and tugs with tows, shall ensure that they have sufficient propulsion and directional control to safely navigate the area under the prevailing conditions, and shall notify VTSNY as to their decision regarding the employment of assist tugs while transiting the RNA.
- (7) Hawser or wire length must not exceed 100 feet, measured from the towing bit on the tug to the point where the hawser or wire connects with the towed vessel or barge, for any vessel with another vessel/barge in tow.
- (8) Waiver. The Captain of the port, New York may, upon request, authorize a deviation from any regulation in this section if it is found that the proposed operations can be done safely. An application for deviation must be received not less than 24 hours before the intended operation and must state the need and described the proposal.
- (9) Tugs with tows includes a tug with a vessel or barge in tow, alongside, or being pushed.

Dated: December 12, 1998.

R.M. Larrabee.

Rear Admiral, U.S. Coastal Guard Commander, First Coast Guard District. [FR Doc. 98–34633 Filed 12–30–98; 8:45 am] BILLING CODE 4910–15–M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[NC-86-01-9830b; FRL-6207-2]

Approval and Promulgation of Implementation Plans, State of North Carolina: Approval of Miscellaneous Revisions to the Forsyth County Air Quality Control Ordinance and Technical Code

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: On October 10, 1997, The North Carolina Department of Environment and Natural Resources submitted revisions to the Forsyth County Air Quality Technical Code. These revisions include the updating of several regulations, deletion of previously referenced material, rewriting of several regulations, and the correction of several regulations. In the final rules section of this Federal Register, the EPA is approving the

revision as a direct final rule without prior proposal because the EPA views this as a noncontroversial revision amendment and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to that direct final rule no further activity is contemplated in relation to this proposed rule. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this document. Any parties interested in commenting should do so at this time.

DATES: To be considered, comments must be received by February 1, 1999.

ADDRESSES: Written comments on this action should be addressed to Randy Terry at the Environmental Protection Agency, Region 4 Air Planning Branch, 61 Forsyth Street, SW, Atlanta, Georgia 30303.

Copies of documents relative to this action are available for public inspection during normal business hours at the following locations. The interested persons wanting to examine these documents should make an appointment with the appropriate office at least 24 hours before the visiting day and reference file NC 86–01–9830. The Region 4 office may have additional background documents not available at the other locations.

Air and Radiation Docket and Information Center (Air Docket 6102), U.S. Environmental Protection Agency, 401 M Street, SW, Washington, DC 20460.

Environmental Protection Agency, Region 4 Air Planning Branch, 61 Forsyth Street, SW, Atlanta, Georgia 30303.

North Carolina Department of Environment and Natural Resources, 512 North Salisbury Street, Raleigh, North Carolina 27604.

Forsyth County Environmental Affairs Department, 537 North Spruce Street, Winston-Salem, NC 27101–1362.

FOR FURTHER INFORMATION CONTACT: Randy Terry, Regulatory Planning Section, Air Planning Branch, Air, Pesticides & Toxics Management Division, Region 4 Environmental Protection Agency, 61 Forsyth Street SW, Atlanta, Georgia 30303. The telephone number is (404) 562–9032.

SUPPLEMENTARY INFORMATION: For additional information see the direct final rule which is published in the rules section of this **Federal Register**.

Dated: October 28, 1998.

A. Stanley Meiburg,

Acting Regional Administrator, Region 4. [FR Doc. 98–34312 Filed 12–30–98; 8:45 am] BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TN-191-9827b; FRL-6208-6]

Approval and Promulgation of Implementation Plans; Tennessee: Approval of Revisions to the Nashville/ Davidson County Portion of the Tennessee SIP

AGENCY: Environmental Protection

Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA proposes to approve revisions to the Nashville/Davidson County portion of the Tennessee State Implementation Plan (SIP) concerning air pollution control regulations by the Metropolitan Nashville/Davidson County government. The State of Tennessee through the Tennessee Department of Air Pollution Control submitted the revisions to EPA on April 7, 1997. To be consistent with federal requirements, the State of Tennessee amended the definition of volatile organic compounds (VOCs) and deleted various words in Chapter 10.56, "Air Pollution Control," of the Metropolitan Code of Laws.

In the final rules section of this **Federal Register**, the EPA is approving the State of Tennessee SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision amendment and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to the direct final rule, no further activity is contemplated in relation to this proposed rule. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this document. Any parties interested in commenting on this document should do so at this time. **DATES:** To be considered, comments must be received by February 1, 1999. **ADDRESSES:** Written comments on this action should be addressed to Mr. Gregory O. Crawford at the EPA

Regional Office listed below. Copies of