

other joint account holder that is a resident of one of the countries specified in § 1.6049–8(a).

(5) *Effective dates.* Paragraph (e)(4) of this section applies for payee statements due with respect to payments made after December 31 of the year in which the final regulations are published in the **Federal Register**, without regard to extensions. \* \* \* (For interest paid to a Canadian nonresident alien individual on or before December 31 of the year in which final regulations are published in the **Federal Register**, see § 1.6049–6(e)(4) in effect prior to [EFFECTIVE DATE OF FINAL RULE] (See 26 CFR part 1 revised April 1, 2002.))

Par. 4. In § 1.6049–8, the section heading and paragraph (a) are revised to read as follows:

**§ 1.6049–8 Certain Interest and original issue discount paid to nonresident alien individuals.**

(a) *Interest subject to reporting requirement.* For purposes of §§ 1.6049–4, 1.6049–6, and this section and except as provided in paragraph (b) of this section, the term *interest* means interest described in section 871(i)(2)(A) with respect to a deposit maintained at an office within the United States by a nonresident alien individual who is a resident of any of the following countries: Australia, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, and the United Kingdom. For purposes of the regulations under section 6049, a nonresident alien individual is a person described in section 7701(b)(1)(B). The payor or middleman may rely upon an applicable withholding certificate described in § 1.1441–1(c)(16) (Form W–8) that is valid to determine whether the payment is made to a nonresident alien individual who is a resident of one of the countries for which reporting is required. Generally, amounts described in this paragraph (a) are not subject to backup withholding under section 3406. See § 31.3406(g)–1(d) of this chapter. However, if the payor or middleman does not have either a valid Form W–8 or valid Form W–9, “Request for Taxpayer Identification Number and Certification”, the payor or middleman must report the payment as made to a U.S. non-exempt recipient if it must so treat the payee under the presumption rules of §§ 1.6049–5(d)(2) and 1.1441–1(b)(3)(iii) and must also backup withhold under section 3406. (For interest paid to a Canadian nonresident alien individual on or before December 31 of the year in which final regulations

are published in the **Federal Register**, see § 1.6049–8(a) in effect prior to [EFFECTIVE DATE OF FINAL RULE] (See 26 CFR part 1 revised April 1, 2002.))

\* \* \* \* \*

**PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT THE SOURCE**

Par. 5. The authority citation for part 31 continues to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Par. 6. In § 31.3406(g)–1, paragraph (d) is revised to read as follows:

**§ 31.3406(g)–1 Exceptions for payments to certain payees and certain other payment.**

\* \* \* \* \*

(d) *Reportable payments made to nonresident alien individuals.* A payment of interest that is reported on Form 1042–S as paid to a nonresident alien individual under § 1.6049–8(a) of this chapter is not subject to withholding under section 3406. (For interest paid to a Canadian nonresident alien individual on or before December 31 of the year in which final regulations are published in the **Federal Register**, see § 31.3406(g)–1(d) in effect prior to [EFFECTIVE DATE OF FINAL RULE] (See 26 CFR part 1 revised April 1, 2002.))

\* \* \* \* \*

David A. Mader,

Acting Deputy Commissioner of Internal Revenue.

[FR Doc. 02–19348 Filed 7–30–02; 1:35 pm]

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**DEPARTMENT OF DEFENSE**

**Corps of Engineers, Department of the Army**

**33 CFR Part 334**

**Naval Restricted Area, Naval Submarine Base Bangor, Bangor, WA**

**AGENCY:** U.S. Army Corps of Engineers, DoD.

**ACTION:** Notice of proposed rulemaking and request for comments.

**SUMMARY:** The Corps of Engineers is proposing to amend its regulations which establish a restricted area in the waters of Hood Canal adjacent to Naval Submarine Base Bangor, at Bangor, Washington. This amendment will enlarge the existing naval restricted area, and change the enforcement responsibility from Commander, Naval Base, Seattle, Washington (now

Commander, Navy Region Northwest) to Commander, Naval Submarine Base Bangor. The amendment to the regulation is necessary to increase the protection of Navy strategic assets moored at Naval Submarine Base Bangor.

**DATES:** Comments must be submitted on or before September 3, 2002.

**ADDRESSES:** U.S. Army Corps of Engineers, ATTN: CECW–OR, 441 G Street, NW., Washington DC, 20314–1000.

**FOR FURTHER INFORMATION CONTACT:** Mr. Frank Torbett, Headquarters Regulatory Branch at (202) 761–4618 or Mr. Jack Kennedy, Corps Seattle District, at (206) 764–6907.

**SUPPLEMENTARY INFORMATION:** Pursuant to its authorities in section 7 of the Rivers and Harbors Act of 1917 (40 Stat. 266; 33 U.S.C. 1) and Chapter XIX of the Army Appropriation Act of 1919 (40 Stat. 892; 33 U.S.C. 3) the Corps proposes to amend the regulations in 33 CFR part 334 by amending Section 334.1220 to enlarge the presently established naval restricted Area 1, in Hood Canal, adjacent to the submarine base. The present boundaries of Area 1 provide a minimum 150-yard restriction from the shoreline of the submarine base and 300-yard restriction from submarine moorage facilities. The amendment would extend the restricted area an average 300 yards further out into Hood Canal, and provide a 500-yard restriction adjacent to the submarine moorage. At its narrowest point along the length of Area 1, Hood Canal is over a mile wide.

With the enlarged naval restricted area implemented, over 1400 yards of deep water would remain in the center and western thirds of Hood Canal, sufficient for the unimpeded passage of recreational and fishing vessels typically using the area, and equally sufficient for larger commercial vessels that occasionally transit the area.

**Procedural Requirements**

*a. Review Under Executive Order 12866*

This proposed rule is issued with respect to a military function of the Defense Department and the provisions of Executive Order 12866 do not apply.

*b. Review under the Regulatory Flexibility Act*

This proposed rule has been reviewed under the Regulatory Flexibility Act (Public Law 96–354), which requires the preparation of a regulatory flexibility analysis for any regulation that will have a significant economic impact on a substantial number of small entities

(i.e., small businesses and small governments). The Corps expects that the economic impact of the establishment of this restricted area would have no impact on the public, no anticipated navigational hazard or interference with existing waterway traffic, and accordingly, certifies that this proposal, if adopted, will have no significant economic impact on small entities.

#### *c. Review Under the National Environmental Policy Act*

The Seattle District has prepared a preliminary Environmental Assessment (EA) for this action. The preliminary EA concluded that this action will not have a significant impact on the human environment. After receipt and analysis of comments from this **Federal Register** posting and the Seattle District's concurrent Public Notice, the Corps will prepare a final environmental document detailing the scale of impacts this action will have upon the human environment. The environmental assessment may be reviewed at the District Office listed at the end of **FOR FURTHER INFORMATION CONTACT**, above.

#### *d. Unfunded Mandates Act*

This proposed rule does not impose an enforceable duty among the private sector and, therefore, is not a Federal private sector mandate and is not subject to the requirements of Section 202 or 205 of the Unfunded Mandates Act. We have also found under Section 203 of the Act that small governments will not be significantly and uniquely affected by this rulemaking.

#### **List of Subjects in 33 CFR Part 334**

Danger zones, Marine safety, Restricted areas, Waterways.

For the reasons set out in the preamble, we propose to amend 33 CFR Part 334 as follows:

#### **PART 334—DANGER ZONE AND RESTRICTED AREA REGULATIONS.**

1. The authority citation for Part 334 continues to read as follows:

**Authority:** 40 Stat. 266; (33 U.S.C. 1) and 40 Stat. 892; (33 U.S.C. 3).

2. Revise § 334.1220 to read as follows:

##### **§ 334.1220 Hood Canal, Bangor; naval restricted areas.**

(a) *Hood Canal, Bangor; Naval restricted areas*—(1) *Area No. 1.* That area bounded by a line commencing on the east shore of Hood Canal at latitude 47 deg.46'18" N, longitude 122 deg.42'18" W; thence latitude 47 deg.46'32" N, longitude 122 deg.42'20"

W; thence to latitude 47 deg.46'38" N, longitude 122 deg.42'52" W; thence to latitude 47 deg.44'15" N, longitude 122 deg.44'50" W; thence to latitude 47 deg.43'53" N, longitude 122 deg.44'58" W; thence to latitude 47 deg.43'17" N, longitude 122 deg.44'49" W.

(2) *Area No. 2.* Waters of Hood Canal within a circle of 1,000 yards diameter centered on a point located at latitude 47 deg.46'26" N, longitude 122 deg.42'49" W.

(3) *The regulations*—(i) *Area No. 1.* No person or vessel shall enter this area without permission from the Commander, Naval Submarine Base Bangor, or his/her authorized representative.

(ii) *Area No. 2.* (A) The area will be used intermittently by the Navy for magnetic silencing operations.

(B) Use of any equipment such as anchors, grapnels, etc., which may foul underwater installations within the restricted area, is prohibited at all times.

(C) Dumping of any nonbuoyant objects in this area is prohibited.

(D) Navigation will be permitted within that portion of this circular area not lying within Area No. 1 at all times except when magnetic silencing operations are in progress.

(E) When magnetic silencing operations are in progress, use of the area will be indicated by display of quick flashing red beacons on the pier located in the southeast quadrant of the area.

(4) *Enforcement.* The regulations in this section shall be enforced by the Commander, Naval Submarine Base Bangor, or his/her authorized representative.

(b) [Reserved]

Dated: July 19, 2002.

**Michael G. Ensich,**

*Acting Chief, Operations Division, Directorate of Civil Works.*

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#### **DEPARTMENT OF DEFENSE**

#### **Department of the Army, Corps of Engineers**

#### **33 CFR Part 334**

#### **United States Navy Restricted Area, Narragansett Bay, East Passage, Coddington Cove, Naval Station Newport, Newport, RI**

**AGENCY:** United States Army Corps of Engineers, DoD.

**ACTION:** Notice of proposed rulemaking and request for comments.

**SUMMARY:** The Corps of Engineers is proposing regulations to establish a restricted area on the east side of Narragansett Bay East Passage at Coddington Cove in the vicinity of Naval Station Newport. These regulations will enable the Navy to enhance safety and security around active military vessels berthed at the facility. The regulations will safeguard military vessels and United States government contractor facilities from sabotage and other subversive acts, accidents, or incidents of similar nature. These regulations are also necessary to protect the public from potentially hazardous conditions that may exist as a result of Navy use of the area and its security measures.

**DATES:** Written comments must be submitted on or before September 3, 2002.

**ADDRESSES:** U. S. Army Corps of Engineers, ATTN: CECW-OR, 441 G Street, NW., Washington, DC 20314-1000.

**FOR FURTHER INFORMATION CONTACT:** Mr. Frank Torbett, Headquarters Regulatory Branch, Washington, DC at (202) 761-4618, or Mr. Richard Roach, Corps of Engineers, New England District, at (978) 318-8211 or 1-800-343-4789.

**SUPPLEMENTARY INFORMATION:** Pursuant to its authorities in Section 7 of the Rivers and Harbors Act of 1917 (40 Stat 266; 33 U.S.C. 1) and Chapter XIX, of the Army Appropriations Act of 1919 (40 Stat 892; 33 U.S.C. 3) the Corps proposes to amend the restricted area regulations in 33 CFR part 334 by adding Section 334.81 which establishes a restricted area in Coddington Cove, off of the Naval Station Newport piers on the eastern side of the East Passage of Narragansett Bay in Newport, Rhode Island. To better protect active naval vessels and personnel stationed at the facility and the general public, the Navy, has requested the Corps of Engineers establish a Restricted Area. This will enable the Navy to keep persons and vessels out of the area at all times, except with the permission of the Commanding Officer, Naval Station Newport.

#### **Procedural Requirements**

##### *a. Review Under Executive Order 12866*

This proposed rule is issued with respect to a military function of the Defense Department and the provisions of Executive Order 12866 do not apply.

##### *b. Review Under the Regulatory Flexibility Act*

These proposed rules have been reviewed under the Regulatory