production activities that generate non-DPGR is $2,000. Y has no other assets. Y has the following Federal income tax items relating to its non-PRS activities: * * *

(*2*) * * * Y has $1,290 of gross income attributable to DPGR ($3,000 DPGR ($1,500 from PRS and $1,500 from non-PRS activities)—$1,710 CGS ($810 from PRS and $900 from non-PRS activities)). * * *

* * * * *

Example 2. * * * (i) *Partnership items of income, gain, loss, deduction or credit.* X and Y, unrelated United States corporations each of which is engaged in a trade or business, are partners in PRS, a partnership that engages in production activities that generate both DPGR and non-DPGR. Neither X nor Y is a member of an affiliated group. X and Y share all items of income, gain, loss, deduction, and credit 50% each. All of PRS's domestic production activities that generate DPGR are within Standard Industrial Classification (SIC) Industry Group AAA (SIC AAA). All of PRS's production activities that generate non-DPGR are within SIC Industry Group BBB (SIC BBB). PRS is not able to specifically identify CGS allocable to DPGR and to non-DPGR and, therefore, apportions CGS to DPGR and non-DPGR based on its gross receipts. PRS incurs $900 of research and experimentation expenses (R&E) that are deductible under section 174, $300 of which are performed with respect to SIC AAA and $600 of which are performed with respect to SIC BBB. None of the R&E is legally mandated R&E as described in § 1.861–17(a)(4) and none is included in CGS. PRS incurs section 162 selling expenses (that include W–2 wage expense) that are not includible in CGS and are definitely related to all of PRS's gross income. For 2006, PRS has the following Federal income tax items: * * *

* * * * *

(iii) * * *

(B) * * * (*1*) For 2006, in addition to the activities of PRS, Y engages in domestic production activities that generate both DPGR and non-DPGR. With respect to those non-PRS activities, Y is not able to specifically identify CGS allocable to DPGR and to non-DPGR. In this case, because CGS is definitely related under the facts and circumstances to all of Y's non-PRS gross receipts, apportionment of CGS between DPGR and non-DPGR based on Y's non-PRS gross receipts is appropriate. For 2006, Y has the following non-PRS Federal income tax items: * * *

* * * * *

(*3*) * * *

DPGR ($4,500 DPGR ($1,500 from PRS and $3,000 from non-PRS activities))	$4,500
CGS ($600 from sales of products by PRS and $1,500 from non-PRS activities)	(2,100)
Section 162 selling expenses (including W–2 wages) ($420 from PRS + $540 from non-PRS activities) x ($4,500 DPGR/$9,000 total gross receipts)	(480)
Section 174 R&E–SIC AAA ($150 from PRS and $300 from non-PRS activities)	(450)
Section 174 R&E–SIC BBB ($300 from PRS + $450 from non-PRS activities) x ($1,500 DPGR/$6,000 total gross receipts allocated to SIC BBB ($1,500 from PRS and $4,500 from non-PRS activities))	(188)
Y's QPAI	1,282

* * * * *

(h) * * * Except as provided in paragraph (i) of this section regarding qualifying in-kind partnerships and paragraph (j) of this section regarding EAG partnerships, an owner of a pass-thru entity is not treated as conducting the qualified production activities of the pass-thru entity, and vice versa. This rule applies to all partnerships, including partnerships that have elected out of subchapter K under section 761(a). Accordingly, if a partnership MPGE QPP within the United States, or produces a qualified film or produces utilities in the United States, and distributes or leases, rents, licenses, sells, exchanges, or otherwise disposes of such property to a partner who then, without performing its own qualifying MPGE or other production, leases, rents, licenses, sells, exchanges, or otherwise disposes of such property, then the partner's gross receipts from this latter lease, rental, license, sale, exchange, or other disposition are treated as non-DPGR. In addition, if a partner MPGE QPP within the United States, or produces a qualified film or produces utilities in the United States, and contributes or leases, rents, licenses, sells, exchanges, or otherwise disposes of such property to a partnership which then, without performing its own qualifying MPGE or other production, leases, rents, licenses, sells, exchanges, or otherwise disposes of such property, then the partnership's gross receipts from this latter disposition are treated as non-DPGR.

* * * * *

Guy R. Traynor,

Federal Register Liaison, Legal Processing Division, Associate Chief Counsel (Procedure & Administration).

[FR Doc. E6–22019 Filed 12–29–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

29 CFR Part 1915

[Docket No. S–051A]

RIN 1218–AC16

Updating National Consensus Standards in OSHA's Standard for Fire Protection in Shipyard Employment

AGENCY: Occupational Safety and Health Administration (OSHA), Department of Labor.

ACTION: Final rule; confirmation of effective date.

SUMMARY: OSHA is confirming the effective date of its direct final rule for shipyards that incorporated by reference 19 National Fire Protection Association (NFPA) standards. The direct final rule stated that it would become effective on January 16, 2007 unless significant adverse comment was received by November 16, 2006. No adverse comments were received. Therefore, the rule will become effective on January 16, 2007.

DATES: The direct final rule published on October 17, 2006 (71 FR 60843) is effective January 16, 2007. For the purpose of judicial review, OSHA considers January 3, 2007 as the date of issuance.

FOR FURTHER INFORMATION CONTACT: *Press Inquiries:* Kevin Ropp, OSHA Office of Communications, Room N–3647, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210; telephone: (202) 693–1999. *General and technical information:* Jim Maddux, Director, Office of Maritime, Directorate of Standards and Guidance, Occupational Safety and Health Administration, U.S. Department of Labor, Room N–3609, 200 Constitution Avenue, NW., Washington, DC 20210; telephone (202) 693–1968.

ADDRESSES: In compliance with 28 U.S.C. 2112(a), OSHA designates the Associate Solicitor for Occupational Safety and Health as the recipient of petitions for review of the final standard. The Associate Solicitor may be contacted at the Office of the Solicitor, Room S–4004, U.S. Department of Labor, 200 Constitution

Avenue, NW., Washington, DC 20210, telephone: (202) 693–5445.

SUPPLEMENTARY INFORMATION: This direct final rulemaking applies to shipyard employment as defined at 29 CFR 1915.4. It updates NFPA standards incorporated by reference in the shipyard fire protection standard (29 CFR Part 1915, Subpart P) issued by OSHA on September 15, 2004 by replacing the older versions of NFPA consensus standards with the most current versions (see 69 FR 55668).

On October 17, 2006, OSHA published a direct final rule in the **Federal Register** with a statement that the rule would go into effect unless a significant adverse comment was received within a specified period of time (see 71 FR 60843). An associated proposed rule was also published at the same time (see 71 FR 60932). In both the direct final rule and proposed rule notices, OSHA requested comments on all issues related to this action. OSHA received only one comment on the direct final rule, which supported the rulemaking. Since no adverse comments were received, the direct final rule will become effective on January 16, 2007.

As discussed in the October 17th direct final rule and the associated proposed rule, OSHA will not proceed with the proposed rule.

Authority and Signature

This document was prepared under the direction of Edwin G. Foulke, Jr., Assistant Secretary of Labor for Occupational Safety and Health, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210. It is issued pursuant to sections 4, 6, and 8 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 653, 655, 657), Secretary of Labor's Order 5–2002 (67 FR 65008); and 29 CFR part 1911.

Signed at Washington, DC this 18th day of December, 2006.

Edwin G. Foulke, Jr.,

Assistant Secretary of Labor.

[FR Doc. E6–22189 Filed 12–29–06; 8:45 am]

BILLING CODE 4510–26–P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 3

RIN 2900–AK65

Filipino Veterans' Benefits Improvements

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: This document amends the Department of Veterans Affairs (VA) adjudication regulations to implement Public Law 108–183, the Veterans Benefits Act of 2003. This public law added service in the Philippine Scouts as qualifying service for payment of compensation, dependency and indemnity compensation (DIC), and monetary burial benefits at the full-dollar rate, and provided for payment of DIC at the full-dollar rate to survivors of certain veterans of the Philippine Commonwealth Army and recognized guerrilla forces who lawfully reside in the United States. This document adopts the interim final rule, which was published in the **Federal Register** on February 16, 2006 at 71 FR 8215, as a final rule with a technical correction.

DATES: *Effective Date:* This amendment is effective January 3, 2007.

FOR FURTHER INFORMATION CONTACT: Bill Russo, Chief, Regulations Staff (211D), Compensation and Pension Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Ave., NW., Washington DC, 20420, (202) 273–7210.

SUPPLEMENTARY INFORMATION: On December 27, 2001, VA published an interim final rule in the **Federal Register** for notice and comment (66 FR 66763) amending VA adjudication regulations to reflect changes made by two public laws. First, Public Law 106–377, The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 2001, changed the rate of compensation payments to certain veterans of the Philippine Commonwealth Army and recognized guerrilla forces who reside in the United States. Second, Public Law 106–419, the Veterans Benefits and Health Care Improvement Act of 2000, changed the amount of monetary burial benefits that VA will pay to survivors of certain veterans of the Philippine Commonwealth Army and recognized guerrilla forces who lawfully reside in the United States at death. On February 16, 2006, VA published in the **Federal Register** (71 FR 8215) a final rule adopting the interim final rule with changes and responding to public comments. Included with this final rule was an interim final rule that implemented Public Law 108–183 and solicited comments on these regulatory amendments only. Interested persons were invited to submit written comments on or before March 20, 2006. We did not receive any comments.

We are making one change to 38 CFR 3.42(c)(4)(ii) as a technical correction. We determined that there was an error in the text of the interim final rule, as published on February 16, 2006. Section 3.42(c)(4)(ii) incorrectly stated, ''A Post Office box mailing address in the veteran's name does not constitute evidence showing that the veteran was lawfully residing in the United States on the date of death.'' The proof of residence requirements in § 3.42(c)(4) apply to both compensation benefits paid to veterans and dependency and indemnity compensation benefits paid to veterans' survivors, but the interim final rule in § 3.42(c)(4)(ii) incorrectly referred only to veterans. Moreover, the reference to ''date of death'' is incorrect; that criterion would only apply in a claim for full-dollar burial benefits under § 3.43. We are therefore correcting § 3.42(c)(4)(ii) to state, ''A Post Office box mailing address in the veteran's name or the name of the veteran's survivor does not constitute evidence showing that the veteran or veteran's survivor is lawfully residing in the United States.''

Based on the rationale stated in the interim final rule published on February 16, 2006, and in this document, the interim final rule is adopted as a final rule with a technical correction.

Paperwork Reduction Act

All collections of information under the Paperwork Reduction Act (44 U.S.C. 3501–3521) referenced in this final rule have existing OMB approval as a form under control number 2900–0655. No changes are made in this final rule to those collections of information.

Regulatory Flexibility Act

The Secretary hereby certifies that this regulatory amendment will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. The reason for this certification is that these amendments would not directly affect any small entities. Only VA beneficiaries could be directly affected. Therefore, under 5 U.S.C. 605(b), these amendments are exempt from the initial and final regulatory flexibility analysis requirements of 5 U.S.C. 603 and 604.

Executive Order 12866

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity). The Order classifies a rule as a significant regulatory action requiring review by the Office of Management and Budget if it meets any one of a number of