

distributes the \$100 of cash to J in liquidation. Pursuant to § 1.368-2(l), Corporation Y will be deemed to issue a nominal share of Corporation Y stock to Corporation X in addition to the \$100 of cash actually exchanged for the Corporation X assets, and Corporation X will be deemed to distribute all of the consideration to J. J will have a basis of \$50 in the nominal share of Corporation Y stock under section 358(a).

(ii) *Analysis.* Under paragraph (a)(2)(iii) of this section, J is the actual shareholder of Corporation Y, the issuing corporation, deemed to receive the nominal share of Corporation Y stock described in § 1.368-2(l). Therefore, J must designate any share of Corporation Y stock to which the basis of \$50 in the nominal share of Corporation Y stock will attach.

*Example 16.* (i) *Facts.* Each of Corporation X and Corporation Y has a single class of stock outstanding, all of which is owned by Corporation P. Corporation T has a single class of stock outstanding, all of which is owned by Corporation X. The corporations do not join in the filing of a consolidated return. Corporation X acquired 100 shares of Corporation T stock on Date 1 for \$1.50 each. On Date 2, Corporation Y acquires the assets of Corporation T for \$100 of cash, their fair market value, in a transaction described in § 1.368-2(l). Pursuant to the terms of the exchange, Corporation T does not receive any Corporation Y stock. Corporation T distributes the \$100 of cash to Corporation X in liquidation. Pursuant to § 1.368-2(l), Corporation Y will be deemed to issue a nominal share of Corporation Y stock to Corporation T in addition to the \$100 of cash actually exchanged for the Corporation T assets, and Corporation T will be deemed to distribute all of the consideration to Corporation X. Corporation X will have a basis of \$50 in the nominal share of Corporation Y stock under section 358(a). Corporation X will be deemed to distribute the nominal share of Corporation Y stock to Corporation P. Corporation X does not recognize the loss on the deemed distribution of the nominal share to Corporation P under section 311(a). Corporation P's basis in the nominal share is zero, its fair market value, under section 301(d).

(ii) *Analysis.* Corporation X is deemed to receive the nominal share of Corporation Y stock described in § 1.368-2(l). However, under paragraph (a)(2)(iii) of this section, Corporation X is not an actual shareholder of Corporation Y, the issuing corporation. Therefore, Corporation X cannot designate any share of Corporation Y stock to which the basis, if any, of the nominal share of Corporation Y stock will attach. Furthermore, Corporation P cannot designate a share of Corporation Y stock to which basis will attach because Corporation P receives the nominal share with a basis of zero.

(d) *Effective/applicability date.* This section applies to exchanges and distributions of stock and securities occurring on or after November 21, 2011.

(e) *Expiration date.* This section expires on or before November 18, 2014.

Approved: November 1, 2011.

**Steven T. Miller,**

*Deputy Commissioner for Services and Enforcement.*

**Emily S. McMahon,**

*Acting Assistant Secretary of the Treasury (Tax Policy).*

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 26

[EPA-HQ-OPP-2010-0785; FRL-9325-5]

RIN 2070-AJ76

### Protections for Subjects in Human Research Involving Pesticides; Notification of Submission to the Secretary of Agriculture

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notification of submission to the Secretary of Agriculture.

**SUMMARY:** This document notifies the public that the Administrator of EPA has forwarded to the Secretary of the United States Department of Agriculture (USDA) a draft final rule as required by section 25(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

**ADDRESSES:** EPA has established a docket for this action under docket identification (ID) number EPA-HQ-OPP-2010-0785. All documents in the docket are listed in the docket index available in <http://www.regulations.gov>. Although listed in the index, some information is not publicly available, e.g., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available in the electronic docket at <http://www.regulations.gov>, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S-4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The Docket Facility is open from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305-5805.

**FOR FURTHER INFORMATION CONTACT:** Kelly Sherman, Immediate Office of the Director (7501P), Office of Pesticide Programs, Environmental Protection

Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460-0001; telephone number: (703) 305-8401; email address: [sherman.kelly@epa.gov](mailto:sherman.kelly@epa.gov).

### SUPPLEMENTARY INFORMATION:

#### I. Does this action apply to me?

This action is directed to the public in general. It simply announces the submission of a draft final rule to the Secretary of USDA and does not otherwise affect any specific entities. This action may, however, be of particular interest to pesticide registrants (NAICS code 325320) who sponsor or conduct human research for pesticides, and to other entities that sponsor or conduct human research for pesticides (NAICS code 541710). Since other entities may also be interested, the Agency has not attempted to describe all the specific entities that may be interested in this action. If you have any questions regarding this action, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

#### II. What action is EPA taking?

As described in the Agency's semi-annual Regulatory Agenda, the draft final rule would take final action with regard to the proposed rule issued on February 2, 2011 (76 FR 5735). The amendments would make no changes to the Common Rule or EPA's codification of the Common Rule. EPA proposed these amendments as a result of a settlement agreement.

Section 25(a)(2)(B) of FIFRA requires the EPA Administrator to provide the Secretary of USDA with a copy of any draft final rule at least 30 days before signing it in final form for publication in the **Federal Register**. The draft final rule is not available to the public until after it has been signed by EPA. If the Secretary of USDA comments in writing regarding the draft final rule within 15 days after receiving it, the EPA Administrator shall include in the final rule, when published in the **Federal Register**, the comments of the Secretary of USDA, if requested by the Secretary of USDA, and the EPA Administrator's response to those comments. If the Secretary of USDA does not comment in writing within 15 days after receiving the draft final rule, the EPA Administrator may sign the final rule for publication in the **Federal Register** any time after the 15-day period.

#### III. Do any statutory and Executive Order reviews apply to this notification?

No. This document is not a rule. It is merely a notification of submission to the Secretary of USDA. As such, none

of the regulatory assessment requirements apply to this document.

#### IV. Will this notification be subject to the Congressional Review Act?

No. This action is not a rule for purposes of the Congressional Review Act (CRA), 5 U.S.C. 804(3), and will not be submitted to Congress and the Comptroller General. EPA will submit the final rule to Congress and the Comptroller General as required by CRA.

#### List of Subjects in 40 CFR Part 26

Environmental protection, Human research, Pesticides.

Dated: November 4, 2011.

**Steven Bradbury,**

*Director, Office of Pesticide Programs.*

[FR Doc. 2011-29910 Filed 11-18-11; 8:45 am]

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[VA202-5203; FRL-9490-3]

#### Approval and Promulgation of Air Quality Implementation Plans; Virginia; Update to Materials Incorporated by Reference

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule; administrative change.

**SUMMARY:** EPA is updating the materials that are incorporated by reference (IBR) into the Virginia State Implementation Plan (SIP). The regulations affected by this update have been previously submitted by the Virginia Department of Environmental Quality (VA DEQ) and approved by EPA. This update affects the SIP materials that are available for public inspection at the National Archives and Records Administration (NARA), the Air and Radiation Docket and Information Center located at EPA Headquarters in Washington, DC, and the EPA Regional Office.

**DATES:** *Effective Date:* This action is effective November 21, 2011.

**ADDRESSES:** SIP materials which are incorporated by reference into 40 CFR part 52 are available for inspection at the following locations: Air Protection Division, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103; the Air and Radiation Docket and Information Center, U.S. Environmental Protection Agency, 1301 Constitution Avenue NW., Room Number 3334, EPA

West Building, Washington, DC 20460; or the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

#### FOR FURTHER INFORMATION CONTACT:

Harold A. Frankford, (215) 814-2108 or by email at [frankford.harold@epa.gov](mailto:frankford.harold@epa.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The SIP is a living document which the State revises as necessary to address its unique air pollution problems. Therefore, EPA, from time to time, must take action on SIP revisions containing new and/or revised regulations as being part of the SIP. On May 22, 1997 (62 FR 27968), EPA revised the procedures for incorporating by reference Federally-approved SIPs, as a result of consultations between EPA and the Office of the Federal Register (OFR). The description of the revised SIP document, IBR procedures and "Identification of plan" format are discussed in further detail in the May 22, 1997 **Federal Register** document. On April 21, 2000 (65 FR 21315), EPA published a **Federal Register** action beginning the new IBR procedure for Virginia. On September 8, 2004 (69 FR 54216), November 3, 2005 (70 FR 66769), July 16, 2007 (72 FR 38920), and July 13, 2009 (74 FR 33332) as corrected on December 18, 2009 (74 FR 67077), EPA published updates to the IBR material for Virginia.

Since the publication of the last IBR update, EPA has approved the following regulatory changes to the following Virginia regulations:

##### A. Added Regulations

- 9VAC5 Chapter 30 (Ambient Air Quality Standards), Sections 5-30-15, 5-30-56, and 5-30-66.
- 9VAC5 Chapter 40 (Existing Stationary Sources), Part II (Emission Standards), Article 51 (Stationary Sources Subject to Case-by-Case Control Technology Determinations).
- 9VAC5 Chapter 85 (Permits for Stationary Sources of Pollutants Subject to Regulation), Parts I (Applicability), III (Prevention of Significant Deterioration Permit Actions), and IV (State Operating Permit Actions).
- 9VAC5 Chapter 130 (Regulation for Open Burning), Part I (General Provisions), Sections 5-130-10 through 5-130-50.

- 9VAC5 Chapter 151 (Transportation Conformity).
- 9VAC5 Chapter 220 (Opacity Variance for Rocket Testing Operations Atlantic Research Corporation's Orange County Facility).

##### B. Revised Regulations

- 9VAC5 Chapter 10 (General Definitions), Section 5-10-20.
- 9VAC5 Chapter 30 (Ambient Air Quality Standards), Sections 5-30-15, 5-30-55, 5-30-60, 5-30-70, and 5-30-80.
- 9VAC5 Chapter 40 (Existing Stationary Sources), Part I (Special Provisions), Section 5-40-20.
- 9VAC5 Chapter 40, Part II (Emission Standards), Article 4 (Emission Standards for General Process Operations), Section 5-40-250.
- 9VAC5 Chapter 50 (New and Modified Stationary Sources), Part I (Special Provisions), section 5-50-20.
- 9VAC5 Chapter 80 (Permits for Stationary Sources), Article 8 (Permits-Major Stationary Sources and Major Modifications Located in Prevention of Significant Deterioration Areas), Sections 5-80-1615 and 5-80-1665.
- The following regulations in 9VAC5 Chapter 140 (Regulation for Emission Trading):
  - Part I (NO<sub>x</sub> Budget Trading Program), Article 1 (NO<sub>x</sub> Budget Trading Program General Provisions), Sections 5-140-1010, 5-140-1020, and 5-140-1060.
  - Part II (NO<sub>x</sub> Annual Trading Program), Article 1 (CAIR NO<sub>x</sub> Annual Trading Program General Provisions), Sections 5-140-2010 and 5-140-2020.
  - Part III (NO<sub>x</sub> Ozone Season Trading Program), Article 1 (NO<sub>x</sub> Ozone Season Trading Program General Provisions), Sections 5-140-3010 and 5-140-3020.
  - Part IV (SO<sub>2</sub> Annual Trading Program), Article 5 (CAIR SO<sub>2</sub> Allowance Allocations), Section 5-140-3400.

##### C. Removed Regulations

- 9VAC5 Chapter 40 (Existing Stationary Sources), Part II (Emission Standards), Article 4 (Emission Standards for General Process Operations), Sections 5-40-300, 5-40-310A.-E., and 5-40-311.
- 9VAC5 Chapter 40, Part II, Article 40 (Emission Standards for Open Burning)-entire article.

## II. EPA Action

In this action, EPA is doing the following: