

December 31, 2013). Consequently, the depreciation allowance for the building for 2014 is \$508,954 ( $\$19,850,000 \times$  depreciation rate of 2.564% for 2014).

(v) E also must capitalize the amount paid for the replacement elevator pursuant to § 1.263(a)–3(k)(1)(i). The replacement elevator is a separate asset for tax disposition purposes pursuant to paragraph (c)(4)(ii)(D) of this section and for depreciation purposes pursuant to section 168(i)(6).

**Example 10.** (i) Since 2005, F, a calendar year taxpayer, has accounted for items of MACRS property that are mass assets in pools. Each pool includes only the mass assets that have the same depreciation method, recovery period, and convention, and are placed in service by F in the same taxable year. None of the pools are general asset accounts under section 168(i)(4) and the regulations under section 168(i)(4). F identifies any dispositions of these mass assets by specific identification.

(ii) During 2014, F sells 10 items of mass assets with a 5-year recovery period each for \$100. Under the specific identification method, F identifies these mass assets as being from the pool established by F in 2012 for mass assets with a 5-year recovery period. Assume F depreciates this pool using the optional depreciation table that corresponds with the general depreciation system, the 200-percent declining balance method, a 5-year recovery period, and the half-year convention. F elected not to deduct the additional first year depreciation provided by section 168(k) for 5-year property placed in service during 2012. As of January 1, 2014, this pool contains 100 similar items of mass assets with a total cost of \$25,000 and a total depreciation reserve of \$13,000. Because all the items of mass assets in the pool are similar, F allocates the cost and depreciation allowed or allowable for the pool ratably among each item in the pool. Using this reasonable method (because all the items of mass assets in the pool are similar), F allocates a cost of \$250 ( $\$25,000 \times (1/100)$ ) to each disposed of mass asset and depreciation allowed or allowable of \$130 ( $\$13,000 \times (1/100)$ ) to each disposed of mass asset. The depreciation allowed or allowable in 2014 for each disposed of mass asset is \$24 ( $(\$250 \times 19.2\%)/2$ ). As a result, the adjusted depreciable basis of each disposed of mass asset under section 1011 is \$96 ( $\$250 - \$130 - \$24$ ). Thus, F recognizes a gain of \$4 for each disposed of mass asset in 2014, which is subject to section 1245.

(iii) Further, as of January 1, 2014, the unadjusted depreciable basis of the 2012 pool of mass assets with a 5-year recovery period is reduced from \$25,000 to \$22,500 (\$25,000 less the unadjusted depreciable basis of \$2,500 for the 10 disposed of items), and the depreciation reserve of this 2012 pool is reduced from \$13,000 to \$11,700 (\$13,000 less the depreciation allowed or allowable of \$1,300 for the 10 disposed of items as of December 31, 2013). Consequently, as of January 1, 2014, the 2012 pool of mass assets with a 5-year recovery period has 90 items with a total cost of \$22,500 and a depreciation reserve of \$11,700. Thus, the depreciation allowance for this pool for 2014 is \$4,320 ( $\$22,500 \times 19.2\%$ ).

**Example 11.** (i) The facts are the same as in *Example 10*. Because of changes in F's recordkeeping in 2015, it is impracticable for F to continue to identify disposed of mass assets using specific identification and to determine the unadjusted depreciable basis of the disposed of mass assets. As a result, F files a Form 3115, Application for Change in Accounting Method, to change to a first-in, first-out method beginning with the taxable year beginning on January 1, 2015, on a modified cut-off basis. See § 1.446–1(e)(2)(ii)(d)(2)(vii). Under the first-in, first-out method, the mass assets disposed of in a taxable year are deemed to be from the pool with the earliest placed-in-service year that has assets as of the beginning of the taxable year of the disposition with the same recovery period as the asset disposed of. The Commissioner of Internal Revenue consents to this change in method of accounting.

(ii) During 2015, F sells 20 items of mass assets with a 5-year recovery period each for \$50. As of January 1, 2015, the 2008 pool is the pool with the earliest placed-in-service year for mass assets with a 5-year recovery period, and this pool contains 25 items of mass assets with a total cost of \$10,000 and a total depreciation reserve of \$10,000. Thus, F allocates a cost of \$400 ( $\$10,000 \times (1/25)$ ) to each disposed of mass asset and depreciation allowed or allowable of \$400 to each disposed of mass asset. As a result, the adjusted depreciable basis of each disposed of mass asset is \$0. Thus, F recognizes a gain of \$50 for each disposed of mass asset in 2015, which is subject to section 1245.

(iii) Further, as of January 1, 2015, the unadjusted depreciable basis of the 2008 pool of mass assets with a 5-year recovery period is reduced from \$10,000 to \$2,000 ( $\$10,000$  less the unadjusted depreciable basis of \$8,000 for the 20 disposed of items ( $\$400 \times 20$ )), and the depreciation reserve of this 2008 pool is reduced from \$10,000 to \$2,000 ( $\$10,000$  less the depreciation allowed or allowable of \$8,000 for the 20 disposed of items as of December 31, 2014). Consequently, as of January 1, 2015, the 2008 pool of mass assets with a 5-year recovery period has 5 items with a total cost of \$2,000 and a depreciation reserve of \$2,000.

(j) *Effective/applicability date*—(1) *In general.* This section applies to taxable years beginning on or after January 1, 2014.

(2) *Early application of this section.* A taxpayer may choose to apply the provisions of this section to taxable years beginning on or after January 1, 2012.

(3) *Early application of regulation project REG–110732–13.* A taxpayer may rely on the provisions of this section in regulation project REG–110732–13 for taxable years beginning on or after January 1, 2012. However, a taxpayer may not rely on the provisions of this section in regulation project REG–110732–13 for taxable years beginning on or after January 1, 2014.

(4) *Optional application of TD 9564.* A taxpayer may choose to apply

§ 1.168(i)–8T as contained in TD 9564 (76 FR 81060) December 27, 2011, to taxable years beginning on or after January 1, 2012. However, a taxpayer may not apply § 1.168(i)–8T as contained in TD 9564 (76 FR 81060) December 27, 2011, to taxable years beginning on or after January 1, 2014.

(5) *Change in method of accounting.* A change to comply with this section for depreciable assets placed in service in a taxable year ending on or after December 30, 2003, is a change in method of accounting to which the provisions of section 446(e) and the regulations under section 446(e) apply. A taxpayer also may treat a change to comply with this section for depreciable assets placed in service in a taxable year ending before December 30, 2003, as a change in method of accounting to which the provisions of section 446(e) and the regulations under section 446(e) apply. This paragraph (j)(5) does not apply to a change to comply with paragraph (d)(2) of this section (except as provided in paragraph (d)(2)(iii) or (d)(2)(iv)(B) of this section).

**Beth Tucker,**

*Deputy Commissioner for Operations Support.*

[FR Doc. 2013–21753 Filed 9–13–13; 11:15 am]

**BILLING CODE 4830–01–P**

## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 165

[Docket No. USCG–2012–1045]

RIN 1625AA00

### Safety Zone; Military Munitions Recovery, Raritan River, Raritan, NJ

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to establish a permanent safety zone within the waters of the Raritan River upstream of the Perth Amboy Railroad Bridge. This proposed safety zone is necessary to provide for the protection of the maritime public and safety of navigation during removal of underwater explosive hazards in the Raritan River. This action is intended to protect the public from the dangers posed by underwater explosives by restricting unauthorized persons and vessels from traveling through or conducting underwater activities within a portion of the Raritan River while military munitions are rendered safe,

detonated, and/or removed from the area. Entry into this zone (as well as a broad array of other actions) would be prohibited within the safety zone unless authorized by the Captain of the Port New York or the designated on-scene representative.

**DATES:** Comments and related material must be received by the Coast Guard on or before October 21, 2013.

Requests for public meetings must be received by the Coast Guard on or before September 26, 2013.

**ADDRESSES:** You may submit comments identified by docket number USCG–2012–1045 using any one of the following methods:

(1) *Federal eRulemaking Portal:*  
<http://www.regulations.gov>.

(2) *Fax:* (202) 493–2251.

(3) *Mail or Delivery:* Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590–0001. Deliveries accepted between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is (202) 366–9329.

See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section below for further instructions on submitting comments. To avoid duplication, please use only one of these three methods.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or email LT Hannah Eko, U. S. Coast Guard, Sector New York, Waterways Management Division, telephone (718) 354–4114, email [Hannah.O.Eko@uscg.mil](mailto:Hannah.O.Eko@uscg.mil) or BMC Craig Lapeijko, Coast Guard First District Waterways Management Branch, telephone (617) 223–8381, email [craig.d.lapeijko@uscg.mil](mailto:craig.d.lapeijko@uscg.mil). If you have questions on viewing or submitting material to the docket, call Barbara Hairston, Program Manager, Docket Operations, telephone (202) 366–9826.

#### **SUPPLEMENTARY INFORMATION:**

##### **Table of Acronyms**

CFR Code of Federal Regulations  
COTP Captain of the Port  
DHS Department of Homeland Security  
FR Federal Register  
NPRM Notice of Proposed Rulemaking  
USACE United States Army Corps of Engineers

#### **A. Public Participation and Request for Comments**

We encourage you to participate in this rulemaking by submitting comments and related materials. All

comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided.

##### *1. Submitting Comments*

If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online at <http://www.regulations.gov>, or by fax, mail, or hand delivery, but please use only one of these means. If you submit a comment online, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your comment, it will be considered as having been received by the Coast Guard when it is received at the Docket Management Facility. We recommend that you include your name and a mailing address, an email address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to <http://www.regulations.gov>, type the docket number [USCG–2012–1045] in the “SEARCH” box and click “SEARCH”. Click on “Submit a Comment” on the line associated with this rulemaking.

If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit comments by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period and may change the rule based on your comments.

##### *2. Viewing Comments and Documents*

To view comments, as well as documents mentioned in this preamble as being available in the docket, go to <http://www.regulations.gov>, type the docket number (USCG–2012–1045) in the “SEARCH” box and click “SEARCH.” Click on Open Docket Folder on the line associated with this rulemaking. You may also visit the Docket Management Facility in Room W12–140 on the ground floor of the Department of Transportation West Building, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m.

and 5 p.m., Monday through Friday, except Federal holidays.

##### *3. Privacy Act*

Anyone can search the electronic form of comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review a Privacy Act notice regarding our public dockets in the January 17, 2008, issue of the **Federal Register** (73 FR 3316).

##### *4. Public Meeting*

We do not now plan to hold a public meeting. But you may submit a request for one on or before September 26, 2013., using one of the methods specified under **ADDRESSES**. Please explain why you believe a public meeting would be beneficial. If we determine that one would aid this rulemaking, we will hold one at a time and place announced by a later notice in the **Federal Register**.

#### **B. Basis and Purpose**

The legal basis for the proposed rule is 33 U.S.C. 1226, 1231; 46 U.S.C. Chapter 701, 3306, 3703; 50 U.S.C. 191, 195; 33 CFR 1.05–1, 6.04–1, 6.04–6, 160.5; Public Law 107–295, 116 Stat. 2064; Department of Homeland Security Delegation No. 0170.1., which collectively authorize the Coast Guard to establish safety zones.

The U.S. Army Corps of Engineers (USACE) has been investigating the former Raritan Arsenal for over 20 years. The former Raritan Arsenal was approximately 3,200 acres and enclosed by Woodbridge Avenue and the Raritan River; between Mill Road and Clearview Avenue. USACE investigations in the past have located military munitions and hazardous and toxic waste in the former Raritan Arsenal region. Beginning in the fall of 2013, the USACE plans to conduct a remedial investigation within the Raritan River using advanced metal detection, removal, and detonation techniques. The USACE has established a Web site for this project at <http://www.nan.usace.army.mil/Missions/Environmental/EnvironmentalRemediation/FormerlyUsedDefenseSites/FormerRaritanArsenal.aspx>.

The USACE is conducting a remedial investigation within the Raritan River using advanced metal detection, removal, and detonation techniques. This investigation is tentatively scheduled to begin in the fall of 2013 and may extend into 2014 or beyond. The Coast Guard believes that a safety

is needed to protect vessel traffic from the dangers of underwater explosives by restricting unauthorized persons and vessels from traveling through or conducting underwater activities within a portion of the Raritan River while military munitions are rendered safe, detonated, or removed from the area.

### C. Discussion of Proposed Rule

The Coast Guard proposes to establish a safety zone encompassing all navigable waters of the Raritan River upstream of the Perth Amboy Railroad Bridge to ensure the safety of mariners and vessels around the military munitions removal area.

This safety zone would be enforced while on-scene workers are retrieving military munitions that could pose a hazard to persons or vessels operating in the area. Each military munitions retrieval is expected to require the activation of the safety zone for a minimum of 60 minutes. Intended work hours (subject to change) are 6:00 a.m. through 6:00 p.m., Monday through Friday. The USACE will provide notice of the activation of the safety zone via vessels stationed at the eastern and western boundaries of the safety zone. These vessels will have flashing yellow lights to alert mariners to their presence and that the safety zone is being enforced.

### D. Regulatory Analyses

We developed this proposed rule after considering numerous statutes and executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes or executive orders.

#### 1. Regulatory Planning and Review

This proposed rule is not a significant regulatory action under section 3(f) of Executive Order 12866, Regulatory Planning and Review, as supplemented by Executive Order 13563, Improving Regulation and Regulatory Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of Executive Order 12866 or under section 1 of Executive Order 13563. The Office of Management and Budget has not reviewed it under those Orders.

Although this proposed rule would restrict access to a small portion of the Raritan River until military munitions are rendered safe and removed, the effect of this regulation would not be significant due to the following reasons: The safety zone would cover only a small portion of the navigable waters within the Raritan River during limited intervals of time. We expect portions of the safety zone to be activated for short

period while the military munitions are being removed or detonated. In addition, vessels may be authorized to enter the zone with permission of the COTP.

#### 2. Impact on Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered the impact of this proposed rule on small entities. The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule will not have a significant economic impact on a substantial number of small entities.

This proposed rule would affect the following entities, some of which might be small entities: The owners or operators of vessels intending to transit, fish, dive, or anchor in a portion of the Raritan River upstream of the Perth Amboy Railroad Bridge during the time the safety zone is activated.

This proposed safety zone would not have a significant economic impact on a substantial number of small entities for the following reasons. This safety zone would only be activated for limited periods of time while the USACE is retrieving or detonating military munitions. Vessel traffic would be minimal because the location of the safety zone is in an area that does not experience high volumes of vessel traffic, with typical commercial traffic being very minimal. Upstream recreational vessel entities will be contacted concerning this safety zone. Before the activation of the zone, maritime advisories would be issued and widely available to users of the waterway in the vicinity of the Raritan River.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this rule would economically affect it.

#### 3. Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this proposed rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT**, above. The Coast Guard will not retaliate against small entities that question or complain about this

proposed rule or any policy or action of the Coast Guard.

#### 4. Collection of Information

This proposed rule will not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520.).

#### 5. Federalism

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. We have analyzed this proposed rule under that Order and determined that this rule does not have implications for federalism.

#### 6. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places or vessels.

#### 7. Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 (adjusted for inflation) or more in any one year. Though this proposed rule would not result in such an expenditure, we do discuss the effects of this rule elsewhere in this preamble.

#### 8. Taking of Private Property

This proposed rule would not cause a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

#### 9. Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

### 10. Protection of Children From Environmental Health Risks

We have analyzed this proposed rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and would not create an environmental risk to health or risk to safety that might disproportionately affect children.

### 11. Indian Tribal Governments

This proposed rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it would not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

### 12. Energy Effects

This proposed rule is not a "significant energy action" under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use.

### 13. Technical Standards

This proposed rule does not use technical standards. Therefore, we did not consider the use of voluntary consensus standards.

### 14. Environment

We have analyzed this proposed rule under Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.ID, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321-4370f), and have made a preliminary determination that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This proposed rule involves the establishment of a safety zone. This rule would be categorically excluded from further review under paragraph 34(g) of Figure 2-1 of the Commandant Instruction. A preliminary environmental analysis checklist is in the docket where indicated under **ADDRESSES**. We seek any comments or information that may lead to the discovery of a significant environmental impact from this rule.

#### List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping

requirements, Security measures, and Waterways.

For the reasons discussed in the preamble, the Coast Guard proposes to amend 33 CFR part 165 as follows:

#### PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

■ 1. The authority citation for part 165 continues to read as follows:

**Authority:** 33 U.S.C. 1231; 46 U.S.C. Chapter 701, 3306, 3703; 50 U.S.C. 191, 195; 33 CFR 1.05-1, 6.04-1, 6.04-6, and 160.5; Pub. L. 107-295, 116 Stat. 2064; Department of Homeland Security Delegation No. 0170.1.

■ 2. Add § 165.170 to read as follows:

#### § 165.170 Safety Zone; Military Munitions Recovery, Raritan River, Raritan, NJ.

##### (a) Location.

The following area is a safety zone: All navigable waters of the Raritan River upstream of the Perth Amboy Railroad Bridge, which spans the waterway at approximately 40°29'46.3" N, 74°16'51.5" W.

(b) *Definitions.* The following definitions apply to this section:

(1) "Designated representative" means any U.S. Army Corps of Engineers personnel, any commissioned, warrant, or petty officer of the U.S. Coast Guard, and any member of the Coast Guard Auxiliary who has been designated by the Captain of the Port New York (COTP), to act on his or her behalf. As a designated representative, the U.S. Army Corps of Engineers official patrol vessel will communicate with vessels via VHF-FM radio or loudhailer.

(2) "Official patrol vessel" means any Coast Guard, Coast Guard Auxiliary, Army Corp of Engineers, state, or local law enforcement vessels assigned or approved by the COTP.

##### (c) Regulations.

(1) The general regulations in 33 CFR 165.23 apply.

(2) Entry, transit, diving, dredging, dumping, fishing, trawling, conducting salvage operations, remaining or anchoring within the safety zone described in paragraph (a) of this section is prohibited unless authorized by the COTP.

(3) Upon being hailed by a U.S. Coast Guard vessel, U.S. Army Corps of Engineers vessel or a designated representative, by siren, radio, flashing light, or other means, the operator of a vessel shall proceed as directed.

(4) Vessel operators desiring to enter, transit, dive, dredge, dump, fish, trawl, conduct salvage operations, remain within or anchor within the safety zone must contact the COTP or a designated representative via VHF channel 16 or by phone at (718) 354-4353 (Sector New

York Command Center) to request permission.

(5) Vessel operators given permission to enter or operate in the safety zone must comply with all directions given to them by the COTP or a designated representative.

Dated: September 6, 2013.

**G. Loebel,**

*Captain, U.S. Coast Guard, Captain of the Port New York.*

[FR Doc. 2013-22756 Filed 9-18-13; 8:45 am]

**BILLING CODE 9110-04-P**

## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 165

[Docket No. USCG-2013-0676]

RIN 1625-AA00

#### Safety Zone; Motion Picture Production; Chicago, Illinois

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of enforcement of regulation.

**SUMMARY:** The Coast Guard will enforce the temporary safety zone for motion picture filming in Calumet Harbor, Chicago, IL from 9 p.m. until 6 a.m., from September 15 through September 29, 2013. This action is necessary and intended to ensure safety of life on navigable waters during nighttime filming of a motion picture in Calumet Harbor. During the aforementioned period, the Coast Guard will enforce restrictions upon, and control movement of, vessels in a specified safety zone. During the enforcement period, no person or vessel may enter the safety zone without permission of the Captain of the Port, Lake Michigan.

**DATES:** The 33 CFR 165.T09-0676(a), Calumet Harbor, safety zone, will be enforced from 9 p.m. until 6 a.m., from September 15 through September 29, 2013.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this notice, call or email MST1 Joseph McCollum, Prevention Department, Coast Guard Sector Lake Michigan, Milwaukee, WI at (414) 747-7148, email [Joseph.P.McCollum@uscg.mil](mailto:Joseph.P.McCollum@uscg.mil).

**SUPPLEMENTARY INFORMATION:** This notice provides an updated enforcement schedule for the Calumet Harbor safety zone listed in 33 CFR 165.T09-0676 Safety Zone; Motion Picture Production; Chicago, IL (78 FR 20241, August 20, 2013). This updated schedule