

term of the contract. All collateral on the contract is required to be in U.S. dollars.

(i) Because the contract is required to be collateralized in an amount equal to the upfront payment and changes in the fair market value of the contract on a daily basis for the entire term of the contract, the contract is described in paragraph (g)(4)(ii)(B)(2) of this section and paragraph (g)(4)(i) of this section does not apply to the contract.

(h) through (j)(1) [Reserved]. For further guidance, see § 1.446–3(h) through (j)(1).

(2) *Application of § 1.446–3T(g)(4)*. The rules provided in paragraph (g)(4)(i) of this section apply to notional principal contracts entered into on or after November 4, 2015. Taxpayers may apply the rules provided in paragraph (g)(4)(i) of this section to notional principal contracts entered into before November 4, 2015. The rules provided in paragraph (g)(4)(ii) of this section apply to notional principal contracts entered into on or after May 8, 2015. Taxpayers may apply the rules provided in paragraph (g)(4)(ii) of this section to notional principal contracts entered into before May 8, 2015. For the rules that apply to notional principal contracts with nonperiodic payments entered into before the dates set forth in this paragraph (j)(2), see § 1.446–3(g)(4) as contained in 26 CFR part 1, revised April 1, 2015.

(k) *Expiration date*. The applicability of paragraph (g)(4) of this section and paragraph (g)(6) *Examples 2, 3 and 4* of this section expires May 7, 2018.

■ **Par. 4.** Section 1.956–2T is amended by revising paragraphs (b)(1)(xi), (f) and (g) to read as follows:

**§ 1.956–2T Definition of United States property (temporary).**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(xi) An obligation of a United States person arising from a nonperiodic payment by a controlled foreign corporation (within the meaning of section 957(a)) with respect to a notional principal contract described in § 1.446–3T(g)(4)(ii)(B)(1) or (2) if the following conditions are satisfied—

(A) The controlled foreign corporation that makes the nonperiodic payment is either a dealer in securities (within the meaning of section 475(c)(1)) or a dealer in commodities; and

(B) The conditions set forth in § 1.446–3T(g)(4)(ii)(C)(1) (relating to full margin or collateral in cash) are satisfied.

(C) *Examples*. The following examples illustrate the application of this paragraph (b)(1)(xi):

*Example 1. Full margin—cleared contract.*

(i) A domestic corporation (U.S.C.) wholly owns a controlled foreign corporation (CFC) that is a dealer in securities under section 475(c)(1). CFC enters into an interest rate swap contract with unrelated counterparty B. The contract is required to be cleared and is accepted for clearing by a U.S.-registered derivatives clearing organization (DCO). CFC is not a member of the DCO. CFC uses a U.S. affiliate (CM), which is a member of the DCO, as its clearing member to submit the contract to be cleared. CM is a domestic corporation that is wholly owned by U.S.C.. The standardized terms of the contract provide that, for a term of X years, CFC will pay B a fixed coupon of 1% per year and receive a floating coupon on a notional principal amount of \$Y. When CFC and B enter into the contract, the market coupon for similar interest rate swaps is 2% per year. The DCO requires CFC to make an upfront payment to compensate B for the below-market annual coupon payments that B will receive, and CFC makes the upfront payment in cash. CFC makes the upfront payment through CM to the DCO, which then makes the payment to B. The DCO also requires B to post initial variation margin in an amount equal to the upfront payment and requires each party to post and collect daily variation margin in an amount equal to the change in the fair market value of the contract on a daily basis for the entire term of the contract. B posts the initial variation margin in U.S. dollars, which is received by CFC (through DCO and CM), and the parties post and collect daily variation margin in U.S. dollars.

(ii) Because the contract is subject to initial variation margin in an amount equal to the upfront payment and daily variation margin in an amount equal to the change in the fair market value of the contract on a daily basis for the entire term of the contract, the contract is described in § 1.446–3T(g)(4)(ii)(B)(1). Furthermore, because the additional conditions set forth in this paragraph (b)(1)(xi) are satisfied, the obligation of CM arising from the upfront payment by CFC does not constitute United States property for purposes of section 956.

*Example 2. Full margin—uncleared contract.* (i) Assume the same facts as in *Example 1*, except for the following. CFC's counterparty to the contract is U.S.C., CM is not involved, and the contract is not required to be cleared and is not accepted for clearing by a U.S.-registered derivatives clearing organization. The contract requires CFC to make an upfront payment to compensate U.S.C. for the below-market annual coupon payments that U.S.C. will receive, and CFC makes the upfront payment in U.S. dollars. Pursuant to the requirements of a federal regulator, U.S.C. is obligated to post initial variation margin with CFC in an amount equal to CFC's upfront payment, and U.S.C. and CFC are obligated to post and collect daily variation margin in an amount equal to the change in the fair market value of the contract on a daily basis for the entire term of the contract. U.S.C. posts the initial variation margin in U.S. dollars, which is received by CFC, and the parties post and collect daily variation margin in U.S. dollars.

(ii) Because the contract is subject to initial variation margin in an amount equal to the

upfront payment and daily variation margin in an amount equal to the change in the fair market value of the contract on a daily basis for the entire term of the contract, the contract is described in § 1.446–3T(g)(4)(ii)(B)(2). Furthermore, because the additional conditions set forth in this paragraph (b)(1)(xi) are satisfied, the obligation of U.S.C. arising from the upfront payment by CFC does not constitute United States property for purposes of section 956.

\* \* \* \* \*

(f) *Effective/applicability date*. Paragraph (b)(1)(xi) of this section applies to payments described in § 1.956–2T(b)(1)(xi) made on or after May 8, 2015. Taxpayers may apply the rules of paragraph (b)(1)(xi) to payments made before May 8, 2015.

(g) *Expiration date*. The applicability of paragraph (b)(1)(xi) of this section expires on May 7, 2018.

**John M. Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

Approved: April 29, 2015.

**Mark J. Mazur,**

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

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**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 117**

[Docket No. USCG–2015–0366]

**Drawbridge Operation Regulation; Navesink (Swimming) River, Middletown and Rumson, NJ**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of deviation from drawbridge regulation.

**SUMMARY:** The Coast Guard has issued a temporary deviation from the operating schedule that governs the operation of the Oceanic Bridge across the Navesink (Swimming) River, mile 4.5, between Middletown and Rumson, New Jersey. This deviation allows the bridge owner to perform structural repairs at the bridge. This deviation allows the bridge to open only one of the two moveable spans for passage of vessels traffic. This temporary deviation would help facilitate repairs to the bascule span bearing while continuing to meet the reasonable needs of navigation.

**DATES:** This deviation is effective from May 26, 2015 through June 12, 2015.

**ADDRESSES:** The docket for this deviation, [USCG–2015–0366] is

available at <http://www.regulations.gov>. Type the docket number in the "SEARCH" box and click "SEARCH." Click on Open Docket Folder on the line associated with this deviation. 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.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this temporary deviation, call or email Mr. Joe M. Arca, Project Officer, First Coast Guard District, telephone (212) 514-4336, [joe.m.arca@uscg.mil](mailto:joe.m.arca@uscg.mil). If you have questions on viewing the docket, call Ms. Cheryl Collins, Program Manager, Docket Operations, telephone (202) 366-9826.

**SUPPLEMENTARY INFORMATION:** The Oceanic Bridge across Navesink (Swimming) River, mile 4.5, between Middletown and Rumson, New Jersey, has a vertical clearance in the closed position of 22 feet at mean high water and 25 feet at mean low water, and horizontal clearance of 75 feet. The existing bridge operating regulations are found at 33 CFR 117.734.

The waterway is transited by seasonal recreational vessels of various sizes.

The bridge owner, Monmouth County, requested a temporary deviation from the normal operating schedule to facilitate repairs to the bascule span bearing.

Under this temporary deviation the Oceanic Bridge shall open on signal, except that, from May 26, 2015 through June 12, 2015, only one of the two moveable spans need open for the passage of vessels traffic.

There are no alternate routes for vessel traffic.

The Coast Guard will inform the users of the waterways through our Local and Broadcast Notice to Mariners of the change in operating schedule for the bridges so that vessels can arrange their transits to minimize any impact caused by the temporary deviation.

In accordance with 33 CFR 117.35(e), the drawbridge must return to its regular operating schedule immediately at the end of the effective period of this temporary deviation. This deviation from the operating regulations is authorized under 33 CFR 117.35.

Dated: April 30, 2015.

**C.J. Bisignano,**

*Supervisory Bridge Management Specialist,  
First Coast Guard District.*

[FR Doc. 2015-11188 Filed 5-7-15; 8:45 am]

**BILLING CODE 9110-04-P**

## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 165

[Docket Number USCG-2015-0287]

RIN 1625-AA00

#### Safety Zone, Pamlico River; Washington, NC

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing a temporary safety zone on the Pamlico River in Washington, NC. This action is necessary to protect the life and property of the maritime public from the hazards posed by fireworks displays. Entry into or movement within the safety zone during the enforcement period is prohibited without approval of the Captain of the Port or his designated Representative.

**DATES:** This rule is effective from 8:30 p.m. to 9:30 p.m. on May 25, 2015.

**ADDRESSES:** Documents mentioned in this preamble are part of docket [USCG-2015-0287]. To view documents mentioned in this preamble as being available in the docket, go to <http://www.regulations.gov>, type the docket number 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.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or email LT Derek J. Burrill, Waterways Management Division Chief, Sector North Carolina, Coast Guard; telephone (910) 772-2230, email [Derek.J.Burrill@uscg.mil](mailto:Derek.J.Burrill@uscg.mil). If you have questions on viewing or submitting material to the docket, call Cheryl Collins, Program Manager, Docket Operations, telephone (202) 366-9826.

#### SUPPLEMENTARY INFORMATION:

##### Table of Acronyms

DHS Department of Homeland Security  
FR Federal Register  
NPRM Notice of Proposed Rulemaking

#### A. Regulatory History and Information

The Coast Guard is issuing this temporary final rule without prior notice and opportunity to comment pursuant to authority under section 4(a)

of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest." Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because immediate action is required to provide for the safety of mariners on the navigable waters during the fireworks display on May 25, 2015. Delaying the effective date for comment would be contrary to the public interest, since immediate action is needed to ensure protection of persons and vessels transiting the area.

For similar reasons, under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

#### B. Basis and Purpose

The legal basis for this rule is 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05-1, 6.04-1, 6.04-6, 160.5; and DHS Delegation No. 0170.1, which collectively authorize the Coast Guard to propose, establish, and define regulatory safety zones.

The purpose of this safety zone is to protect mariners and the public from hazards to navigation associated with the fireworks displays on Pamlico River in Washington, NC on May 25, 2015.

#### C. Discussion of the Final Rule

On May 25, 2015, the Washington Harbor District Alliance will sponsor a fireworks display for the "Memorial Day Event" at a position located on the southwest shore of the Pamlico River in Washington, NC at latitude 35°32'25" N longitude 077°03'42" W. The fireworks debris fallout area will extend over the navigable waters of the Pamlico River. Due to the need to protect mariners and spectators from the hazards associated with the fireworks display, including accidental discharge of fireworks, dangerous projectiles, and falling hot embers or other debris, vessel traffic will be temporarily restricted from transiting within the fireworks launch and fallout area. This safety zone will be established and enforced from 8:30 p.m. to 9:30 p.m. on May 25, 2015.

Access to the safety zone will be restricted during the specified date and times. Except for vessels authorized by the Captain of the Port or his Representative, no person or vessel may enter or remain in the regulated area. The Captain of the Port will give notice