

credit. In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations concerning utility allowance regulations when the utility is generated from renewable sources and is not delivered by the local utility company. The text of those regulations also serves as the text of these proposed regulations. This document also contains a notice of a public hearing on these proposed regulations.

**DATES:** Comments and requests for a public hearing must be received by May 2, 2016.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-123867-14), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-123867-14), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov/> (IRS REG-123867-14).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, James Rider at (202) 317-4137; concerning submissions of comments and requests for a public hearing, Oluwafunmilayo Taylor at (202) 317-6901 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Background**

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend 26 CFR part 1. The temporary regulations provide a special rule for a renewable-source utility arrangement in which the building owner does not pay a local utility company for the utility consumed by the tenant. The text of those regulations also serves as the text of these regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations.

**Special Analyses**

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to this regulation, and because the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C.

chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

**Comments and Requests for Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS as prescribed in this preamble under the "ADDRESSES" heading. The IRS and the Treasury Department request comments on all aspects of the proposed regulations. All comments that are submitted by the public will be available for public inspection and copying at [www.regulations.gov](http://www.regulations.gov) or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

**Drafting Information**

The principal author of these regulations is David Selig, Office of the Associate Chief Counsel (Passthroughs and Special Industries), IRS. However, other personnel from the IRS and the Treasury Department participated in their development.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Proposed Amendments to the Regulations**

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

**PART 1—INCOME TAXES**

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

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

■ **Par. 2.** Section 1.42-10(e)(1)(i)(B) and (C), and (e)(1)(iv)(B) are revised to read as follows:

**§ 1.42-10 Utility allowances.**

\* \* \* \* \*

(e) \* \* \* (1) \* \* \*

(i) \* \* \*

(B) [The text of the proposed amendments to § 1.42-10(e)(1)(i)(B) is the same as the text of § 1.42-10T(e)(1)(i)(B) published elsewhere in this issue of the **Federal Register**].

(C) [The text of the proposed amendments to § 1.42-10(e)(1)(i)(C) is the same as the text of § 1.42-10T(e)(1)(i)(C) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(iv) \* \* \*

(B) [The text of the proposed amendments to § 1.42-10(e)(1)(iv)(B) is the same as the text of § 1.42-10T(e)(1)(iv)(B) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2016-04618 Filed 3-2-16; 8:45 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 165**

[Docket Number USCG-2016-0115]

RIN 1625-AA00

**Safety Zone; Xterra Swim, Myrtle Beach, SC Intracoastal Waterway; Myrtle Beach, SC**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to issue a temporary safety zone on the waters of the Intracoastal Waterway in Myrtle Beach, South Carolina. The Xterra Swim is scheduled to take place on Sunday, April 24, 2016. The temporary safety zone is necessary for the safety of the swimmers, participant vessels, spectators, and the general public during the event. The temporary safety zone will restrict vessel traffic in a portion of the Intracoastal Waterway, preventing non-participant vessels from entering, transiting through, anchoring in, or remaining within the regulated area unless authorized by the Captain of the Port Charleston or a designated representative.

**DATES:** Comments and related material must be received by the Coast Guard on or before April 4, 2016.

**ADDRESSES:** You may submit comments identified by docket number USCG-2016-0115 using the Federal eRulemaking Portal at <http://www.regulations.gov>. See the "Public Participation and Request for Comments" portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about this proposed rulemaking, call or email Lieutenant John Downing, Sector Charleston Office of Waterways Management, Coast Guard; telephone (843) 740-3184, email [John.Z.Downing@uscg.mil](mailto:John.Z.Downing@uscg.mil).

**SUPPLEMENTARY INFORMATION:**

**I. Public Participation and Comments**

We view public participation as essential to effective rulemaking, and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. 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.

We encourage you to submit comments through the Federal eRulemaking Portal at <http://www.regulations.gov>. If your material cannot be submitted using <http://www.regulations.gov>, contact the person in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions. Documents mentioned in this notice, and all public comments, are in our online docket at <http://www.regulations.gov> and can be viewed by following that Web site's instructions. Additionally, if you go to the online docket and sign up for email alerts, you will be notified when comments are posted or a final rule is published.

We accept anonymous comments. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided. For more about privacy and the docket, you may review a Privacy Act notice regarding the Federal Docket Management System in the March 24, 2005, issue of the **Federal Register** (70 FR 15086).

**II. Table of Abbreviations**

CFR Code of Federal Regulations  
 DHS Department of Homeland Security  
 E.O. Executive order  
 FR Federal Register  
 NPRM Notice of proposed rulemaking  
 Pub. L. Public Law  
 § Section  
 U.S.C. United States Code  
 COTP Captain of the Port

**III. Basis, Purpose, and Background**

On February 8, 2016, Set Up Events notified the Coast Guard that it will be sponsoring the Xterra Myrtle Beach Swim from 7:15 a.m. to 9:15 a.m. on April 24, 2016. The legal basis for the proposed rule is the Coast Guard's

Authority to establish a safety zone: 33 CFR part 165. The purpose of the proposed rule is to ensure safety of life on the navigable water of the United States during the swim portion of the Xterra Myrtle Beach Triathlon.

**IV. Discussion of Proposed Rule**

The Coast Guard proposes to establish a temporary safety zone on the Atlantic Intracoastal Waterway in Myrtle Beach, South Carolina during the Xterra Myrtle Beach Triathlon, on April 24, 2016. Approximately 75 swimmers are anticipated to participate in the race. Persons and vessels desiring to enter, transit through, anchor in, or remain within the regulated area may contact the Captain of the Port Charleston by telephone at (843) 740-7050, or a designated representative via VHF radio on channel 16, to request authorization. If authorization to enter, transit through, anchor in, or remain within the regulated area is granted, all persons and vessels receiving such authorization must comply with the instructions of the Captain of the Port Charleston or a designated representative. The Coast Guard will provide notice of the safety zone by Local Notice to Mariners, Broadcast Notice to Mariners, and on-scene designated representatives.

**V. Regulatory Analyses**

We developed this proposed rule after considering numerous statutes and Executive Orders (E.O.s) related to rulemaking. Below we summarize our analyses based on a number of these statutes and executive orders.

**A. Regulatory Planning and Review**

E.O.s 12866 ("Regulatory Planning and Review") and 13563 ("Improving Regulation and Regulatory Review") direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

This proposed rule is not a significant regulatory action under section 3(f) of E.O. 12866, as supplemented by E.O. 13563, and does not require an assessment of potential costs and benefits under section 6(a)(3) of E.O. 12866. The Office of Management and Budget (OMB) has not reviewed it under E.O. 12866.

The economic impact of this proposed rule is not significant for the following reasons: (1) The temporary safety zone would be enforced for only two hours; (2) although persons and vessels would not be able to enter, transit through, anchor in, or remain within the regulated area without authorization from the Captain of the Port Charleston or a designated representative, they would be able to operate in the surrounding area during the enforcement periods; (3) persons and vessels would still be able to enter, transit through, anchor in, or remain within the regulated area if authorized by the Captain of the Port Charleston or a designated representative; and (4) the Coast Guard would provide advance notification of the regulated area to the local maritime community by Local Notice to Mariners and Broadcast Notice to Mariners.

**B. Impact on Small Entities**

Under the Regulatory Flexibility Act, 5 U.S.C. 601-612, we have considered whether this proposed rule would have a significant economic impact on a substantial number of small entities. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

This rule may affect the following entities, some of which may be small entities: The owner or operators of vessels intending to enter, transit through, anchor in, or remain within the regulated area during the enforcement period. However, for the reasons discussed in Regulatory Planning and Review section above, this rule will not have a significant economic impact on a substantial number of small entities.

Therefore, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities. 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.

**C. Assistance for Small Entities**

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104-121, we want to assist small entities in understanding this proposed rule so that they can better evaluate its effects on

them and participate in the rulemaking. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please consult Lieutenant John Downing using the contact information given in **FOR FURTHER INFORMATION CONTACT**. The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

Small businesses may send comments on the actions of Federal employees who enforce, or otherwise determine compliance with, Federal regulations to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small business. If you wish to comment on actions by employees of the Coast Guard, call 1-888-REG-FAIR (1-888-734-3247).

#### D. Collection of Information

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

#### E. Federalism and Indian Tribal Governments

A rule has implications for federalism under E.O. 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 have determined that it is consistent with the fundamental federalism principles and preemption requirements described in E.O. 13132.

#### F. 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.

#### G. Taking of Private Property

This proposed rule would not cause a taking of private property or otherwise

have taking implications under E.O. 12630 ("Governmental Actions and Interference with Constitutionally Protected Property Rights").

#### H. Civil Justice Reform

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

#### I. Protection of Children

We have analyzed this proposed rule under E.O. 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.

#### J. Indian Tribal Governments

This proposed rule does not have tribal implications under E.O. 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.

#### K. Energy Effects

We have analyzed this proposed rule under E.O. 13211 ("Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use"). We have determined that it is not a "significant energy action" under that order because it is not a "significant regulatory action" under E.O. 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

#### L. Technical Standards

The National Technology Transfer and Advancement Act, codified as a note to 15 U.S.C. 272, directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through OMB, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies.

This proposed rule does not use technical standards. Therefore, we did

not consider the use of voluntary consensus standards.

#### M. Environment

We have analyzed this proposed rule under Department of Homeland Security Management Directive 023-01 and Commandant Instruction M16475.1D, which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (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 a temporary safety zone issued in conjunction with a regatta or marine parade. This rule is categorically excluded from further review under paragraph 34(g) of Figure 2-1 of the Commandant Instruction. We seek any comments or information that may lead to the discovery of a significant environmental impact from this rule.

#### N. 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.

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

Marine Safety, Navigation (water), Reporting and recordkeeping requirements, 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. 1226, 1231; 50 U.S.C. 191; 33 CFR 1.05-1(g), 6.04-1, and 160.5; Department of Homeland Security Delegation No. 0170.1.

- 2. Add a temporary § 165.T07-0115 to read as follows:

#### § 165.T07-0115 Safety Zone; Xterra Swim, Myrtle Beach SC.

(a) *Regulated area.* The rule establishes a temporary safety zone on certain waters of Intracoastal Waterway, Myrtle Beach, South Carolina. The temporary safety zone consists of the following two points of position and the North shore: 33°45.076 N., 78°50.790 W., to 33°45.323 N., 78°50.214 W. All coordinates are North American Datum 1983.

(b) *Definition.* As used in this section, “designated representative” means Coast Guard Patrol Commanders, including Coast Guard coxswains, petty officers, and other officers operating Coast Guard vessels, and Federal, state, and local officers designated by or assisting the Captain of the Port Charleston in the enforcement of the regulated areas.

(c) *Regulations.* (1) All persons and vessels are prohibited from entering, transiting through, anchoring in, or remaining within the regulated area, except persons and vessels participating in the Xterra Swim, Myrtle Beach, or serving as safety vessels.

(2) Persons and vessels desiring to enter, transit through, anchor in, or remain within the regulated area may contact the Captain of the Port Charleston by telephone at (843) 740-7050, or a designated representative via VHF radio on channel 16, to request authorization. If authorization to enter, transit through, anchor in, or remain within the regulated area is granted, all persons and vessels receiving such authorization must comply with the instructions of the Captain of the Port Charleston or a designated representative.

(3) The Coast Guard will provide notice of the regulated area by Marine Safety Information Bulletins, Local Notice to Mariners, Broadcast Notice to Mariners, and on-scene designated representatives.

(d) *Enforcement period.* This rule will be enforced on April 24, 2016 from 7:15 a.m. until 9:15 a.m.

Dated: February 26, 2016.

**G.L. Tomasulo,**

*Captain, U.S. Coast Guard, Captain of the Port Charleston.*

[FR Doc. 2016-04664 Filed 3-2-16; 8:45 am]

**BILLING CODE 9110-04-P**

## POSTAL SERVICE

### 39 CFR Part 551

#### Semipostal Stamp Program

**AGENCY:** Postal Service™.

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would revise the provisions governing the Postal Service’s discretionary Semipostal Stamp Program to simplify and expedite the process for selecting causes for semipostal stamps, and facilitate the issuance of five such stamps over a 10-year period. It would also remove certain restrictions on the commencement date for the Postal Service’s discretionary Semipostal

Stamp Program, and clarify how many semipostal stamps issued under that program may be on sale at any one time.

**DATES:** Comments must be received on or before April 4, 2016.

**ADDRESSES:** Mail or deliver written comments to the Manager, Stamp Products & Exhibitions, U.S. Postal Service®, 475 L’Enfant Plaza SW., Room 3306, Washington DC 20260. You may inspect and photocopy all written comments at the Stamp Products & Exhibitions office by appointment only between the hours of 9 a.m. and 4 p.m., Monday through Friday, by calling 202-268-6711 in advance. Email and faxed comments are not accepted.

**FOR FURTHER INFORMATION CONTACT:** Lori Mazzone, Manager, Stamp Products & Exhibitions, 202-268-6711, [lori.l.mazzone@usps.gov](mailto:lori.l.mazzone@usps.gov).

#### SUPPLEMENTARY INFORMATION:

##### Background

The Semipostal Authorization Act, Pub. L. 106-253, grants the Postal Service discretionary authority to issue and sell semipostal stamps to advance such causes as it considers to be “in the national public interest and appropriate.” See 39 U.S.C. 416(b). On June 12, 2001, the Postal Service published a final rule establishing the regulations in 39 CFR part 551 for the discretionary Semipostal Stamp Program (66 FR 31826). Minor revisions were made to these regulations to implement Pub. L. 107-67, 115 Stat. 514 (2001), and to reflect minor organizational changes in the Postal Service (67 FR 5215 (February 5, 2002)). On February 19, 2004, the Postal Service published a final rule clarifying the cost-offset policy for semipostal stamps (69 FR 7688), and on February 9, 2005, the Postal Service also published an additional minor clarifying revision to these cost-offset regulations (70 FR 6764).

Most recently, on January 22, 2016, the Postal Service published a proposed amendment to 39 CFR 551.5 to remove certain restrictions on the commencement date for the discretionary Semipostal Stamp Program, and clarify how many semipostal stamps issued under that program may be on sale at any one time (81 FR 3762).

Upon further consideration, however, it was determined that a further revision of the rules concerning the discretionary Semipostal Stamp Program was necessary to facilitate its smooth and efficient operation. Accordingly, the Postal Service now proposes and invites comments upon a more detailed revision of 39 CFR part 551. This

proposal supersedes (but incorporates) the amendments previously published on January 22, 2016. The proposed changes are summarized below.

#### Proposed Changes

The proposed revision of § 551.3 streamlines and simplifies the selection process for the causes to receive funds raised through the sale of semipostal stamps, and states the Postal Service’s intention to issue five such stamps over the statutory ten-year period. It also notifies the public that no further consideration will be given to previously submitted proposals but that such proposals may be resubmitted under the revised regulations. The paragraph relating to proposals regarding the same subject and proposals for the sharing of funds between two agencies is edited for clarity and moved to § 551.4, concerning submission requirements and criteria, where it more appropriately belongs.

The proposed revision of § 551.4 sharpens the submission requirements and, among other things, makes Postal Service employees ineligible to submit proposals for semipostal stamps.

The proposed revision of § 551.5(a) would remove certain restrictions on the commencement date of the discretionary Semipostal Stamp Program. Under current regulations, the 10-year period for the discretionary semipostal stamp program commences on a date determined by the Office of Stamp Services, but that date must be after the sales period of the *Breast Cancer Research* stamp (BCRS) is concluded. Most recently, Public Law 114-99 (December 11, 2015) extended that sales period to December 31, 2019. Under the proposed revision, the 10-year period will commence on a date determined by the Office of Stamp Services, but the date need not be after the BCRS sale period concludes.

The proposed revision of § 551.5(b) would clarify that although only one semipostal stamp under the discretionary Semipostal Stamp Program under 39 U.S.C. 416 (a “discretionary program semipostal stamp”) will be offered for sale at any one time, other semipostal stamps required to be issued by Congress (such as the BCRS) may be on sale when a discretionary program semipostal stamp is on sale. Current regulations state that the Postal Service will offer only one semipostal stamp for sale at any given time during the 10-year period (not specifying whether it is a discretionary program semipostal stamp or a semipostal stamp required by Congress). Under the proposed revision, the one-at-a-time limitation on the sale of