Motor vehicle repairs
Maintenance equipment repairs
Miscellaneous
Total maintenance expenses

Depreciation:

Buildings
Building equipment-fixed
Alterations
Building equipment-portable
Furniture for project administrative use
Furniture & equipment-project owned for rental or lease
Furnishings
Maintenance equipment
Motor vehicles
Miscellaneous
Total depreciation

Taxes and Insurance:

Taxes (list)
Insurance
Total taxes and insurance

Financial expenses:

Interest on bonds payable
Interest on mortgage payable
Interest on notes payable (long term)
Interest on notes payable (short term)
Insurance on mortgage
Miscellaneous

Total Service Expenses

Total Cost of Operations

Operating Profit or (Loss)

Corporate or Mortgagor Entity Expenses:

Officer salaries
Legal expenses (entity)
Federal income tax
State income tax
Other taxes (entity)
Leased furniture expenses (entity)
Other expenses (entity)
Total corporate expenses

Net Profit or Loss

Dated: May 27, 1986.

Samuel R. Pierce, Jr.,

Secretary.

[FR Doc. 86-12592 Filed 6-4-86; 8:45 am]

BILLING CODE 4210-32-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[T.D. 8088]

Income Taxes; Temporary Regulations Under Section 338, Stock Acquisitions, Statements of Elections and Due Dates

AGENCY: Internal Revenue Service, Treasury.

ACTION: Correction to temporary rule.

SUMMARY: This document contains a correction to the temporary regulations that were published in the **Federal Register** on May 16, 1986 (51 FR 17929). Those regulations, issued as Treasury Decision 8088, relate to section 338(g) of the Internal Revenue Code.

FOR FURTHER INFORMATION CONTACT: Thomas J. Kane of the Legislation and Regulations Division, Office of the Chief Counsel, 1111 Constitution Avenue, N.W., Washington, D.C. 20224 (Attn: CC:LR:T). Telephone 202-566-3458 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Treasury Decision 8088 provides additional guidance to taxpayers concerning the filing of certain Statements of election on or after December 9, 1985, and on or before July 15, 1986; clarifies the application of the mitigation of limitations provisions; and extends the time for taking certain action under section 338 of the Internal Revenue Code.

Need for Correction

As published, T.D. 8088 contains a typographical error in a date that appears in one of the examples in § 1.338-1T(m)(15).

Correction of Publication

Accordingly, the publication of Treasury Decision 8088, which was the subject of FR Doc. 86-10998, is corrected as follows:

§ 1.338-1T [Corrected]

In § 1.338-1T, paragraph (m)(15), *Example (10),* on page 17936, first column, in the last sentence the language "November 3, 1983," is removed and the language "November 3, 1986," is added in its place.

Donald E. Osteen,

Acting Director, Legislation and Regulations Division.

[FR Doc. 86-12666 Filed 6-4-86; 8:45 am]

BILLING CODE 4830-01-M

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 4

[T.D. ATF-229; Ref: Notice Nos. 522, 534, 542]

Wine Labeling and Advertising; Use of Geographic Brand Names

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Treasury decision, final rule.

SUMMARY: This final rule amends the labeling regulation in 27 CFR 4.39(i), concerning geographic brand names of viticultural significance. In essence, the amended regulation permits a brand name of viticultural significance to be used on a label only if the wine meets the appellation of origin requirements for the geographic area named. However, the bottling winery need *not* be located in the geographic area used in the brand name.

EFFECTIVE DATE: July 7, 1986.

FOR FURTHER INFORMATION CONTACT: James P. Ficaretta or John A. Linthicum, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue NW., Washington, DC 20226, 202-566-7626.

SUPPLEMENTARY INFORMATION:

Background

Treasury Decision ATF-53 (43 FR 37672, August 23, 1978 and 43 FR 54624, November 22, 1978), set forth a new provision in 27 CFR 4.39(i) by providing that a brand name of viticultural significance may not be used unless the bottling winery is located within the geographic area used in the brand name, and the wine meets the appellation of origin requirements for the geographic area named, or; the brand name is qualified by the word "brand" immediately following the brand name in the same size of type and as conspicuous as the brand name itself.

As specified in § 4.39(i), a name has viticultural significance when it is the name of a state or county (or the foreign equivalents), when approved as a viticultural area in 27 CFR Part 9, or by a foreign government, or when found to have viticultural significance by the Director.

Petition to Defer the Mandatory Compliance Date

The Wine Institute petitioned ATF to delay the effective date of § 4.34(c) (also promulgated under T.D. ATF-53), and § 4.39(i) from January 1, 1983, to January 1, 1985. Due to the fact that the validity of other regulations promulgated by T.D. ATF-53 was cast into doubt by *Wawszkiewicz* v. *Department of the Treasury,* 480 F.Supp. 739 (D.D.C. 1979), *rev'd in part* and *aff'd in part,* 670 F. 2d 296 (D.C. Cir. 1981), wine industry members could not effectively plan to redesign their labels to conform to all the requirements set forth in the Treasury decision. The Wine Institute believed that its members should only be required to redesign their labels once in order to conform to the rules promulgated in T.D. ATF-53, and they could not be sure what those rules were

until the *Wawszkiewicz* litigation was finalized.

Thereafter, ATF issued a notice of proposed rulemaking which resulted in T.D. ATF-126 (January 21, 1983; 48 FR 2762) deferring the effective date of 27 CFR 4.34(c) and 4.39(i) until January 1, 1985. A final rule concerning § 4.34(c) was subsequently published on January 7, 1985 (50 FR 759). The mandatory compliance date for § 4.39(i) was eventually extended until January 1, 1987, as a result of T.D. ATF-194 (January 7, 1985; 50 FR 758).

In their petition to defer the mandatory compliance date for §§ 4.34(c) and 4.39(i) in T.D. ATF-53, the Wine Institute reiterated their earlier position on the use of (TM) and (R), in lieu of the word "brand." They believed that the provision in § 4.39(i) requiring the word "brand" to appear in the same size of type as the brand name was unaesthetic. In addition, they believed the word "brand" would not preclude any misleading impressions that might be conveyed by a geographic brand name.

Notice No. 522

Based on the Wine Institute's petition, ATF published Notice No. 522 (May 7, 1984; 49 FR 19330), presenting four alternatives to § 4.39(i), but proposing action on one:

Alternative No. 1. This alternative consisted of leaving the regulation (§ 4.39(i)) as currently stated.

Alternative No. 2. This alternative proposed to eliminate the regulation, § 4.39(i), and therefore, any brand name found to be misleading without being qualified by the word "brand" would, under § 4.33(b), no longer be allowed to appear on labels of wine.

Alternative No. 3. This alternative would amend the type size requirement for the word "brand." Instead of the word "brand" appearing in the same size type as the brand name, it would only be required to appear in type of at least one-half the size of the brand name, but no smaller than two millimeters. The other requirements as stated in § 4.39(i) would remain the same.

Alternative No. 4. This was the alternative proposed by ATF. A brand name of viticultural significance may not be used unless: The bottling winery is located within the geographical area used in the brand name, and the wine meets the appellation of origin requirements for the geographical area name, *or;* the brand name is qualified by the word "brand" immediately following the brand name in the same size of type and as conspicuous as the brand name itself, *or;* the wine is labeled with an appellation of origin that is either a county or viticultural area if the geographic area named in the brand name is other than a state name and is a name to which the wine is not entitled as an appellation of origin, *or;* the wine is labeled with an appellation of origin that is a state name, county name, or viticultural area name, if the brand name contains a state name to which the wine is not entitled as an appellation of origin, *or;* the wine is labeled with a statement which the Director finds to be sufficient to dispel the impression that the geographic term used in the brand name is an appellation of origin.

The comment period for Notice No. 522 closed on July 6, 1984. It was extended until September 14, 1984, as a result of Notice No. 534 (July 12, 1984; 49 FR 28417), and extended again, until January 2, 1985, as a result of Notice No. 542 (September 4, 1984; 49 FR 34847).

Analysis of Comments

In response to Notice Nos. 522, 534 and 542, ATF received 26 comments. The majority of the commenters (17) favored Alternative Nos. 2 and 4. Nine commenters (representing mostly foreign interests) were in favor of Alternative No. 2. Most of the eight commenters favoring Alternative No. 4, represented domestic interests.

Most commenters favoring Alternative No. 2 believed that ATF's proposed Alternative No. 4 encouraged misleading brand names. For example, it was believed that a brand name of geographical significance, such as "Rheinhessen," would be acceptable as long as an appellation of origin (such as "The Hamptons") appeared on the label. In that regard, however, ATF would not approve "Rheinhessen" as a brand name on a label for wine other than from Germany, in accordance with 27 CFR 4.24(c) and 4.39(k).

One commenter, favoring Alternative No. 2, stated that Alternative No. 4 would allow "the possibility of using two appellations of origin, one which is truthful and one which is a brand name and thus misleading. The consumer would not be able to tell which is the truthful appellation."

Commenters favoring Alternative No. 2 also referred to various international resolutions and agreements, supported by the U.S., concerning protection of non-generic designations of origin. One specific reference was the exchange of letters (July, 1983) between the EEC Commission and the U.S. In their letter, the EEC noted with satisfaction the willingness of the U.S. to work within the framework of § 4.24(c)(3) to prevent "erosion" of non-generic designations of geographic significance indicating a wine-growing area in the EEC.

Basically, proponents of Alternative No. 4 believed that this alternative offered maximum flexibility to the industry while affording maximum protection to the consumer. As one commenter stated, the consumer is assured "that no misleading impression can be conveyed, either because the brand name correctly identifies the origin of the wine, or because the label contains one of a variety of definite statements sufficient to dispel the impression that the brand name refers to the origin of the wine." At the same time, industry is afforded several alternatives in lieu of having to use the "aesthetically unattractive" word "brand." In addition, this commenter noted that the word "brand" "would not resolve the question of misleading consumer information."

Final Rule

ATF believes that the brand name, usually the most prominent item on a wine label, in certain instances conveys information to the consumer. In the case of a geographic brand name of viticultural significance, ATF believes that such a name on a label indicates the origin of the wine, that is, the place where the grapes were grown. This was brought out in the comments received in response to Notice No. 522.

In addition, as mentioned earlier, some commenters believed that use of the word "brand" did not dispel any misleading impression that could be conveyed by a brand name of viticultural significance where the wine did not meet the appellation of origin requirements for the geographic area named.

Therefore, with the effective date of this final rule, a brand name of viticultural significance may not be used unless the wine meets the appellation of origin requirements of § 4.25a for the geographic area named. Further, the word "brand" may not be used on labels where the wine does not meet the appellation of origin requirements for the area named in the brand name. For example, the word "brand" may not be used with the brand name "Carmel Valley Vineyards" if the wine does not meet the appellation of origin requirements for Carmel Valley.

For certificates of label approval issued prior to the effective date of this final rule, the wine shall meet the appellation of origin requirements for the geographic area named in the brand name, *or;* the wine shall be labeled with an appellation of origin in accordance with § 4.34(b) as to location and size of

type of either: (A) A county or a viticultural area, if the brand name bears the name of a geographic area smaller than a state, or (B) a state or county appellation of origin or a viticultural area, if the brand name bears a state name, *or;* the wine shall be labeled with some other statement which the Director finds to be sufficient to dispel the impression that the geographic area suggested by the brand name is indicative of the origin of the wine.

As with new certificates of label approval, the word "brand" may not be used on labels where the wine does not meet the appellation of origin requirements for the area named in the brand name. ATF will be reviewing existing certificates of label approval to insure that the requirements of the new regulation are met.

ATF has reconsidered its position regarding the location of the bottling winery when a geographic brand name of viticultural significance is used. Under § 4.39(i), as well as ATF's proposed Alternative No. 4 in Notice No. 522, the bottling winery had to be located in the geographic area indicated in the brand name. By definition, an appellation of origin indicated where the grapes (fruit) are grown. There is no reference or requirement as to the location of the bottling winery. Only under the requirements of § 4.26 ("estate bottled") is the location of the bottling winery a factor. Therefore, unless otherwise required, when a geographic brand name of viticultural significance is used, the bottling winery need not be located in the geographic area named.

ATF believes that this final rule will provide industry with sufficient flexibility in designing their labels, while at the same time providing consumers with protection from any misleading impressions that might arise from the use of geographic brand names.

Executive Order 12291

In compliance with Executive Order 12291, ATF has determined that this final rule is not a "major rule" since it will not result in:

(a) An annual effect on the economy of $100 million or more;

(b) A major increase in costs or prices for consumers, individual industries, Federal, state, or local government agencies, or geographic regions; or

(c) Significant adverse affect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to a final regulatory flexibility analysis (5 U.S.C. 604) are not applicable to this final rule because it will not have a significant economic impact on a substantial number of small entities. The final rule will not impose, or otherwise cause, a significant increase in reporting, recordkeeping, or other compliance burdens on a substantial number of small entities. The final rule is not expected to have significant secondary or incidental effects on a substantial number of small entities.

Accordingly, it is hereby certified under the provisions of section 3 of the Regulatory Flexibility Act (5 U.S.C. 605(b)) that this final rule will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

The collection of information contained in this final rule has been reviewed and approved by the Office of Management and Budget (OMB).

Disclosure

Copies of the petition, the notices of proposed rulemaking, all written comments, and this final rule will be available for public inspection during normal business hours at: Office of Public Affairs and Disclosure, Room 4406, Federal Building, 12th and Pennsylvania Avenue NW., Washington, DC.

List of Subjects in 27 CFR Part 4

Advertising, Consumer protection, Customs duties and inspection, Imports, Labeling, Packaging and containers, Wine.

Drafting Information

The principal author of this document is James P. Ficaretta, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms.

Authority and Issuance

PART 4—[AMENDED]

27 CFR Part 4, Labeling and advertising of wine is amended as follows:

Par. 1. The authority citation for 27 CFR Part 4 continues to read as follows:

Authority: 27 U.S.C. 205.

Par. 2. Section 4.39 is amended by revising paragraph (i) to read as follows:

§ 4.39 Prohibited practices.

* * * * *

(i) *Geographic brand names.*

(1) Except as provided in subparagraph 2, a brand name of viticultural significance may not be used unless the wine meets the appellation of origin requirements for the geographic area named.

(2) For brand names used in existing certificates of label approval issued prior to (effective date of final rule):

(i) The wine shall meet the appellation of origin requirements for the geographic area named; or

(ii) The wine shall be labeled with an appellation of origin in accordance with § 4.34(b) as to location and size of type of either:

(A) A county or a viticultural area, if the brand name bears the name of a geographic area smaller than a state, or;

(B) A state, county or a viticultural area, if the brand name bears a state name; or

(iii) The wine shall be labeled with some other statement which the Director finds to be sufficient to dispel the impression that the geographic area suggested by the brand name is indicative of the origin of the wine.

(3) A name has viticultural significance when it is the name of a state or county (or the foreign equivalents), when approved as a viticultural area in Part 9 of this chapter, or by a foreign government, or when found to have viticultural significance by the Director.

* * * * *

§ 4.34 [Amended]

Par. 3. Section 4.34(b)(3) is amended by deleting the reference to "brand name" and "§ 4.39(i)".

Signed: March 14, 1986.

Stephen E. Higgins,

Director.

Approved: May 16, 1986.

Francis A. Keating II,

Assistant Secretary, (Enforcement and Operations).

[FR Doc. 86-12674 Filed 6-4-86; 8:45 am]

BILLING CODE 4810-31-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 117

[CGD 12-86-01]

Drawbridge Operation Regulations; Sacramento River, CA

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: At the request of the California Department of Transportation, the Coast Guard is changing the regulations governing the Butte City bridge across the Sacramento River, mile 169.7, at Butte City, California to provide that the draw need not open. This change is being made because no requests have been made to open the draw since the bridge was completed in 1949. This action will relieve the bridge owner of the burden of maintaining the machinery and of having a person available to open the draw, and still provide for the reasonable needs of navigation. The Coast Guard is also deleting the 1972 requirement that the draws above Chico Landing be returned to operable condition within six months after notification by the District Commander.

EFFECTIVE DATE: July 7, 1986.

FOR FURTHER INFORMATION CONTACT: Rose E. Guerra, Assistant Chief, Bridge Section, Aids to Navigation Branch (telephone: (415) 437–3514).

SUPPLEMENTARY INFORMATION: On Thursday, March 6, 1986 the Coast Guard published proposed rules (51 FR 7913) concerning this amendment. The Commander, Twelfth Coast Guard District, also published the proposal as a Public Notice dated 10 April 1986. Interested persons were given until 21 April 1986 to submit comments on the proposed rule. Interested persons were given until 9 May 1986 to submit comments on the public notice.

Drafting Information

The drafters of these regulations are Rose E. Guerra, project officer, and Lieutenant Commander Peter K. Mitchell, project attorney.

Discussion of Comments

Three comments were received. The Corps of Engineers and California State Resources Agency had no comment. California Department of Transportation was in favor of the proposal.

Economic Assessment and Certification

These regulations are considered to be non-major under Executive Order 12291 on Federal Regulations and non-significant under the Department of Transportation regulatory policies and procedures (44 FR 11034; February 26, 1979).

The economic impact has been found to be so minimal that a full regulatory evaluation is unnecessary. There have not been any requests for openings since the bridge was constructed so there will not be any impact on navigation.

Since the economic impact of these regulations is expected to be minimal, the Cost Guard certifies that they will not have a signficant economic impact on substantial number of small entities.

List of Subjects in 33 CFR Part 117

Bridges.

Regulations

In consideration of the foregoing, the Coast Guard is amending Part 117 of Title 33, Code of Federal Regulations as follows:

PART 117—DRAWBRIDGE OPERATION REGULATIONS

1. The authority citation for Part 117 continues to read as follows:

Authority: 33 U.S.C. 499; 49 CFR 1.46 and 33 CFR 1.05–1(g).

2. Section 117.189(b) and (c) are revised to read as follows:

§ 117.189 Sacramento river.

* * * * *

(b) The draws of the California Department of Transportation bridges, mile 90.1 at Knights Landing, and mile 135.5 at Meridian, shall open on signal if at least 12 hours notice is given to the California Department of Transportation at Marysville.

(c) The draws of the bridges above Meridian need not be opened for the passage of vessels.

* * * * *

Dated: May 21, 1986.

John D. Costello,

Vice Admiral, U.S. Coast Guard, Commander, Twelfth Coast Guard District.

[FR Doc. 86–12665 Filed 6–4–86; 8:45 am]

BILLING CODE 4910–14–M

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

45 CFR Part 1177

Claims Collection

AGENCY: National Endowment for the Humanities.

ACTION: Final rule.

SUMMARY: This final rule implements the Federal Claims Collection Act of 1966 and the Debt Collection Act of 1982. It is consistent with regulations issued jointly by the Department of Justice and the General Accounting Office at 4 CFR 101–105 as amended by 49 FR 8889. This rule will enhance the Endowment's ability to collect debts by providing guidance to officers and employees charged with debt collection responsibilities. In addition, the rule provides notice to those with delinquent accounts of agency claims collection practices.

EFFECTIVE DATE: July 7, 1986.

FOR FURTHER INFORMATION CONTACT: Stephen J. McCleary, Deputy General Counsel, 1100 Pennsylvania Avenue NW., Washington, DC 20506, (202) 786–0322.

SUPPLEMENTARY INFORMATION: The National Endowment for the Humanities published a proposed rule for claims collection in the **Federal Register** on March 18, 1986, 51 FR 9228–9230. Interested parties were asked to submit comments within 30 days. The National Endowment for the Humanities received several comments. The comments suggested that the Endowment include provisions to: collect administrative costs for processing claims; assess penalty charges; and offset the salaries of Endowment employees who have delinquent accounts. The National Endowment for the Humanities has adopted these suggestions. Provisions to charge for administrative expenses incurred in processing claims and to assess penalty charges have been added at section 1177.7 of this rule. The National Endowment for the Humanities will include employee salary offset provisions by amending this rule at a future date.

E.O. 12291

This rule does not require a Regulatory Impact Analysis because it is not a "major rule" as defined in Executive Order 12291, dated February 17, 1981 because it is unlikely to result in an annual effect on the economy of $100 million or more, a major increase in costs or prices for consumers, individual industries, Federal, state, or local government agencies or geographical regions, or a significant adverse effect on competition, employment, investment, productivity, innovation or on the ability to compete with foreign-based enterprises in domestic or export markets.

Regulatory Flexibility Act

I certify under 5 U.S.C. 605(b) that this rule will not have a significant economic impact on a substantial number of small entitles including small businesses, small organizations and small local governments. Accordingly, a regulatory flexibility analysis is not required by 5 U.S.C. 603.

Reporting and Recordkeeping Requirements

The proposed rule would establish no burdens as defined under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.). These regulations impose no new reporting or recordkeeping requirements