

Rules and Regulations

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FARM CREDIT ADMINISTRATION

12 CFR Parts 613 and 618

RIN 3052-AB28

Eligibility and Scope of Financing; General Provisions; Financing of Basic Processing and Marketing Activities; Authorized Insurance Services; Effective Date

AGENCY: Farm Credit Administration.

ACTION: Notice of effective date.

SUMMARY: The Farm Credit Administration (FCA) published final regulations under parts 613 and 618 on December 20, 1991 (56 FR 65986). The final regulations amend 12 CFR parts 613 and 618 to delete the 20-percent minimum throughput requirement for loans financing the processing and/or marketing operations of eligible farmers, ranchers, and producers or harvesters of aquatic products, and imposes the statutory limitation on the volume of such loans where the throughput provided by the borrower is less than 20 percent. The final amendment also modifies the requirement that all Farm Credit System institutions must offer more than two insurance carriers. In accordance with 12 U.S.C. 2252, the effective date of the final rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulations is February 26, 1992.

EFFECTIVE DATE: February 26, 1992.

FOR FURTHER INFORMATION CONTACT:

Linda C. Sherman, Senior Credit Specialist, Office of Examination, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4498, or

Richard A. Katz, Attorney, Office of General Counsel, Farm Credit

Administration, McLean, VA 22102-5090, (703) 883-4020 TDD (703) 883-4444.

Authority: 12 U.S.C. 2252(a) (9) and (10).

Dated: February 21, 1992.

Curtis M. Anderson,

Secretary, Farm Credit Administration Board. [FR Doc. 92-4376 Filed 2-25-92; 8:45 am]

BILLING CODE 6705-01-M

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 703

Investment and Deposit Activities

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule; delay of effective date.

SUMMARY: This final rule will delay the effective date of § 703.5(e) of the NCUA Rules and Regulations concerning federal credit union investment in corporate credit unions. It is necessary because § 703.5(e) references part 704 of the NCUA Rules and Regulations, which has not yet been finalized. The rule will make § 703.5(e) effective upon the effective date of part 704. The NCUA will publish the effective date of § 703.5(e) in the **Federal Register**.

EFFECTIVE DATE: The effective date of § 703.5(e) is delayed indefinitely.

FOR FURTHER INFORMATION CONTACT: Lisa Henderson (Staff Attorney), (202-682-9630), or Charles Felker (Investment Officer), (202-682-9640).

SUPPLEMENTARY INFORMATION: On October 17, 1991, The NCUA Board issued a final rule amending part 703 of the NCUA Rules and Regulations (See 56 FR 56000, Oct. 31, 1991). The rule became effective on December 2, 1991, except for § 703.5(e), which was to become effective on March 1, 1992. The effective date of § 703.5(e) was delayed because that section references part 704 of the Rules and Regulations, which was in the process of being amended. The Board had anticipated that new part 704 would be in effect by March 1, 1992, but has now determined that it will be several months before that provision is issued as a final rule and takes effect.

The Board is therefore delaying the effective date of § 703.5(e) until the effective date of new part 704, which

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will be published in the **Federal Register**.

By the National Credit Union Administration Board on February 19, 1992.

Becky Baker,
Secretary of the Board.

[FR Doc. 92-4308 Filed 2-25-92; 8:45 am]
BILLING CODE 7535-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 558

New Animal Drugs for Use in Animal Feeds; Monensin and Bacitracin Methylene Disalicylate

AGENCY: Food and Drug Administration.
ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental new animal drug application (NADA) filed by A. L. Laboratories, Inc. The approval provides for establishing a dose range for monensin sodium of 90 to 110 grams per ton (g/ton) when used in combination with bacitracin methylene disalicylate at 4 to 50 g/ton in Type C medicated broiler feeds.

EFFECTIVE DATE: February 19, 1992.

FOR FURTHER INFORMATION CONTACT: James F. McCormack, Center for Veterinary Medicine (HFV-128), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 301-295-8602.

SUPPLEMENTARY INFORMATION: A. L. Laboratories, Inc., One Executive Dr., P.O. Box 1399, Fort Lee, NJ 07024, is the sponsor of NADA 138-456. The NADA provides for use of single ingredient Type A medicated articles for the manufacture of a combination drug Type C medicated broiler feed containing monensin sodium at 110 g/ton with bacitracin methylene disalicylate at 4 to 50 g/ton. The feeds are used for improved feed efficiency and as an aid in the prevention of coccidiosis caused by *Eimeria necatrix*, *E. tenella*, *E. acervulina*, *E. maxima*, *E. brunetti*, and *E. mivati*. The firm has filed a supplemental NADA which provides for establishing a dose range for monensin sodium of 90 to 110 g/ton.

The supplemental NADA is approved as of February 19, 1992, and 21 CFR 558.355(f)(1)(xxiv) is amended to reflect the approval. The basis for approval is discussed in the freedom of information summary.

Monensin and bacitracin methylene disalicylate are new animal drugs used in Type A medicated articles to make Type C medicated feeds. Both drugs are Category I drugs which, as provided in 21 CFR 558.4(a), do not require an approved FDA 1900 for making Type C medicated feeds as in approved NADA 138-456 and in the regulation herein amended in 21 CFR 558.355(f)(1)(xxiv).

In accordance with the freedom of information provisions of Part 20 (21 CFR part 20) and § 514.11(e)(2)(ii) (21 CFR 514.11(e)(2)(ii)), a summary of relevant data and information submitted to support this approval of this application may be seen in the Dockets Management Branch (HFA-305), Food and Drug Administration, rm. 1-23, 12420 Parklawn Dr., Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

Under section 512(c)(2)(F)(iii) of the Generic Animal Drug and Patent Term Restoration Act of 1988 (21 U.S.C. 360b(c)(2)(F)(iii)), this supplement does not qualify for an exclusivity period. The reports supporting the supplement do not qualify as "new clinical or field investigations" under that section because there is an earlier approval under section 512(b)(1) of the act for the combined use of monensin sodium and bacitracin methylene disalicylate in broiler chicken feeds based on similar investigations.

The agency has determined under 21 CFR 25.24(d)(1)(i) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

List of Subjects in 21 CFR Part 558

Animal drugs, Animal feeds.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR part 558 is amended as follows:

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

1. The authority citation for 21 CFR part 558 continues to read as follows:

Authority: Secs. 512, 701 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b, 371).

2. Section 558.355 is amended by revising paragraph (f)(1)(xxiv) to read as follows:

§ 558.355 Monensin.

* * * * *

(f) * * * * *

(1) * * * * *

(xxiv) *Amount per ton.* Monensin, 90 to 110 grams, plus bacitracin methylene disalicylate, 4 to 50 grams.

* * * * *

Dated: February 19, 1992.

Robert C. Livingston,

Director, Office of New Animal Drug Evaluation, Center for Veterinary Medicine.

[FR Doc. 92-4361 Filed 2-25-92; 8:45 am]

BILLING CODE 4160-01-M

SUPPLEMENTARY INFORMATION:

Background

On March 6, 1989, the Internal Revenue Service published in the **Federal Register** proposed Income Tax Regulations (54 FR 9200) under section 367(b) of the Internal Revenue Code. Written comments were received from the public.

Explanation of Provisions

The comments received in response to the proposed regulations were favorable. As a result, no substantive changes have been made in the final regulations. However, two examples have been added illustrating the application of the regulations. Specifically, two examples have been added to § 1.367(b)-8(c)(2) (previously § 7.367(b)-8(c)(2)) illustrating the operation of that section in conjunction with § 1.367(b)-7(c)(1)(ii) (previously § 7.367(b)-7(c)(1)(ii)).

Special Analyses

It has been determined that these rules are not major rules defined in Executive Order 12291. Therefore, a Regulatory Impact Analysis is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a final Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking for the regulations was submitted to the Administrator of the Small Business Administration for comment on their impact on small business.

Drafting Information

The principal author of these regulations is Irwin Halpern of the Office of Associate Chief Counsel (International), within the Office of Chief Counsel, Internal Revenue Service. Other personnel from the Internal Revenue Service and Treasury Department participated in developing these regulations.

Lists of Subjects

26 CFR 1.361-1 through 1.367(e)-2T

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 7

Income taxes, Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 7 are amended as follows:

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Paragraph 1. The authority for part 1 is amended by adding the following citations:

Authority: Sec. 7805, 68 A Stat. 917; 26 U.S.C. 7805 * * * § 1.367 (b)-2 also issued under 26 U.S.C. 367 (b), * * * § 1.367 (b)-7 also issued under 26 U.S.C. 367 (b), * * * § 1.367 (b)-8 also issued under 26 U.S.C. 367 (b), * * * § 1.367 (b)-9 also issued under 26 U.S.C. 367 (b), * * *

Par. 2. Section 1.367 (b)-2 is added to read as follows:

§ 1.367 (b)-2 Definitions.

(a) through (c) [Reserved].
 (d) **Section 1248 amount.** In the case of an exchange of stock in a first-tier foreign corporation described in § 7.367 (b)-7 (c)(1)(i) of this chapter or a distribution by a foreign corporation described in § 7.367 (b)-10 (i) of this chapter in which an inclusion in gross income determined by reference to the "section 1248 amount" is required by those provisions, the term "section 1248 amount" means the net positive earnings and profits which would have been attributable under section 1248 and the regulations under that section to the stock of the foreign corporation exchanged if the stock has been sold in a transaction to which section 1248(a) applied. For all other purposes of this section, in the case of an exchange of stock in a first-tier foreign corporation to which section 367(b) applies, the term "section 1248 amount" means the earnings and profits or deficit in earnings and profits which would have been attributable under section 1248 and the regulations under that section to the stock of the foreign corporation exchanged if the stock had been sold in a transaction to which section 1248(a) applied.

(e) [Reserved].

(f) **All earnings and profits amounts.** For purposes of asset repatriations covered by §§ 7.367 (b)-5 (b), 7.367 (b)-6 (c), 7.367 (b)-7 (c)(2) and 7.367 (b)-10 (j) of this chapter, the term "all earnings and profits amount" means the net positive earnings and profits, if any, for all taxable years which are attributable to the stock of the foreign corporation exchanged under the principles of section 1248 or 1248 (whichever is applicable) and the regulations under that section. For all other purposes, the term "all earnings and profits amount"

means the earnings and profits or deficit in earnings and profits for all taxable years which are attributable to the stock of the foreign corporation exchanged under the principles of section 1248 or 1248 (whichever is applicable) and the regulations under that section. The determination shall be made by applying section 1248 or 1248 as modified by §§ 7.367 (b)-2 through 7.367 (b)-12 of this chapter as if there were no distinction in those sections between earnings and profits accumulated before or after December 31, 1962.

Par. 3. Section 1.367 (b)-7 is added to read as follows:

§ 1.367 (b)-7 Exchange of stock described in section 354.

(a) [Reserved].
 (b) [Reserved].
 (c) **Receipt of other stock—(1) General Rule.** (i) [Reserved].
 (ii) If an exchanging foreign corporation receives stock of a domestic corporation, or stock of a foreign corporation which is not a controlled foreign corporation, or stock of a controlled foreign corporation as to which any United States shareholder of the exchanging foreign corporation is not a United States shareholder, then there shall be added to the earnings and profits or deficit of the exchanging foreign corporation the section 1248 (c)(2) amount and the additional earnings and profits amount of the exchanging foreign corporation, computed as if all stock of the corporation whose stock is exchanged is owned by a United States shareholder. The amount added shall not be considered a dividend. Paragraph (c)(1)(iii) of this section, and not this paragraph (c)(1)(ii), applies if the stock received—

(A) Is of a domestic corporation which is a member of an affiliated group (as defined in section 1504(a), without application of section 1504(b)(3)) that also includes the exchanging foreign corporation as a member; and

(B) Is not received in an exchange pursuant to which the foreign corporation whose stock is exchanged transfers its assets to a domestic corporation.

(iii) For exchanges beginning after March 3, 1989, if the stock received is described in the last sentence of paragraph (c)(1)(ii) of this section, then the foreign corporation whose stock is exchanged will be considered to be a foreign corporation for purposes of section 354 or 356. This paragraph (c)(1)(iii) may be illustrated by the following examples:

Example 1. A U.S. parent corporation (USP) owns all of the stock of a foreign corporation (CFC1), which in turn owns all of the stock of a second foreign corporation (CFC2). CFC1 and CFC2 have accumulated earnings and profits or accumulated deficits in earnings and profits. CFC1 transfers its CFC2 stock to a newly organized foreign corporation (Newco) that is not a controlled foreign corporation, in an exchange described in section 351(a). CFC1 receives 20 percent of

(CFC1), which in turn owns all of the stock of a second foreign corporation (CFC2), which in turn owns all of the stock of a third foreign corporation (CFC3). USP also owns all of the stock of a U.S. subsidiary (Subsidiary). CFC2 and CFC3 have accumulated earnings and profits or accumulated deficits in earnings and profits. Subsidiary acquires all of the stock of CFC2 from CFC1 in exchange for stock of Subsidiary in a reorganization described in section 368(a)(1)(B). CFC1 will not recognize gain on the exchange. Moreover, CFC2's and CFC3's accumulated earnings and profits or accumulated deficits in earnings and profits will remain in CFC2 and CFC3, respectively, and will not be added to the earnings and profits or deficits in earnings and profits of CFC1.

Example 2. USP owns all of the stock of CFC1, which in turn owns all of the stock of CFC2. USP also owns all of the stock of a U.S. subsidiary (Subsidiary), which in turn owns all of the stock of CFC3. CFC3 acquires the assets of CFC2 in exchange for voting stock of Subsidiary in a reorganization described in section 368(a)(1)(C). Pursuant to the reorganization, CFC2 distributes the stock of Subsidiary to CFC1. CFC1 will not recognize gain on the exchange. In addition, CFC2's accumulated earnings and profits or accumulated deficits in earnings and profits will be added to CFC3's earnings and profits under section 381(c)(2), subject to the limitations contained in section 381 and in the regulations under that section.

(2) [Reserved].

Par. 4. Section 1.367(b)-8 is added to read as follows:

§ 1.367(b)-8 Transfer of assets by a foreign corporation in an exchange described in section 351.

(a) [Reserved].
 (b) [Reserved].
 (c) **Transfer of stock in a controlled foreign corporation.** (1) [Reserved].
 (2) If the transferor corporation transfers stock in a foreign corporation of which there is a United States shareholder immediately before the exchange, and the transferor receives stock of a domestic corporation, of a foreign corporation which is not a controlled foreign corporation, or of a controlled foreign corporation as to which any United States shareholder of the transferor is not a United States shareholder, paragraph (c)(1)(ii) of § 1.367(b)-7 shall apply. This paragraph (c)(2) may be illustrated by the following examples:

Example 1. A U.S. parent corporation (USP) owns all of the stock of a foreign corporation (CFC1), which in turn owns all of the stock of a second foreign corporation (CFC2). CFC1 and CFC2 have accumulated earnings and profits or accumulated deficits in earnings and profits. CFC1 transfers its CFC2 stock to a newly organized foreign corporation (Newco) that is not a controlled foreign corporation, in an exchange described in section 351(a). CFC1 receives 20 percent of

the Newco stock in exchange for its CFC2 stock. Persons unrelated to USP and CFC1 receive the remaining 80 percent of the Newco stock. Pursuant to the first sentence of § 1.367(b)-7 (c)(1)(ii), CFC2's accumulated earnings and profits or accumulated deficits in earnings and profits will be added to CFC1's earnings and profits or deficits in earnings and profits.

Example 2. USP owns all of the stock of CFC1, which in turn owns all of the stock of CFC2. USP also owns all of the stock of a U.S. subsidiary (Subsidiary). Subsidiary has both voting and nonvoting stock outstanding. In a transaction occurring after March 3, 1989, CFC1 transfers its CFC2 stock to Subsidiary in an exchange described in section 351(a). CFC1 receives 80 percent of each class of Subsidiary's stock in exchange for its CFC2 stock. Pursuant to the last sentence of § 1.367(b)-7 (c)(1)(ii), CFC2's accumulated earnings and profits or accumulated deficits in earnings and profits will remain in CFC2, and will not be added to the earnings and profits or deficits in earnings and profits of CFC1.

Par. 5. Section 1.367(b)-9 is added to read as follows:

§ 1.367 (b)-9 Attribution of earnings and profits on an exchange described in section 351, 354, or 356.

(a) [Reserved].

(b) *General Rule.* (1) through (3) [Reserved].

(4) For exchanges beginning on or after March 3, 1989, paragraph (b) (2) and (3) of § 1.367(b)-9 of this chapter will not apply if a U.S. shareholder described in §§ 7.367(b)-7 (b) or 7.367 (b)-8 (c) (1) of this chapter owns (applying the attribution rules of section 958) more than 50 percent of either the total voting power or the total value of the stock of both the corporation whose stock is received in the exchange and the corporation whose stock is exchanged. If this paragraph (b) (4) applies, the rules of section 381 (a) and the regulations under that section will determine the extent to which the corporation whose stock is received in the exchange (or other acquiring corporation) will succeed to the earnings and profits or a deficit in earnings and profits of the corporation whose stock is exchanged and of lower-tier corporations. This paragraph (b) (4) may be illustrated by the following examples:

Example 1. A U.S. parent owns all of the stock of CFC1 and CFC2. CFC1 has accumulated earnings and profits or an accumulated deficit in earnings and profits. CFC2 acquires all of the stock of CFC1 from the U.S. parent in a reorganization described in section 368 (a) (1) (B). CFC2 will not succeed to the earnings and profits or the accumulated deficit in earnings and profits of CFC1.

Example 2. A U.S. parent owns all of the

stock of CFC1, which in turn owns all of the stock of CFC2. The U.S. parent also owns all of the stock of CFC3. CFC2 has accumulated earnings and profits or an accumulated deficit in earnings and profits. CFC3 acquires all of the assets of CFC1, including the stock of CFC2, in a reorganization described in section 368(a)(1)(D). CFC3 will not succeed to the earnings and profits or the accumulated deficit in earnings and profits of CFC2.

PART 7—TEMPORARY INCOME TAX REGULATIONS UNDER THE TAX REFORM ACT OF 1976

Par. 6. The authority for part 7 is revised to read as follows:

Authority: 26 U.S.C. 7805, unless otherwise stated.

Section 7.367 (b)-1 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-2 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-3 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-4 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-5 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-6 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-7 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-8 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-9 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-10 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-11 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-12 also issued under 26 U.S.C. 367 (b).

Section 7.367 (b)-13 also issued under 26 U.S.C. 367 (b).

Par. 7. Section 7.367(b)-2, paragraphs (d) and (f) are revised to read as follows:

§ 7.367 (b)-2 Definitions.

(d) *Section 1248 amount.* See § 1.367 (b)-2 (d) of this chapter.

(f) *All earnings and profits amount.* See § 1.367(b)-2(f) of this chapter.

Par. 8. Section 7.367(b)-7, paragraphs (c) (1) (ii) and (iii) are revised to read as follows:

§ 7.367 (b)-7 Exchange of stock described in section 354.

()

(c) *

(1) *

(ii) See § 1.367 (b)-7 (c) (1) (ii) of this chapter.

(iii) See § 1.367 (b)-7 (c) (1) (iii) of this chapter.

Par. 9. Section 7.367(b)-8, paragraph (c) (2) is revised to read as follows:

§ 7.367 (b)-8 Transfer of assets by a foreign corporation in an exchange described in section 351.

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(c) * * *
(2) See § 1.367(b)-8(c)(2) of this chapter.

Par. 10. Section 7.367(b)-9, paragraph (b)(4) is revised to read as follows:

§ 7.367 (b)-9 Attribution of earnings and profits on an exchange described in section 351, 354, or 356.

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(b) * * *
(4) See § 1.367(b)-9(b)(4) of this chapter.

David G. Blattner,

Acting Commissioner of Internal Revenue.

Approved: January 17, 1992.

Kenneth W. Gideon,

Assistant Secretary of the Treasury.

[FR Doc. 92-4087 Filed 2-25-92; 8:45 am]

BILLING CODE 4830-01-M

DEPARTMENT OF EDUCATION

34 CFR Part 600

RIN 1840-AB18

Institutional Eligibility Under the Higher Education Act of 1965, as Amended

AGENCY: Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary amends 34 CFR part 600 to add the Office of Management and Budget (OMB) control number to § 600.30 of the regulations. This section contains information collection requirements approved by OMB. The Secretary takes this action to inform the public that these requirements have been approved.

EFFECTIVE DATE: These regulations are effective on February 26, 1992.

FOR FURTHER INFORMATION CONTACT: Carol F. Sperry, Director, Division of Eligibility and Certification, U.S. Department of Education, 400 Maryland Avenue, SW., room 3030, Regional Office Building 3, Washington, DC 20202. Telephone: (202) 708-4906. Deaf and hearing impaired individuals may call the Federal Dual Party Relay Service at 1-800-877-8339 (in the Washington, DC 202 area code, telephone 708-9300) between 8 a.m. and 7 p.m., Eastern time.