

(3) Current year's storage and handling costs, beginning inventory, and current year's purchases, as defined in paragraph (d)(3)(i)(D)(2) of this section, do not include costs that are specifically described in § 1.263A-1(e)(3)(ii) or cost reductions described in § 1.471-3(e) that a taxpayer properly allocates entirely to property that has been sold.

(E) * * *

(3) Current year's purchasing costs and current year's purchases, as defined in paragraph (d)(3)(i)(E)(2) of this section, do not include costs that are specifically described in § 1.263A-1(e)(3)(ii) or cost reductions described in § 1.471-3(e) that a taxpayer properly allocates entirely to property that has been sold.

* * * * *

(f) *Effective/applicability date.*

Paragraphs (d)(3)(i)(C)(3), (d)(3)(i)(D)(3), and (d)(3)(i)(E)(3) of this section apply for taxable years ending on or after January 13, 2014.

■ **Par. 6.** Section 1.471-3 is amended by:

- 1. Adding paragraphs (e) and (g).
 - 2. Designating the undesignated text following paragraph (d) as paragraph (f).
- The additions read as follows:

§ 1.471-3 Inventories at cost.

* * * * *

(e) *Sales-based vendor allowances—*

(1) *Treatment of sales-based vendor chargebacks—(i) In general.* A sales-based vendor chargeback is an allowance, discount, or price rebate that a taxpayer becomes unconditionally entitled to by selling a vendor's merchandise to specific customers identified by the vendor at a price determined by the vendor. A sales-based vendor chargeback decreases cost of goods sold and does not reduce the cost of goods on hand at the end of the taxable year.

(ii) *Example.* The following example illustrates the provisions of this paragraph (e)(1).

Example. (i) W is a wholesaler of pharmaceuticals. W purchases Drug X from the manufacturer, M, for \$10x per unit. M has agreements with specific customers that allow those customers to acquire Drug X from M's wholesalers for \$6x per unit. Under an agreement between W and M, W is required to sell Drug X to specific customers at the prices M has negotiated with such customers (\$6x per unit) and, in exchange, M agrees to provide a price rebate to W equal to the difference between W's cost for Drug X and the price W is required to charge specific customers under the agreement (a difference of \$4x per unit). W sells Drug X to specific customer Y for \$6x. Under the agreement between W and M, the price rebate can be paid to W, credited against M's invoice to W

for W's purchase of Drug X, or it can be credited to W's future purchases of drugs from M.

(ii) Under the terms of the agreement, W is unconditionally entitled to the price rebate of Drug X when it sells Drug X to specific customer Y, a specifically identified customer of M. The price rebate received by W for the sale of Drug X to Y is a sales-based vendor chargeback. Therefore, the amount of the sales-based vendor charge back, \$4x per unit for Drug X, whether paid to W, credited against M's invoice to W for W's purchase of Drug X or credited against a future purchase, decreases cost of goods sold and does not reduce the cost of Drug X on hand at the end of the taxable year.

(2) *Treatment of other sales-based vendor allowances.* [Reserved]

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(g) *Effective/applicability date.*

Paragraph (f) of this section applies to taxable years ending on or after January 13, 2014.

John Dalrymple,

Deputy Commissioner for Services and Enforcement.

Approved: December 13, 2013.

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-2013-1041]

Drawbridge Operation Regulation; Vermilion River, Abbeville, LA

AGENCY: Coast Guard, DHS.

ACTION: Notice of deviation from drawbridge regulation.

SUMMARY: The Coast Guard has issued a temporary deviation from the regulation that governs the State Road (SR) 14 Bridge across the Vermilion River, mile 25.4, at Abbeville, Vermilion Parish, Louisiana. The deviation is necessary to affect replacement of the wire rope cables. This is part of the normal maintenance that is required for safe operation of the bridge. This deviation allows the bridge to remain closed to navigation for 14 consecutive days.

DATES: This deviation is effective from 6 a.m. on January 20, 2014 to 7 p.m. on February 2, 2014.

ADDRESSES: The docket for this deviation, [USCG-2013-1041] 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 James Wetherington, Bridge Administration Branch, Coast Guard, telephone 504-671-2128, email james.r.wetherington@uscg.mil. If you have questions on viewing the docket, call Cheryl Collins, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION: The Louisiana Department of Transportation and Development requested a temporary deviation from the normal operation of the SR 14 Vermilion River, mile 25.4, at Abbeville, Vermilion Parish, Louisiana in order to remove and replace the wire rope cables required to operate the bridge. This maintenance is essential for the continued safe operation of the vertical lift bridge. This temporary deviation allows the bridge to remain closed from 6 a.m. on January 20, 2014 through 7 p.m. on February 2, 2014.

The bridge has a vertical clearance of 6 feet above mean gulf (MGL), elevation 0.0 feet (NGVD 29), in the closed-to-navigation position and 61 feet in the open-to-navigation position.

In accordance with 33 CFR 117.509(b)(1), the draw of the SR 14 Bridge, mile 25.4, shall open on signal; except that, from 6 p.m. to 10 a.m. the draw shall open on signal if at least four hour notice is given. The draw will be unable to open for a vessel in distress.

Navigation on the waterway consists mainly of commercial tug and barge traffic. The bridge logs for all of January and February show 26 and 50 openings respectively. The time period for the deviation is the slow time for the commercial entities that would be most affected. As a result of coordination between the State, Coast Guard and the waterway users, it has been determined that this closure will not have a significant effect on these vessels.

Vessels able to pass through the bridge in the closed positions may do so at anytime. The bridge will not be able to open for emergencies. There are no alternate routes for vessels that cannot pass through the bridge in the closed-to-navigation position. The Coast Guard will also inform the users of the waterways through our Local and

Broadcast Notices to Mariners of the change in operating schedule for the bridge 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: December 19, 2013.

David M. Frank,
Bridge Administrator.

[FR Doc. 2014-00279 Filed 1-10-14; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Parts 3, 4, and 60

RIN 2900-AO64

VA Compensation Service and Pension and Fiduciary Service Nomenclature Changes

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: This document amends the Department of Veterans Affairs (VA) regulations by making nonsubstantive changes to reflect new titles of certain VA offices.

DATES: These amendments are effective January 13, 2014.

FOR FURTHER INFORMATION CONTACT:

Marie Gregory, Pension and Fiduciary Service (21P1), Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue NW., Washington, DC 20420, (202) 632-8863. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: In April 2011, VA divided its Compensation and Pension Service (an office within VA's Veterans Benefits Administration) into two separate Services, the "Compensation Service" and the "Pension and Fiduciary Service." This final rule amends VA regulations to reflect this change. No substantive changes are intended by these amendments.

Administrative Procedure Act

This final rule concerns only agency organization, procedure, or practice and therefore is not subject to the notice and comment provisions of 5 U.S.C. 553(b). This final rule consists of only nonsubstantive changes that will make the regulations more accurate and less confusing to readers. Pursuant to 5 U.S.C. 553(d)(3), the Secretary finds that

there is good cause to make these amendments effective on the date of their publication in the **Federal Register**.

Unfunded Mandates

The Unfunded Mandates Reform Act requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of \$100 million or more in any given year. This final rule will have no such effect on State, local, or tribal governments, or on the private sector.

Paperwork Reduction Act

This final rule contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521).

Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a "significant regulatory action," which requires review by the Office of Management and Budget (OMB), as "any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order."

VA has examined the economic, interagency, budgetary, legal, and policy implications of this regulatory action, and it has been determined not to be a

significant regulatory action under Executive Order 12866. VA's impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's Web site at <http://www1.va.gov/orpm/>, by following the link for "VA Regulations Published."

Regulatory Flexibility Act

The Secretary hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This final rule consists of only nonsubstantive changes. Therefore, pursuant to 5 U.S.C. 605(b), this amendment is exempt from the final regulatory flexibility analysis requirements of section 604.

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance program numbers and titles are 64.100, Automobiles and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces; 64.101, Burial Expenses Allowance for Veterans; 64.104, Pension for Non-Service-Connected Disability for Veterans; 64.105, Pension to Veterans Surviving Spouses, and Children; 64.106, Specially Adapted Housing for Disabled Veterans; 64.109, Veterans Compensation for Service-Connected Disability; and 64.110, Veterans Dependency and Indemnity Compensation for Service-Connected Death.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Jose D. Riojas, Chief of Staff, Department of Veterans Affairs, approved this document on January 2, 2014, for publication.

List of Subjects

38 CFR Parts 3 and 4

Administrative practice and procedure, Claims, Disability benefits, Health care, Pensions, Radioactive materials, Veterans, Vietnam.