

regulations, and Congressional intent to implement section 777A(d)(1)(B) of the Act, where appropriate. Therefore, a determination to apply a particular comparison method to calculate a respondent's weighted-average dumping margin is not punitive, but rather a reflection of the respondent's own pricing behavior.

The Department disagrees that the application of the average-to-transaction method negates the Department's abandonment of denying offsets for non-dumped sales in investigations or reviews. In 2006, the Department came into compliance with certain WTO rulings and changed its practice to grant offsets for non-dumped comparison results when using the average-to-average method in less-than-fair-value investigations.²⁹ With the 2012 Final Modification, the Department changed its practice in certain types of reviews, including administrative reviews, to follow its WTO-compliant practice in less-than-fair-value investigations and to use the average-to-average method while granting offsets for non-dumped comparison results. The Department has not changed its approach with respect to the application of the average-to-transaction method, which includes the denial of offsets for non-dumped sales when aggregating the transaction-specific comparison results. This is based on the fundamental differences between the average-to-average method and the average-to-transaction method and has been upheld by the Federal Circuit.³⁰

7. Other Comments

Two commenters raise concerns with the Department's current approach, in particular the Department's use of the Cohen's d test. Specifically, these commenters contend that the Cohen's d test is not a recognized statistical measure for identifying targeted sales, and fails to account for directionality, i.e. it does not distinguish between positive and negative results. As a result, the test wrongly captures sales that are not targeted. Instead, these commenters argue that a pooled standard deviation should be based on a weighted average, rather than simple average variances, and the Department should control for more independent variables in each run, as well as apply additional filters before determining targeted sales.

²⁹ Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification, 71 FR 77722 (Dec. 27, 2006).

³⁰ *Union Steel v. United States*, 713 F.3d 1101, 1103 (Fed. Cir. 2013).

The Department's Response

In the Proposed Rule, the Department advised that it was "seeking comments from parties to clarify the status of the previously withdrawn regulatory provisions with regard to antidumping duty investigations," and also invited comment on the effect of the Proposed Rule on recent modifications to the Department's methodology, i.e., the 2012 Final Modification.³¹ The Department further explained that it was inviting parties "to comment on this proposed rulemaking and the proposed effective date. Further, any party may submit comments expressing its disagreement with the Department's proposal and may propose an alternative approach. If any party believes that the Department should reinstate the previously withdrawn regulations, that party should explain how to reinstate the withdrawn regulations and include suggestions on how to codify such reinstatement, as well as any suggestions on the effective date."³²

The comments submitted with respect to the characteristics and application of the Cohen's d test are beyond the scope of the rulemaking, i.e., the Proposed Rule, and therefore, the Department need not reach consideration of these comments. The Department expects to request comments from parties on its current differential pricing analysis separately.

Classification

Executive Order 12866

This rulemaking is not significant for purposes of Executive Order 12866 of September 30, 1993 ("Regulatory Planning and Review") (58 FR 51735 (October 4, 1993)).

Paperwork Reduction Act

This proposed rule contains no new collection of information subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

Executive Order 13132

This proposed rule does not contain policies with federalism implications as that term is defined in section 1(a) of Executive Order 13132, dated August 4, 1999 (64 FR 43255 (August 10, 1999)).

Regulatory Flexibility Act

The Chief Counsel for Regulation certified to the Chief Counsel for Advocacy of the Small Business Administration ("SBA") at the proposed rule stage that this rule would not have

³¹ Proposed Rule, at 60240.

³² *Id.* at 60241.

a significant economic impact on a substantial number of small business entities under the provisions of the Regulatory Flexibility Act, 5 U.S.C. 605(b). For this reason, a Final Regulatory Flexibility Analysis is not required and one has not been prepared.

Dated: April 7, 2014.

Paul Piquado,

Assistant Secretary for Enforcement and Compliance.

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BILLING CODE 3510-DS-P

the Internal Revenue Code. This regulation affects persons that are brokers making certain returns of information with respect to their customers.

Need for Correction

As published, the temporary regulation contains errors in the instructions that need to be corrected. First, the instructions indicate that § 1.6045-1T is amended. However, the temporary regulation is added, not amended. Second, the instructions do not add paragraphs (m) through (o), which should be included in the temporary regulation by cross-reference to the final regulation. The correcting amendments add the temporary regulation, including paragraphs (m) through (o).

List of Subjects in CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

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 1.6045-1T is added to read as follows:

§ 1.6045-1T Returns of information of brokers and barter exchanges (temporary).

(a) through (c)(3)(i) [Reserved]. For further guidance, see § 1.6045-1(a) through (c)(3)(i)(C)(2)(iv).

(ii) *Excepted sales.* No return of information is required with respect to a sale effected by a broker for a customer if the sale is an excepted sale. For this purpose, a sale is an excepted sale if it is—

(A) So designated by the Internal Revenue Service in a revenue ruling or revenue procedure (see § 601.601(d)(2) of this chapter); or

(B) A sale with respect to which a return is not required by applying the rules of § 1.6049-4(c)(4) (by substituting the term *a sale subject to reporting under section 6045* for the term *an interest payment*).

(iii) through (xiii) [Reserved]. For further guidance, see § 1.6045-1(c)(3)(iii) through (xiii).

(xiv) *Certain redemptions.* No return of information is required under this section for payments made by a stock transfer agent (as described in § 1.6045-1(b)(iv)) with respect to a redemption of

stock of a corporation described in section 1297(a) with respect to a shareholder in the corporation if—

(A) The stock transfer agent obtains from the corporation a written certification signed by an officer of the corporation, that states that the corporation is described in section 1297(a) for each calendar year during which the stock transfer agent relies on the provisions of paragraph (c)(3)(xiv) of this section, and the stock transfer agent has no reason to know that the written certification is unreliable or incorrect;

(B) The stock transfer agent identifies, prior to payment, the corporation as a participating FFI (including a reporting Model 2 FFI) (as defined in § 1.6049-4(f)(10) or (f)(14), respectively), or reporting Model 1 FFI (as defined in § 1.6049-4(f)(13)), in accordance with the requirements of § 1.1471-3(d)(4) (substituting the terms *stock transfer agent* and *corporation* for the terms *withholding agent* and *payee*);

(C) The stock transfer agent obtains, before each year the payment would otherwise be reported, a written certification representing that the corporation shall report the payment as part of its account holder reporting obligations under chapter 4 of the Code or an applicable IGA (as defined in § 1.6049-4(f)(7)) and provided the stock transfer agent does not know that the corporation is not reporting the payment as required. A stock transfer agent that knows that the corporation is not reporting the payment as required under chapter 4 of the Code or an applicable IGA must report all payments reportable under this section that it makes during the year in which it obtains such knowledge; and

(D) The stock transfer agent is not also acting in its capacity as a custodian, nominee, or other agent of the payee with respect to the payment.

(xv) *Effective/applicability date.* Paragraphs (c)(3)(ii) and (xiv) of this section apply to sales effected on or after July 1, 2014. (For sales effected before July 1, 2014, see paragraph (c)(3)(ii) of this section as in effect and contained in 26 CFR part 1 revised April 1, 2013.)

(c)(4) through (g)(1) [Reserved]. For further guidance, see § 1.6045-1(c)(4) through (g)(1).

(i) With respect to a sale effected at an office of a broker either inside or outside the United States, the broker may treat the customer as an exempt

treated as a U.S. person receives a payment from a payor or middleman, which payment the payor or middleman can reliably associate with a valid withholding certificate described in § 1.1441–1(e)(3)(ii) or (iii) or § 1.1441–1(e)(3)(v), respectively, furnished by such intermediary or branch, then the intermediary or branch is not required to report such payment when it, in turn, pays the amount, unless, and to the extent, the intermediary or branch knows that the payment is required to be reported under this section and was not so reported. For example, if a U.S. branch described in § 1.1441–1(b)(2)(iv) fails to provide information regarding U.S. persons that are not exempt from reporting under paragraph (c)(3) of this section to the person from whom the U.S. branch receives the payment, the U.S. branch must report the payment on an information return. See, however, paragraph (c)(3)(ii) of this section for when reporting under section 6045 is coordinated with reporting under chapter 4 of the Code or an applicable IGA (as defined in § 1.6049–4(f)(7)). The exception of this paragraph (g)(3)(iv) for amounts paid by a foreign intermediary shall not apply to a qualified intermediary that assumes reporting responsibility under chapter 61 of the Code except as provided under the agreement described in § 1.1441–1(e)(5)(iii).

(4) *Examples.* The application of the provisions of this paragraph (g) may be illustrated by the following examples:

Example 1. FC is a foreign corporation that is not a U.S. payor or U.S. middleman described in § 1.6049–5(c)(5) that regularly issues and retires its own debt obligations. A is an individual whose residence address is inside the United States, who holds a bond issued by FC that is in registered form (within the meaning of section 163(f) and the regulations under that section). The bond is retired by FP, a foreign corporation that is a broker within the meaning of paragraph (a)(1) of this section and the designated paying agent of FC. FP mails the proceeds to A at A's U.S. address. The sale would be considered to be effected at an office outside the United States under paragraph (g)(3)(iii)(A) of this section except that the proceeds of the sale are mailed to a U.S. address. For that reason, the sale is considered to be effected at an office of the broker inside the United States under paragraph (g)(3)(iii)(B) of this section. Therefore, FC is a broker under paragraph (a)(1) of this section with respect to this transaction because, although it is not a U.S. payor or U.S. middleman, as described in § 1.6049–5(c)(5), it is deemed to effect the sale in the United States. FP is a broker for the same reasons. However, under the multiple broker exception under paragraph (c)(3)(iii) of this section, FP, rather than FC, is required to report the payment because FP

is responsible for paying the holder the proceeds from the retired obligations. Under paragraph (g)(1)(i) of this section, FP may not treat A as an exempt foreign person and must make an information return under section 6045 with respect to the retirement of the FC bond, unless FP obtains the certificate or documentation described in paragraph (g)(1)(i) of this section.

Example 2. The facts are the same as in *Example 1* except that FP mails the proceeds to A at an address outside the United States. Under paragraph (g)(3)(iii)(A) of this section, the sale is considered to be effected at an office of the broker outside the United States. Therefore, under paragraph (a)(1) of this section, neither FC nor FP is a broker with respect to the retirement of the FC bond. Accordingly, neither is required to make an information return under section 6045.

Example 3. The facts are the same as in *Example 2* except that FP is also the agent of A. The result is the same as in *Example 2*. Neither FP nor FC are brokers under paragraph (a)(1) of this section with respect to the sale since the sale is effected outside the United States and neither of them are U.S. payors (within the meaning of § 1.6049–5(c)(5)).

Example 4. The facts are the same as in *Example 1* except that the registered bond held by A was issued by DC, a domestic corporation that regularly issues and retires its own debt obligations. Also, FP mails the proceeds to A at an address outside the United States. Interest on the bond is not described in paragraph (g)(1)(ii) of this section. The sale is considered to be effected at an office outside the United States under paragraph (g)(3)(iii)(A) of this section. DC is a broker under paragraph (a)(1)(i)(B) of this section. DC is not required to report the payment under the multiple broker exception under paragraph (c)(3)(iii) of this section. FP is not required to make an information return under section 6045 because FP is not a U.S. payor described in § 1.6049–5(c)(5) and the sale is effected outside the United States. Accordingly, FP is not a broker under paragraph (a)(1) of this section.

Example 5. The facts are the same as in *Example 4* except that FP is also the agent of A. DC is a broker under paragraph (a)(1) of this section. DC is not required to report under the multiple broker exception under paragraph (c)(3)(iii) of this section. FP is not required to make an information return under section 6045 because FP is not a U.S. payor described in § 1.6049–5(c)(5) and the sale is effected outside the United States and therefore FP is not a broker under paragraph (a)(1) of this section.

Example 6. The facts are the same as in *Example 4* except that the bond is retired by DP, a broker within the meaning of paragraph (a)(1) of this section and the designated paying agent of DC. DP is a U.S. payor under § 1.6049–5(c)(5). DC is not required to report under the multiple broker exception under paragraph (c)(3)(iii) of this section. DP is required to make an information return under section 6045 because it is the person responsible for paying the proceeds from the retired obligations unless DP obtains the certificate or documentary evidence described in paragraph (g)(1)(i) of this section.

Example 7. Customer A owns U.S. corporate bonds issued in registered form after July 18, 1984, and carrying a stated rate of interest. The bonds are held through an account with foreign bank, X, and are held in street name. X is a wholly-owned subsidiary of a U.S. company and is not a qualified intermediary within the meaning of § 1.1441–1(e)(5)(ii). X has no documentation regarding A. A instructs X to sell the bonds. In order to effect the sale, X acts through its agent in the United States, Y. Y sells the bonds and remits the sales proceeds to X. X credits A's account in the foreign country. X does not provide documentation to Y and has no actual knowledge that A is a foreign person but it does appear that A is an entity (rather than an individual).

Example 8. The facts are the same as in *Example 7*, except that X is a foreign corporation that is not a U.S. payor under § 1.6049–5(c).

(i) *Y's obligations to withhold and report.* Y is not required to report the sales proceeds under the multiple broker exception under paragraph (c)(3)(iii) of this section, because X is the person responsible for paying the proceeds from the sale to A.

(ii) *X's obligations to withhold and report.* Although A is presumed to be a U.S. payee under the presumptions of § 1.6049–5(d)(2), X is not considered to be a broker under paragraph (a)(1) of this section because it is a not a U.S. payor under § 1.6049–5(c)(5). Therefore X is not required to report the sale under paragraph (c)(2) of this section.

(5) *Effective/applicability date*—(i) [Reserved]. For further guidance, see § 1.6045–1(g)(5)(i).

(ii) The provisions of paragraphs (g)(1)(i), (g)(3)(iv), and (g)(4) of this section apply to payments made on or after July 1, 2014.

(h) through (p) [Reserved]. For further guidance, see § 1.6045–1(h) through (p).

(q) *Expiration date.* The applicability of this section expires on February 28, 2017.

Martin V. Franks,

*Chief, Publications and Regulations Branch,
Legal Processing Division, Associate Chief
Counsel (Procedure and Administration).*

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket No. USCG–2013–1061]

RIN 1625–AA08

Special Local Regulations; Eighth Coast Guard District Annual and Recurring Marine Events Update

AGENCY: Coast Guard, DHS.

ACTION: Interim final rule; request for comments.

SUMMARY: The Coast Guard is amending and updating its special local regulations relating to recurring marine parades, regattas, and other events that take place in the Eighth Coast Guard District area of responsibility (AOR). This interim rule informs the public of regularly scheduled marine parades, regattas, and other recurring events that require additional safety measures through establishing a special local regulation. Through this interim rule the current list of recurring marine events requiring special local regulations is

updated with revisions, additional events, and removal of events that no longer take place in the Eighth Coast Guard District AOR. When these special local regulations are enforced, certain restrictions are placed on marine traffic in specified areas. Additionally, this one rulemaking project reduces administrative costs involved in producing a separate rule for each individual recurring event and serves to provide notice of the known recurring events requiring a special local regulation throughout the year.

DATES: This rule is effective April 22, 2014. Comments and related material must be received by the Coast Guard on or before May 22, 2014.

ADDRESSES: Documents mentioned in this preamble are part of Docket Number USCG–2013–1061. 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.

You may submit comments, identified by docket number, using any one of the following methods:

(1) *Federal eRulemaking Portal:*

<http://www.regulations.gov>.

(2) *Fax:* (202) 493–2251.

(3) *Mail or Delivery:* Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590–0001