

Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by removing the entry for "Section 1.860G-1T" to read in part as follows:

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

Par. 2. Section 1.860A-0 is amended by:

1. Adding entries for § 1.860A-1(b)(4).
2. Revising the entry for § 1.860G-1(a)(2)(v).
3. Adding an entry for § 1.860G-1(a)(2)(vi).
4. Revising the entry for § 1.860G-1(a)(3)(i).

The additions and revisions read as follows:

§ 1.860A-0 *Outline of REMIC provisions.*
* * * * *

§ 1.860A-1 *Effective dates and transition rules.*
* * * * *

- (b) * * *
- (4) Rate based on current interest rate.
- (i) In general.
- (ii) Rate based on index.
- (iii) Transition obligations.

§ 1.860G-1 *Definition of regular and residual interests.*
(a) * * *

- (2) * * *
- (v) Specified portion includes portion of interest payable on regular interest.
- (vi) Examples.
- (3) * * *
- (i) Rate based on current interest rate.

Par. 3. In § 1.860A-1, paragraph (b)(4) is added to read as follows:

§ 1.860A-1 Effective dates and transition rules.
* * * * *

- (b) * * *
- (4) *Rate based on current interest rate—(i) In general.* Section 1.860G-1(a)(3)(i) applies to obligations (other than transition obligations described in paragraph (b)(4)(iii) of this section) intended to qualify as regular interests that are issued on or after April 4, 1994.
- (ii) *Rate based on index.* Section 1.860G-1(a)(3)(i) (as contained in 26 CFR part 1 revised as of April 1, 1994) applies to obligations intended to qualify as regular interests that—

(A) Are issued by a qualified entity (as defined in § 1.860D-1(c)(3)) whose startup date (as defined in section 860G(a)(9) and § 1.860G-2(k)) is on or after November 12, 1991; and

(B) Are either—

(1) Issued before April 4, 1994; or
(2) Transition obligations described in paragraph (b)(4)(iii) of this section.

(iii) *Transition obligations.* Obligations are described in this paragraph (b)(4)(iii) if—

(A) The terms of the obligations and the prices at which the obligations are offered are fixed before April 4, 1994; and

(B) On or before June 1, 1994, a substantial portion of the obligations are transferred, with the terms and at the prices that are fixed before April 4, 1994, to investors who are unrelated to the REMIC's sponsor at the time of the transfer.

Par. 4. Section 1.860G-1 is amended by:

1. Redesignating paragraph (a)(2)(v) as paragraph (a)(2)(vi).
2. Adding a new paragraph (a)(2)(v).
3. Revising paragraph (a)(3)(i).

The addition and revisions read as follows:

§ 1.860G-1 Definition of regular and residual interests.

- (a) * * *
- (2) * * *

(v) *Specified portion includes portion of interest payable on regular interest.*

(A) The specified portions that meet the requirements of paragraph (a)(2)(i) of this section include a specified portion that can be expressed as a fixed percentage of the interest that is payable on some or all of the qualified mortgages where—

(1) Each of those qualified mortgages is a regular interest issued by another REMIC; and

(2) With respect to that REMIC in which it is a regular interest, each of those regular interests bears interest that can be expressed as a specified portion as described in paragraph (a)(2)(i)(A), (B), or (C) of this section.

(B) See § 1.860A-1(a) for the effective date of this paragraph (a)(2)(v).

- (3) * * *

(i) *Rate based on current interest rate.*

A qualified floating rate as defined in § 1.1275-5(b)(1) (but without the application of paragraph (b)(2) or (3) of that section) set at a current value, as defined in § 1.1275-5(a)(4), is a variable rate. In addition, a rate equal to the highest, lowest, or average of two or more qualified floating rates is a variable rate. For example, a rate based on the average cost of funds of one or

more financial institutions is a variable rate.

* * * * *

§ 1.860G-1T [Removed]

Par. 5. Section 1.860G-1T is removed.

Margaret Milner Richardson,
Commissioner of Internal Revenue.

Approved: July 31, 1995.

Leslie Samuels,
Assistant Secretary of the Treasury.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 165

[CGD01-95-096]

RIN 2115-AA97

Safety Zone: East Passage, Narragansett Bay, RI

AGENCY: Coast Guard, DOT.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone in Narragansett Bay around the group of swimmers participating in the 19th annual "Swim The Bay" event sponsored by Save The Bay on August 19, 1995. This safety zone is needed to protect the participants from the hazards caused by vessel traffic in Narragansett Bay. The safety zone will encompass a 300 yard radius around each swimmer as they proceed across the East Passage, Narragansett Bay. The safety zone shall be from Coaster's Harbor Island Beach, Newport, RI, to Jamestown, RI, in the vicinity of Potter's Cove. Entry into this zone is prohibited unless authorized by the Captain of the Port, Providence.

EFFECTIVE DATE: This regulation is effective on August 19, 1995, from 8 a.m. to 11 a.m., unless extended or terminated sooner by the Captain of the Port, Providence. In the event of inclement weather, an alternate rain date of August 20, 1995 is established with these same times.

FOR FURTHER INFORMATION CONTACT: LTJG Bruce L. Davies of Marine Safety Office Providence at (401) 435-2300.

SUPPLEMENTARY INFORMATION:

Drafting Information. The drafters of this regulation are LTJG Bruce L. Davies, Project Manager for the Coast Guard Captain of the Port Providence, and LT S.A. Tyler, Project Counsel for the First Coast Guard District Legal Office.

Regulatory History

As authorized by 5 U.S.C. 553, a notice of proposed rulemaking (NPRM) was not published for this regulation. Good cause exists for not publishing a NPRM and for making this regulation effective in less than 30 days after Federal Register publication. The Coast Guard did not receive the application in sufficient time to publish a NPRM a final rule 30 days in advance. The delay encountered if normal rulemaking procedures were followed would effectively cancel the event. Cancellation of this event is contrary to public interest since the purpose of this event is to raise funds for environmental purposes. The event requires a safety zone to provide for the safety of participants and other vessels.

Background and Purpose

On August 19, 1995, the organization, Save The Bay, will be sponsoring the 19th annual "Swim The Bay". For this event it is expected that approximately 150 people will swim across the East Passage of Narragansett Bay, from Coaster's Harbor Island Beach, Newport, RI, to Jamestown, RI, in the vicinity of Potter's Cove. The swimmers will be escorted by rowboats and escort craft. Orange floating pylons will be placed along the route one hour prior to the swim. A rain date for the event is scheduled for August 20, 1995.

The Coast Guard is establishing a temporary safety zone in the East Passage from Coaster's Harbor Island Beach, Newport, RI, (41°-31.0' N, 071°-19.8' W) to Potters Cove, RI (41°-31.0' N, 071°-22.0' W) (NAD 1983). The safety zone will encompass a 300 yard radius around each swimmer and escort craft involved with the "Swim The Bay" event. The safety zone will move with the swimmers and escort craft as they cross the East Passage. The safety zone will be in effect on August 19, 1995, from 8 a.m. until 11 a.m. If postponed due to inclement weather, the safety zone will be in effect on August 20, 1995, from 8 a.m. until 11 a.m. Entry or movement within this zone will be prohibited unless authorized by the Captain of the Port, Providence or his on scene representative.

Regulatory Evaluation

This proposal is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that order. It has been exempted from review by the Office of Management and Budget under that order. It is not significant under the regulatory policies

and procedures of the Department of Transportation (DOT) (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this proposal to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary.

Although this regulation prevents traffic from transiting portions of the East Passage, the effect of this regulation will not be significant for several reasons: vessels not constrained by their draft may transit the West Passage of Narragansett Bay, the duration of the event is limited; and extensive, advance advisories will be made. Additionally, this event has taken place every year for the previous 18 years and has not caused a significant hardship on the commercial or pleasure vessel traffic in the event area.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard must consider whether this proposal will have a significant economic impact on a substantial number of small entities. "Small entities" include independently owned and operated small businesses that are not dominant in their field and that otherwise qualify as "small business concerns" under section 3 of the Small Business Act (15 U.S.C. 632).

For the reasons addressed under the Regulatory Evaluation above, the Coast Guard expects the economic impact of this regulation to be minimal and the Coast Guard certifies under 5 U.S.C. 605(b) that this final rule will not have a significant economic impact on a substantial number of small entities.

Collection of Information

This rule contains no collection of information requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

Federalism

The Coast Guard has analyzed this final rule in accordance with the principles and criteria contained in Executive Order 12612 and determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

Environment

The Coast Guard has considered the environmental impact of this regulation and concluded that under section 2.B.2.e of Commandant Instruction M16475.1B, revised 59 FR 38654, July 29, 1994, the promulgation of this regulation is categorically excluded

from further environmental documentation. A Categorical Exclusion Determination and Environmental Analysis Checklist are included in the docket. An appropriate environmental analysis of the event will be conducted in conjunction with the marine event permitting process.

List of Subjects in 33 CFR Part 165

Harbors, Marine Safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, and Waterways.

For the reasons set out in the preamble, the Coast Guard amends 33 CFR part 165 as follows:

1. The authority citation for part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05-1(g), 6.04-1, 6.04-6, and 160.5; 49 CFR 1.46.

2. A temporary section, § 165.T01-096, is added to read as follows:

§ 165.T01-096 Safety Zone; Swim the Bay, East Passage, Narragansett Bay, RI.

(a) *Location.* The safety zone includes all waters of the East Passage, Narragansett Bay, RI, from Coaster's Harbor Island Beach (41°-31.0' N, 071°-19.8' W) to Potters Cove (41°-31.0' N, 071°-22.0' W) (NAD 1983) Within a 300 yard radius of the swimmers and craft participating in the "Swim The Bay" event.

(b) *Effective Date:* This regulation is effective on August 19, 1995, from 8 a.m. to 11 a.m., unless extended or terminated sooner by the Captain of the Port, Providence. If postponed due to inclement weather, this regulation is effective on August 20, 1995, from 8 a.m. to 11 a.m.

(c) *Regulations.* The general regulations governing safety zones contained in § 165.23 apply.

Dated: August 10, 1995.

Wayne D. Gusman,

Commander, U.S. Coast Guard, Acting Captain of the Port.

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33 CFR Part 165

[CGD01-011]

RIN 2115-AA97

Safety Zone: Annual Rensselaer Festival Fireworks Display, Hudson River, NY

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: The Coast Guard is establishing a permanent safety zone for