

employed exclusively as pleasure vessels belonging to any resident of the U.S. are allowed to arrive at and depart from the Marshall Islands ports and cruise in the waters of the Marshall Islands without being subject to formal entry and clearance procedures. Therefore, Customs is extending reciprocal privileges to Marshall Islands-flag pleasure vessels.

**EFFECTIVE DATES:** These reciprocal privileges became effective for the Marshall Islands on July 9, 2002. This amendment is effective August 14, 2002.

**FOR FURTHER INFORMATION CONTACT:** Glen Vereb, Entry Procedures and Carriers Branch, (202) 572-8730.

**SUPPLEMENTARY INFORMATION:**

**Background**

Section 4.94(a), Customs Regulations (19 CFR 4.94(a)), provides that U.S. documented vessels with a recreational endorsement, used exclusively for pleasure, not engaged in any trade, and not violating the Customs or navigation laws of the U.S., may proceed from port to port in the U.S. or to foreign ports without entering or clearing, as long as they have not visited hovering vessels. When returning from a foreign port or place, such pleasure vessels are required to report their arrival pursuant to § 4.2, Customs Regulations (19 CFR 4.2).

Generally, foreign-flag yachts entering the U.S. are required to comply with the laws applicable to foreign vessels arriving at, departing from, and proceeding between ports of the U.S. However, as provided in § 4.94(b), Customs Regulations (19 CFR 4.94(b)), Customs may issue cruising licenses to pleasure vessels from certain countries if it is found that yachts of the United States are exempt from formal entry and clearance procedures (e.g., filing manifests, obtaining permits to proceed and paying entry and clearance fees) in those countries.

If a foreign-flag yacht is issued a cruising license, the yacht, for a stated period not to exceed one year, may arrive and depart from the United States and to cruise in specified waters of the United States without entering and clearing, without filing manifests and obtaining or delivering permits to proceed, and without the payment of entrance and clearance fees, or fees for receiving manifests and granting permits to proceed, duty on tonnage, tonnage tax, or light money. Upon arrival at each port in the U.S., the master of a foreign-flag yacht with a cruising license must report the fact of arrival to the appropriate Customs office. A list of countries whose yachts

are eligible for cruising licenses is set forth in § 4.94(b).

By an exchange of diplomatic notes between the Government of the Marshall Islands and the United States Department of State, the Marshall Islands and the United States agree to extend to yachts of each other's country reciprocal privileges. Accordingly, U.S.-flag yachts, used exclusively as pleasure vessels and belonging to any resident of the U.S., may arrive at and depart from Marshall Islands ports and to cruise the waters of the Marshall Islands without entering and clearing the Marshall Islands Customs and without payment of any charges for entering or clearing, dues, duty per ton, tonnage taxes, or charges for cruising licenses. Marshall Islands yachts will be entitled to reciprocal privileges in the United States.

On July 22, 2002, the Department of State advised the Acting Chief, Entry Procedures and Carriers Branch, U.S. Customs Service, of the agreement between the United States and the Marshall Islands, which became effective July 9, 2002. The Acting Chief, Entry Procedures and Carriers Branch, is of the opinion that satisfactory evidence has been furnished to establish the reciprocity required in § 4.94(b), effective July 9, 2002. Accordingly, the Marshall Islands is added to the list of countries set forth in § 4.94(b). The authority to amend this section of the Customs Regulations has been delegated to the Chief, Regulations Branch.

**Inapplicability of Public Notice and Delayed Effective Date Requirements, the Regulatory Flexibility Act and Executive Order 12866**

Because this amendment merely implements a statutory requirement and confers a benefit upon the public, pursuant to 5 U.S.C. 553(b)(B), notice and public procedure are unnecessary for this amendment. Further, for the same reasons, good cause exists for the dispensing with a delayed effective date under 5 U.S.C. 553(d)(1) and (3). Since this document is not subject to notice and public procedure requirements of 5 U.S.C. 553, it is not subject to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). This document does not meet the criteria for a "significant regulatory action" as specified in Executive Order 12866.

**Drafting Information**

The principal author of this document was Janet Johnson, Regulations Branch, U.S. Customs Service. However, personnel from other offices participated in its development.

**List of Subjects in 19 CFR Part 4**

Customs duties and inspection, Maritime carriers, Vessels, Yachts.

**Amendment to the Regulations**

To reflect the reciprocal privileges granted to vessels registered in the Marshall Islands, Part 4, Customs Regulations (19 CFR Part 4), is amended as set forth below.

**PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES**

1. The general authority for Part 4 and the specific authority for § 4.94 continue to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1431, 1433, 1434, 1624; 46 U.S.C. App. 3, 91.  
\* \* \* \* \*

Section 4.94 also issued under 19 U.S.C. 1441; 46 U.S.C. App. 104.  
\* \* \* \* \*

2. Section 4.94(b), Customs Regulations (19 CFR 4.94(b)), is amended by inserting, in appropriate alphabetical order, "Marshall Islands" in the list of countries.

Dated: August 8, 2002.

**Harold M. Singer,**

*Chief, Regulations Branch.*

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9014]

RIN 1545-AX27

**Furnishing Identifying Number of Income Tax Return Preparer**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations that allow income tax return preparers to elect an alternative to their social security number for purposes of identifying themselves on returns they prepare. The regulations are needed to implement section 6109(a) as amended by the Internal Revenue Service Restructuring and Reform Act of 1998. The regulations affect individual preparers who elect to identify themselves using a number other than their social security number.

**DATES:** *Effective Date:* These regulations are effective August 12, 2002.

*Applicability Date:* For dates of applicability, see §§ 1.6109-2A(d) and 1.6109-2(d).

**FOR FURTHER INFORMATION CONTACT:**

Michelle B. Baxter, (202) 622-4910 (not a toll-free call).

**SUPPLEMENTARY INFORMATION:****Background**

Section 6109(a)(4) of the Internal Revenue Code provides that any return or claim for refund prepared by an income tax return preparer must bear the identifying number of the preparer as required by regulations prescribed by the Secretary. Prior to the amendment of section 6109(a) by the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206, 112 Stat. 685 (RRA '98)), section 6109(a) limited the identifying number of an individual preparer to that preparer's social security number.

Section 3710 of RRA '98 amended section 6109(a) by removing the requirement that an individual preparer's identifying number be the preparer's social security account number. Instead, under section 6109(a)(4), the Secretary may prescribe alternatives to the social security account number for purposes of identifying individual preparers.

On December 21, 1998, the IRS published Notice 98-63, 1998-2 C.B. 760, to inform preparers of the IRS's intention to develop a system of alternative identifying numbers. On August 12, 1999, the Service published a temporary regulation (TD 8835) permitting a preparer to use an alternative identifying number. **Federal Register** (64 FR 43910). On August 12, 1999, the Service also published a notice of proposed rulemaking (REG-105237-99) allowing a preparer to use an alternative to their social security number for purposes of identifying themselves on returns they prepare. **Federal Register** (64 FR 43969). No public hearing was requested or held. No written comments were received. The proposed regulations are adopted by this Treasury decision, and the corresponding temporary regulations are removed.

**Explanation of Provisions**

This document contains amendments to the Income Tax Regulations (26 CFR part 1) to allow individual preparers to either use their social security number or elect an alternative identifying number for purposes of identifying themselves on returns they prepare. The IRS developed Form W-7P, Application for Preparer Tax Identification Number, on which preparers may apply for an alternative identifying number.

**Effective Date**

The final regulations under § 1.6109-2 apply to returns or claims for refund filed after December 31, 1999. The current rules of § 1.6109-2, which are retained in § 1.6109-2A, continue to apply with respect to returns or claims for refund filed prior to January 1, 2000.

**Special Analyses**

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because these regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, these regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

**Drafting Information**

The principal author of these regulations is Michelle B. Baxter, Office of Associate Chief Counsel (Procedure and Administration), Administrative Provisions and Judicial Practice Division. However, other personnel from the IRS and 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 continues to read in part as follows:

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

**Par. 2.** Immediately following § 1.6115-1, an undesignated center heading is added to read as follows: REGULATIONS APPLICABLE TO RETURNS OR CLAIMS FOR REFUND FILED PRIOR TO JANUARY 1, 2000.

**Par. 3.** Section 1.6109-2 is redesignated as § 1.6109-2A, and transferred immediately after the undesignated center heading "REGULATIONS APPLICABLE TO RETURNS OR CLAIMS FOR REFUND FILED PRIOR TO JANUARY 1, 2000."

**Par. 4.** The second sentence of redesignated § 1.6109-2A(d) is revised to read:

**§ 1.6109-2A Furnishing identifying number of income tax return preparer.**

\* \* \* \* \*

(d) \* \* \* For returns or claims for refund filed after December 31, 1999, see § 1.6109-2(a).

\* \* \* \* \*

**Par. 5.** New § 1.6109-2 is added to read as follows:

**§ 1.6109-2 Income tax return preparers furnishing identifying numbers for returns or claims for refund filed after December 31, 1999.**

(a) *Furnishing identifying number.*—  
(1) Each return of tax, or claim for refund of tax, under subtitle A of the Internal Revenue Code prepared by one or more income tax return preparers must include the identifying number of the preparer required by § 1.6695-1(b) to sign the return or claim for refund. In addition, if there is a partnership or employment arrangement between two or more preparers, the identifying number of the partnership or employer must also appear on the return or claim for refund. For the definition of the term "income tax return preparer" (or "preparer") see section 7701(a)(36) and § 301.7701-15 of this chapter.

(2) The identifying number of a preparer who is an individual (not described in paragraph (a)(3) of this section) is that individual's social security account number, or such alternative number as may be prescribed by the Internal Revenue Service in forms, instructions, or other appropriate guidance.

(3) The identifying number of a preparer (whether an individual, corporation, or partnership) who employs or engages one or more persons to prepare the return or claim for refund (other than for the preparer) is that preparer's employer identification number.

(b) and (c) [Reserved]. For further guidance, see § 1.6109-2A(b) and (c).

(d) *Effective date.* Paragraph (a) of this section and this paragraph (d) apply to returns or claims for refund filed after December 31, 1999. For returns or claims for refund filed prior to January 1, 2000, see § 1.6109-2A(a).

**§ 1.6109-2T [Removed]**

**Par. 6.** Section 1.6109-2T is removed.

Approved: August 8, 2002.

**David A. Mader,**

*Acting Deputy Commissioner of Internal Revenue.*

**Pamela F. Olson,**

*Acting Assistant Secretary of the Treasury.*

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## DEPARTMENT OF TRANSPORTATION

### Coast Guard

#### 33 CFR Part 165

[CGD01-02-093]

RIN 2115-AA97

#### Safety Zones; Coast Guard Activities New York

**AGENCY:** Coast Guard, DOT.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing two temporary safety zones for the Hudson Riverway Grand Opening located on the Hudson River and Midland Beach Fireworks located on Lower New York Bay. This action is necessary to provide for the safety of life on navigable waters during the event. This action is intended to restrict vessel traffic in the affected waterways.

**DATES:** This rule is effective from 4 p.m. on August 10, 2002, to 10 p.m. on August 18, 2002.

**ADDRESSES:** The Waterways Oversight Branch of Coast Guard Activities New York maintains the public docket for this rulemaking. Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, are part of docket CGD01-02-093 and are available for inspection or copying at Waterways Oversight Branch, Coast Guard Activities New York, 212 Coast Guard Drive, room 204, Staten Island, New York 10305, between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Lieutenant Commander E. Morton, Waterways Oversight Branch, Coast Guard Activities New York at (718) 354-4012.

#### SUPPLEMENTARY INFORMATION:

##### Regulatory Information

We did not publish a notice of proposed rulemaking (NPRM) for this regulation. Under 5 U.S.C. 553(b)(3), the Coast Guard finds that good cause exists for not publishing an NPRM. Due to the date the Application for Approval of Marine Event was received, there was

insufficient time to draft and publish an NPRM. A permanent safety zone has been published at 33 CFR 100.122 for the Hudson Riverway Waterski show on the Hudson River effective on the first Sunday after July 4th. The date for this year's event has been moved to August 10, 2002. The zone will only be enforced for one hour and 45 minutes, which is a much shorter period than in previous years. Further, it is an annual, local event. The City of Albany is closing the public boat launch located within the safety zone during this event.

The Midland Beach safety zone will have minimal impact on Lower New York Bay. Vessels may still transit around the zone during the event. The zone will only be enforced for one and one half hours; vessels can be given permission to transit the zone for all but about 20 minutes during this time. Additionally, vessels would not be precluded from mooring at or getting underway from commercial or recreational piers in the vicinity of the zone.

Under 5 U.S.C. 553(d)(3), the Coast Guard further finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. Any delay encountered in this rule's effective date would be unnecessary and contrary to public interest since immediate action is needed to close the waterways and protect the maritime public from the hazards associated with a water ski show in confined waters and fireworks launched from a barge in the area.

##### Background and Purpose

The Coast Guard received an application to hold a water ski show on the waters of the Hudson River. This rule would establish a safety zone in all waters of the Hudson River from the Dunn Memorial Bridge (river mile 145.4) to the Albany Rensselaer Swing Bridge (river mile 146.2). The safety zone would be enforced from 4 p.m. until 5:45 p.m. on Saturday, August 10, 2002. The safety zone would prevent vessels from transiting a portion of the Hudson River and is needed to protect boaters from the hazards associated with a water ski show held in the area. There are no commercial or recreational piers within the zone. The City of Albany is closing the public boat launch located within the safety zone during this event. Public notifications will be made prior to the event via the Local Notice to Mariners and Marine Information Broadcasts.

This safety zone covers the minimum area needed and imposes the minimum restrictions necessary to ensure the

protection of all vessels and water ski show participants.

The Coast Guard received an application to hold a fireworks program on the waters of Lower New York Bay. This rule would establish a safety zone in all waters of Lower New York Bay within a 300-yard radius of the fireworks barge in approximate position 40°34'12.0" N 074°04'29.6" W (NAD 1983), about 800 yards southeast of Midland Beach. The safety zone would be enforced from 8:30 p.m. until 10 p.m. on Saturday, August 17, 2002. If the event is cancelled due to inclement weather, then this safety zone would be enforced from 8:30 p.m. until 10 p.m. on Sunday, August 18, 2002. The safety zone would prevent vessels from transiting a portion of Lower New York Bay and is needed to protect boaters from the hazards associated with fireworks launched from a barge in the area. Marine traffic would still be able to transit around the zone during this event. Additionally, recreational vessels would not be precluded from mooring at or getting underway from piers in the vicinity of the zone. Public notifications will be made prior to the event via the Local Notice to Mariners.

The size of this safety zone was determined using National Fire Protection Association and New York City Fire Department standards for ten inch mortars fired from a barge, combined with the Coast Guard's knowledge of tide and current conditions in the area.

##### Regulatory Evaluation

This rule is not a "significant regulatory action" under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it 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).

We expect the economic impact of this rule to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary.

This finding is based on: the minimal time that vessels would be restricted from the zones; the Hudson Riverway water ski show is an annual, local event; the zone is only in effect for one hour and 45 minutes, which is less than half the enforcement period in previous years; there are no commercial or recreational piers within the zone; and the City of Albany is closing the public boat launch located within the safety