

*Decision for the Establishment of Restricted Areas R-5402 and 5403.*

This final rule, which establishes restricted areas R-5402, R-5403A, R-5403B, R-5403C, R-5403D, R-5403E, and R-5403F, will not result in significant environmental impacts. A copy of the FAA Partial Adoption of FEIS and ROD has been placed in the public docket for this rulemaking and is incorporated by reference.

**FAA Authority**

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority.

This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it establishes restricted area airspace at Camp Grafton Range, near Devils Lake, ND, to enhance safety and accommodate essential military training.

**List of Subjects in 14 CFR Part 73**

Airspace, Prohibited areas, Restricted areas.

**The Amendment**

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 73 as follows:

**PART 73—SPECIAL USE AIRSPACE**

■ 1. The authority citation for part 73 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

**§ 73.54 [Amended]**

■ 2. Section 73.54 is amended as follows:

\* \* \* \* \*

**R-5402 Devils Lake, ND [New]**

Boundaries. Beginning at lat. 47°45'00" N., long. 98°47'19" W.; to lat. 47°45'00" N., long. 98°31'25" W.; then clockwise on a 7 NM arc centered on lat. 47°40'31" N., long. 98°39'22" W.; to the point of beginning, excluding the airspace within R-5401 when active, and R-5403A when active.

Designated altitudes. 500 feet AGL to, but not including, 10,000 feet MSL.

Time of designation. 0700–2000 daily, by NOTAM 6 hours in advance; other times by NOTAM.

Controlling agency. FAA, Minneapolis ARTCC.

Using agency. U.S. Air Force, 119th Operations Support Squadron, Hector International Airport, Fargo, ND.

\* \* \* \* \*

**R-5403A Devils Lake, ND [New]**

Boundaries. Beginning at lat. 47°45'00" N., long. 99°15'00" W.; to lat. 47°45'00" N., long. 98°15'00" W.; to lat. 47°35'39" N., long. 98°15'00" W.; to lat. 47°15'00" N., long. 99°15'00" W.; to the point of beginning.

Designated altitudes. 8,000 feet MSL to, but not including, 10,000 feet MSL.

Time of designation. 0700–2000 daily, by NOTAM 6 hours in advance; other times by NOTAM.

Controlling agency. FAA, Minneapolis ARTCC.

Using agency. U.S. Air Force, 119th Operations Support Squadron, Hector International Airport, Fargo, ND.

**R-5403B Devils Lake, ND [New]**

Boundaries. Beginning at lat. 47°45'00" N., long. 99°15'00" W.; to lat. 47°45'00" N., long. 98°15'00" W.; to lat. 47°35'39" N., long. 98°15'00" W.; to lat. 47°15'00" N., long. 99°15'00" W.; to the point of beginning.

Designated altitudes. 10,000 feet MSL to, but not including, 14,000 feet MSL.

Time of designation. 0700–2000 daily, by NOTAM 6 hours in advance; other times by NOTAM.

Controlling agency. FAA, Minneapolis ARTCC.

Using agency. U.S. Air Force, 119th Operations Support Squadron, Hector International Airport, Fargo, ND.

**R-5403C Devils Lake, ND [New]**

Boundaries. Beginning at lat. 47°45'00" N., long. 99°15'00" W.; to lat. 47°45'00" N., long. 98°15'00" W.; to lat. 47°35'39" N., long. 98°15'00" W.; to lat. 47°15'00" N., long. 99°15'00" W.; to the point of beginning.

Designated altitudes. 14,000 feet MSL to, but not including, FL 180.

Time of designation. 0700–2000 daily, by NOTAM 6 hours in advance; other times by NOTAM.

Controlling agency. FAA, Minneapolis ARTCC.

Using agency. U.S. Air Force, 119th Operations Support Squadron, Hector International Airport, Fargo, ND.

**R-5403D Devils Lake, ND [New]**

Boundaries. Beginning at lat. 47°35'39" N., long. 98°15'00" W.; to lat. 47°15'00" N., long. 98°15'00" W.; to lat. 47°15'00" N., long. 99°15'00" W.; to the point of beginning.

Designated altitudes. 10,000 feet MSL to, but not including, 12,000 feet MSL.

Time of designation. 0700–2000 daily, by NOTAM 6 hours in advance; other times by NOTAM.

Controlling agency. FAA, Minneapolis ARTCC.

Using agency. U.S. Air Force, 119th Operations Support Squadron, Hector International Airport, Fargo, ND.

**R-5403E Devils Lake, ND [New]**

Boundaries. Beginning at lat. 47°35'39" N., long. 98°15'00" W.; to lat. 47°15'00" N., long.

98°15'00" W.; to lat. 47°15'00" N., long. 99°15'00" W.; to the point of beginning.

Designated altitudes. 12,000 feet MSL to, but not including, 14,000 feet MSL.

Time of designation. 0700–2000 daily, by NOTAM 6 hours in advance; other times by NOTAM.

Controlling agency. FAA, Minneapolis ARTCC.

Using agency. U.S. Air Force, 119th Operations Support Squadron, Hector International Airport, Fargo, ND.

**R-5403F Devils Lake, ND [New]**

Boundaries. Beginning at lat. 47°35'39" N., long. 98°15'00" W.; to lat. 47°15'00" N., long. 98°15'00" W.; to lat. 47°15'00" N., long. 99°15'00" W.; to the point of beginning.

Designated altitudes. 14,000 feet MSL to, but not including, FL 180.

Time of designation. 0700–2000 daily, by NOTAM 6 hours in advance; other times by NOTAM.

Controlling agency. FAA, Minneapolis ARTCC.

Using agency. U.S. Air Force, 119th Operations Support Squadron, Hector International Airport, Fargo, ND.

Issued in Washington, DC, on June 14, 2012.

**Paul Gallant,**

*Acting Manager, Airspace, Regulations and ATC Procedures Group.*

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**BILLING CODE 4910–13–P**

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Parts 1 and 602**

[TD 9594]

**RIN 1545–BI31**

**Modification to Consolidated Return Regulation Permitting an Election To Treat a Liquidation of a Target, Followed by a Recontribution to a New Target, as a Cross-Chain Reorganization**

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

**ACTION:** Final regulations and removal of temporary regulations.

**SUMMARY:** This document contains final regulations under section 1502 of the Internal Revenue Code (Code). These final regulations modify the election under which a consolidated group can avoid immediately taking into account an intercompany item after the liquidation of a target corporation. These regulations apply to corporations filing consolidated income tax returns. **DATES:** *Effective Date:* These regulations are effective on June 20, 2012. *Applicability Date:* The changes reflected in these final regulations

(§ 1.1502–13(f)(5)(ii)(B)(1) and (2)) generally apply to transactions in which T's liquidation into B occurs on or after October 25, 2007. For transactions in which T's liquidation into B occurs before October 25, 2007, § 1.1502–13(f)(5)(ii)(B)(1) and (2) in effect prior to October 25, 2007 as contained in 26 CFR part 1, revised April 1, 2009, continue to apply.

**FOR FURTHER INFORMATION CONTACT:** Michael R. Gould, (202) 622–7550 (not a toll-free number).

#### **SUPPLEMENTARY INFORMATION:**

#### **Paperwork Reduction Act**

The collection of information contained in these regulations has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545–1433. The collection of information in these final regulations is required in order for the parent of a consolidated group to make the election found in § 1.1502–13(f)(5)(ii)(B).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

#### **Background and Explanation of Provisions**

This document contains amendments to 26 CFR part 1. On September 4, 2009, the IRS and Treasury Department published temporary (TD 9458, 2009–43 IRB 547) and proposed (REG–139068–08, 2009–43 IRB 558) regulations in the **Federal Register** (74 FR 45757 and 74 FR 45789, respectively). The regulations modify the election under which a consolidated group can avoid immediately taking into account an intercompany item after the liquidation of a target corporation. On March 4, 2011, the IRS and Treasury Department published final regulations in the **Federal Register** (TD 9515, 76 FR 11956), which republished the 2009 temporary regulations without substantive change, to make a minor correction to the ordering of the regulations as they appeared in the **Federal Register**. The IRS and the Treasury Department received no comments responding to the proposed and temporary regulations. No public

hearing was requested or held. Therefore, this document adopts the provisions of the proposed regulations with no substantive change and the corresponding temporary regulations are removed. See § 601.601(d)(2).

#### **Special Analyses**

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866 as supplemented by Executive Order 13563. 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. Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that this rule will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that this regulation primarily affects members of consolidated groups which tend to be large corporations. Accordingly, a regulatory flexibility analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding this regulation was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business. No comments were received.

#### **Drafting Information**

The principal authors of these final regulations are Mary W. Lyons, formerly of the Office of Associate Chief Counsel (Corporate), and Michael R. Gould of the Office of Associate Chief Counsel (Corporate). However, other personnel from the IRS and Treasury Department participated in their development.

#### **List of Subjects**

##### *26 CFR Part 1*

Income taxes, Reporting and recordkeeping requirements.

##### *26 CFR Part 602*

Reporting and recordkeeping requirements.

#### **Adoption of Amendments to the Regulations**

Accordingly, 26 CFR parts 1 and 602 are amended as follows:

#### **PART 1—INCOME TAXES**

■ **Paragraph 1.** The authority citation for part 1 is amended by removing the entry for § 1.1502–13T to read in part as follows:

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

Section 1.1502–13 also issued under 26 U.S.C. 1502. \* \* \*

■ **Par. 2.** Section 1.1502–13 is amended by revising paragraphs (f)(5)(ii)(B)(1) and (2) and adding new paragraph (f)(5)(ii)(F) to read as follows:

#### **§ 1.1502–13 Intercompany transactions.**

\* \* \* \* \*

(f) \* \* \*

(5) \* \* \*

(ii) \* \* \*

(B) *Section 332—(1) In general.* If section 332 would otherwise apply to T's (old T's) liquidation into B, and B transfers substantially all of old T's assets to a new member (new T), and if a direct transfer of substantially all of old T's assets to new T would qualify as a reorganization described in section 368(a), then, for all Federal income tax purposes, T's liquidation into B and B's transfer of substantially all of old T's assets to new T will be disregarded and instead, the transaction will be treated as if old T transferred substantially all of its assets to new T in exchange for new T stock and the assumption of T's liabilities in a reorganization described in section 368(a). (Under paragraph (j)(1) of this section, B's stock in new T would be a successor asset to B's stock in old T, and S's gain would be taken into account based on the new T stock.)

(2) *Time limitation and adjustments.* The transfer of old T's assets to new T qualifies under paragraph (f)(5)(ii)(B)(1) of this section only if B has entered into a written plan, on or before the due date of the group's consolidated income tax return (including extensions) for the tax year that includes the date of old T's liquidation, to transfer the old T assets to new T, and the statement described in paragraph (f)(5)(ii)(E) of this section is included on or with a timely filed consolidated income tax return (including extensions) for the tax year that includes the date of the liquidation. However, in the case of a liquidation of old T on or after October 25, 2007, by a taxpayer whose original tax return for the year of liquidation was filed on or before November 3, 2009, see § 1.1502–13T(f)(5)(ii)(F)(3) as contained in 26 CFR part 1, revised April 1, 2012. In either case, the transfer of substantially all of T's assets to new T must be completed within 12 months of the filing of the return. Appropriate adjustments are made to reflect any events occurring before the formation of new T and to reflect any assets not transferred to new T, or liabilities not assumed by new T. For example, if B retains an asset of old T, the asset is treated under paragraph (f)(3) of this section as acquired by new T but

distributed to B immediately after the reorganization.

\* \* \* \* \*

(F) *Effective/applicability date*—(1) *General rule.* Paragraphs (f)(5)(ii)(B)(1) and (2) of this section apply to transactions in which old T's liquidation into B occurs on or after October 25, 2007.

(2) *Prior periods.* For transactions in which old T's liquidation into B occurs before October 25, 2007, see paragraphs (f)(5)(ii)(B)(1) and (2) of this section in effect prior to October 25, 2007, as contained in 26 CFR part 1, revised April 1, 2009.

\* \* \* \* \*

§ 1.1502–13T [Removed]

■ **Par. 3.** Section § 1.1502–13T is removed.

**PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT**

■ **Par. 4.** The authority citation for part 602 continues to read as follows:

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

■ **Par. 5.** In § 602.101, paragraph (b) is amended by adding the following entry in numerical order to the table to read as follows:

**§ 602.101 OMB Control numbers**

\* \* \* \* \*

(b) \* \* \*

CFR part or section where identified and described	Current OMB control No.
* * *	* *
1.1502–13 .....	1545–1433
* * *	* *

**Steven T. Miller,**  
*Deputy Commissioner for Services and Enforcement.*

Approved: June 11, 2012.

**Emily S. McMahon,**  
*(Acting) Assistant Secretary of the Treasury (Tax Policy).*

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**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**32 CFR Part 241**

[Docket ID: DOD–2010–OS–0141]

**RIN 0790–AI66**

**Pilot Program for the Temporary Exchange of Information Technology Personnel**

**AGENCY:** Department of Defense (DoD), Office of the DoD Chief Information Officer (DoD CIO).

**ACTION:** Final rule.

**SUMMARY:** This part assigns responsibilities and provides procedures for implementing a Pilot Program for the Temporary Exchange of Information Technology Personnel, known as the Information Technology Exchange Program pilot. Pilot is envisioned to promote the interchange of DoD and private sector IT professionals to enhance skills and competencies. Given the changing workforce dynamics in the IT field, DoD needs to take advantage of these types of professional development programs to proactively position itself to keep pace with the changes in technology. The ITEP pilot will serve the public good by enhancing the DoD IT workforce skills to protect and defend our nation.

**DATES:** *Effective Date:* This rule is effective July 20, 2012.

**FOR FURTHER INFORMATION CONTACT:** Joyce France at (571) 372–4652 or [joyce.france@osd.mil](mailto:joyce.france@osd.mil).

**SUPPLEMENTARY INFORMATION:**

**Executive Summary**

*I. Purpose of this Regulatory Action*

a. The ITEP Pilot is envisioned to promote the interchange of DoD and private sector IT professionals to enhance skills and competencies. Given the changing workforce dynamics in the IT field, DoD needs to take advantage of these types of professional development programs to proactively position itself to keep pace with the changes in technology.

To date, one private sector candidate has been successfully placed and completed a 6 month ITEP assignment with the DoD Office of the Under Secretary of Defense (Comptroller). Two additional private sector candidates have been identified for ITEP assignments and the details of these assignments are currently being worked with the respective sponsoring organizations. We anticipate that both

candidates will onboard to DoD in the third quarter of Fiscal Year 2012. The Department has posted nine ITEP detail opportunity announcements for private sector candidates to the DoD ITEP Web site related to service oriented architecture, cybersecurity, IT project management, IT infrastructure/consolidation, social media, and mobility and wireless. An announcement has also been posted on the ITEP Web site for a DoD employee to participate in a detail in networking with a small, veteran-owned private sector company.

b. This regulation implements section 1110 of the National Defense Authorization Act for Fiscal Year 2010 (Pub. L. 111–84), which authorizes DoD to implement a Pilot Program for the Temporary Exchange of Information Technology (IT) Personnel. This statute authorizes the temporary assignment of DoD IT employees to private sector organizations. This statute also gives DoD the authority to accept private sector IT employees assigned under the Pilot.

*II. Summary of the Major Provisions of This Regulatory Action*

This Pilot Program (“Pilot”) is authorized by section 1110 of the NDAA for FY2010 (Pub. L. 111–84). Section 1110 authorizes DoD Components to assign exceptional IT employees to a private sector organization for purposes of training, development and sharing of best practices. It also gives DoD Components the authority to accept comparable IT employees on an assignment from the private sector for the training and development purposes and sharing of best practices and insight of government practices.

*III. Costs and Benefits of This Regulatory Action*

The cost of employee’s salary and benefits will be paid by the originating employer. It is anticipated that the benefit will outweigh the cost to manage this program and any additional cost would be related to travel or cost to attend training or conferences.

**Public Comment**

The DoD ITEP interim final rule, Title 32 of the Code of Federal Regulations (CFR) Part 241 was published in the **Federal Register**, Vol. 75, No. 239 pages 77753–77756 on December 14, 2010 for public comment. The comment period ended on February 14, 2011. DoD received no comments.

However, the Department did make minor changes to the final rule that were not included in the interim rule. These changes were based upon clarifying