

However, the acquisition results in a loss of control described in § 1.7874-1(c)(2) because P does not hold, in the aggregate, directly or indirectly, more than 50% of the shares of FA stock (by vote or value) of R, FA, or DT after the acquisition. Accordingly, the FA stock held by R would be included in the denominator of the ownership fraction under § 1.7874-1(c)(1). Nevertheless, the FA stock held by R is excluded from the denominator of the ownership fraction under paragraphs (b) and (h) of this section. Thus, the ownership fraction is 49/49.

(iii) *Alternative facts.* The facts are the same as in paragraph (i) of this *Example 8*, except that, in exchange for 51 shares of FA stock, R transfers marketable securities (within the meaning of paragraph (i)(6) of this section) with a value equal to that of 16 shares of FA stock and qualified property (within the meaning of paragraph (i)(7) of this section) with a value equal to that of 35 shares of FA stock. Accordingly, 16 of the 51 shares of FA stock transferred to R constitute disqualified stock described in paragraph (c)(1) of this section by reason of paragraph (c)(1)(i) of this section, and 35 of such shares do not constitute disqualified stock.

Paragraph (c)(2) of this section does not reduce the amount of disqualified stock described in paragraph (c)(1)(i) of this section because the transfer of FA stock in exchange for the marketable securities increases the fair market value of the assets of FA by the fair market value of the marketable securities transferred. Therefore, under paragraph (b) of this section, 16 of the 51 shares of FA stock transferred to R are not included in the denominator of the ownership fraction.

Although 16 of the 51 shares of FA stock that are transferred to R are excluded from the denominator of the ownership fraction, under paragraph (h) of this section, all 51 of R's shares of FA stock are taken into account for purposes of determining whether P or R is a member of the expanded affiliated group that includes FA. Because P holds 49% of the shares of FA stock (49/100), it is not a member of the expanded affiliated group that includes FA, and its FA stock is included in both the numerator and the denominator of the ownership fraction. Because R holds 51% of the shares of FA stock (51/100), it is a member of the expanded affiliated group that includes FA and, before taking into account § 1.7874-1(c), its FA stock is excluded from the numerator and denominator of the ownership fraction under section 7874(c)(2)(A) and § 1.7874-1(b). However,

the acquisition results in a loss of control described in § 1.7874-1(c)(2) because P does not hold, in the aggregate, directly or indirectly, more than 50% of the shares of FA stock (by vote or value) of R, FA, or DT after the acquisition. Accordingly, the 51 shares of FA stock held by R would be included in the denominator of the ownership fraction under § 1.7874-1(c)(1). Nevertheless, the 16 shares of FA stock that constitute disqualified stock are excluded from the denominator of the ownership fraction under paragraphs (b) and (h) of this section. In addition, the 35 shares of FA stock received by R that do not constitute disqualified stock are included in the denominator. Thus, the ownership fraction is 49/84.

(k) *Effective/applicability dates*—(1) *General rule.* Except to the extent provided in paragraph (k)(2) of this section, this section applies to acquisitions completed on or after September 17, 2009.

(2) *Transitional rules.* For acquisitions completed on or after September 17, 2009, but before January 16, 2014, except as provided in paragraph (k)(3) of this section, this section shall be applied with the following modifications:

(i) Nonqualified property does not include property described in paragraph (i)(7)(iii) of this section.

(ii) A transfer is limited to an issuance of stock of the foreign acquiring corporation.

(iii) The determination of whether stock of the foreign acquiring corporation is described in paragraph (c)(1) of this section is made without regard to paragraphs (c)(1)(ii), (c)(2), and (e) of this section.

(iv) Paragraphs (d) and (h) of this section do not apply.

(3) *Election.* A taxpayer may elect to apply paragraphs (a) through (j) of this section to acquisitions completed on or after September 17, 2009, but before January 16, 2014, if the taxpayer applies those paragraphs consistently to all acquisitions completed before such date. The election is made by applying paragraphs (a) through (j) of this section to all such acquisitions on a timely filed original return (including extensions) or an amended return filed no later than six months after January 16, 2014. A separate statement or form evidencing the election need not be filed.

(l) *Expiration date.* The applicability of this section expires on January 13, 2017.

■ **Par. 4.** Section 1.7874-5T is added to read as follows:

**§ 1.7874-5T Effect of certain transfers of stock related to the acquisition (temporary).**

(a) *General rule.* Stock of a foreign corporation that is described in section 7874(a)(2)(B)(ii) shall not cease to be so described as a result of any subsequent transfer of the stock by the former shareholder (within the meaning of § 1.7874-2(b)(2)) or former partner (within the meaning of § 1.7874-2(b)(3)) that received such stock, even if the subsequent transfer is related to the acquisition described in section 7874(a)(2)(B)(i).

(b) *Example.* The rule of this section is illustrated by the following example:

*Example.* (i) *Facts.* Individual A wholly owns DT, a domestic corporation. FA, a newly formed foreign corporation, acquires all of the stock of DT from Individual A in exchange solely for 100 shares of FA stock.

Pursuant to a binding commitment that was entered into in connection with FA's acquisition of the DT stock, Individual A sells 25 shares of FA stock to B, an unrelated person, in exchange for cash. For federal income tax purposes, the form of the steps of the transaction is respected.

(ii) *Analysis.* Under § 1.7874-2(f)(1), the 100 shares of FA stock received by Individual A are stock of a foreign corporation (FA) that is held by reason of holding stock in a domestic corporation (DT). Accordingly, such stock is described in section 7874(a)(2)(B)(ii). Under paragraph (a) of this section, all 100 shares of FA stock retain their status as being described in section 7874(a)(2)(B)(ii), even though Individual A sells 25 of the 100 shares in connection with the acquisition described in section 7874(a)(2)(B)(i) pursuant to the binding commitment. Therefore, all 100 of the shares of FA stock are included in both the numerator and denominator of the ownership fraction (as defined in § 1.7874-4T(i)(9)).

(c) *Effective/applicability dates.* This section applies to acquisitions that are completed on or after January 16, 2014.

(d) *Expiration date.* The applicability of this section expires on January 13, 2017.

**John Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

Approved: December 30, 2013.

**Mark J. Mazur,**

*Assistant Secretary of the Treasury (Tax Policy).*

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**FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION**

**29 CFR Part 2700**

**Procedural Rules To Permit Parties To File and Serve Documents Electronically; Correction**

**AGENCY:** Federal Mine Safety and Health Review Commission.

**ACTION:** Interim rule with request for comments; correction.

**SUMMARY:** The Federal Mine Safety and Health Review Commission is correcting an interim rule that appeared in the **Federal Register** of December 23, 2013 (78 FR 77354). The correction adds a conforming change indicating that only original documents need be filed pursuant to § 2700.75.

**DATES:** Effective January 22, 2014.

**FOR FURTHER INFORMATION CONTACT:** Michael A. McCord, General Counsel, Office of the General Counsel, Federal Mine Safety and Health Review Commission, at (202) 434-9935 or [mmccord@fmsrhc.gov](mailto:mmccord@fmsrhc.gov).

**SUPPLEMENTARY INFORMATION:** In FR Doc. 2013–29842 appearing on page 77354 in the **Federal Register** of Monday, December 23, 2013, the following corrections are made:

**§ 2700.75 [Corrected]**

■ 1. On page 77359, in the second column, in § 2700.75 Briefs, correct instruction 13 and amendments to § 2700.75 to read as follows:

■ 13. Section 2700.75 is amended by revising paragraphs (f) and (g) to read as follows:

**§ 2700.75 Briefs.**

\* \* \* \* \*

(f) *Motion for leave to exceed page limit.* A motion requesting leave to exceed the page limit for a brief shall be received not less than 3 days prior to the date the brief is due to be filed, shall state the total number of pages proposed, and shall comply with § 2700.10. Filing of a motion requesting an extension of page limit is effective upon receipt. The motion and any statement in opposition shall include proof of service on all parties by a means of delivery no less expeditious than that used for filing the motion, except that if service by electronic transmission (email) is impossible, the filing party must serve in person, by third party commercial carrier, or by facsimile transmission, resulting in same-day delivery.

(g) *Number of copies.* Unless otherwise ordered or stated in this part, only the original of a document shall be filed.

\* \* \* \* \*

Dated: January 13, 2014.

**Mary Lu Jordan,**

*Chairman, Federal Mine Safety and Health Review Commission.*

[FR Doc. 2014–00831 Filed 1–16–14; 8:45 am]

**BILLING CODE 6735–01–P**

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 165**

[Docket No. USCG–2012–0880]

**RIN 1625–AA00**

**Safety Zone; Houma Navigation Canal, Mile Marker 35.5 to 36.5, and Gulf Intracoastal Waterway, Mile Marker 59.0 to 60.0, West of Harvey Locks, Bank to Bank; Houma, Terrebonne Parish, LA**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Interim rule and request for comments.

**SUMMARY:** The Coast Guard is establishing a safety zone in the Houma Navigation Canal, from Mile Marker 35.5 to 36.5, and in the Gulf Intracoastal Waterway (GIWW), from Mile Marker 59.0 to 60.0, West of Harvey Locks, bank to bank, during the completion of construction and repair work on the HWY 661 Swing Bridge, Terrebonne Parish, LA. Restrictions under this safety zone will be enforced intermittently as necessary to protect persons and property from hazards associated with the construction and repair operations on the Highway 661 Swing Bridge.

**DATES:** This rule is effective without actual notice January 17, 2014 through July 1, 2014. For purposes of enforcement, actual notice will be used from the date the rule was signed, December 13, 2013 until January 17, 2014.

Comments and related material must be received by the Coast Guard on or before February 18, 2014.

**ADDRESSES:** Documents mentioned in this preamble are part of Docket Number USCG–2012–0880. 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. Deliveries accepted between 9 a.m. and 5 p.m., Monday through Friday, except federal holidays. The telephone number is 202–366–9329.

See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section below for further instructions on submitting comments. To avoid duplication, please use only one of these three methods.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or email MST1 Isaac Chavalia, U.S. Coast Guard; telephone (985) 850–6456, email [Isaac.J.Chavalia@uscg.mil](mailto:Isaac.J.Chavalia@uscg.mil). If you have questions on viewing or submitting material to the docket, call Cheryl Collins, Program Manager, Docket Operations, telephone (202) 366–9826.

**SUPPLEMENTARY INFORMATION:**

**Table of Acronyms**

GIWW Gulf Intracoastal Waterway  
COTP Captain of the Port  
DHS Department of Homeland Security  
FR Federal Register  
NPRM Notice of Proposed Rulemaking

**A. Public Participation and Request for Comments**

We encourage you to participate in this rulemaking by submitting comments and related materials. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided.

**1. Submitting Comments**

If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online at <http://www.regulations.gov>, or by fax, mail, or hand delivery, but please use only one of these means. If you submit a comment online, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your comment, it will be considered as having been received by the Coast Guard when it is received at the Docket Management Facility. We recommend that you include your name and a mailing address, an email address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to <http://www.regulations.gov>, type the docket number in the “SEARCH” box and click “SEARCH.” Click on “Submit a Comment” on the line associated with this rulemaking.

If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit comments by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed