

purchased the securities presented for exchange with his or her own funds, or received them as a gift, inheritance or legacy, or as a result of judicial proceedings, and had them reissued in coownership form, provided he or she had received no contribution in money or money's worth for designating the other coowner on the securities.

(3) If the securities presented for exchange were in coownership form, and both coowners shared in their purchase or received them jointly as a gift, inheritance, or legacy or as a result of judicial proceedings, both persons were required to be named as coowners on the Series HH bonds.

(4) If the securities presented for exchange were in beneficiary form, the owner was required to be named on the Series HH bonds as owner or first-named coowner. If the owner was deceased, a surviving beneficiary was required to be named as owner or first-named coowner. In either case, a coowner or beneficiary was permitted to be named.

(f) *Issue date.* Series HH bonds issued on exchange were dated as of the first day of the month in which the eligible securities presented for exchange were redeemed by an authorized paying agent, as evidenced in the payment stamp on the securities and the exchange application.

(g) *Tax-deferred exchanges.* (1) Continuation of tax deferral. Pursuant to the provisions of the Internal Revenue Code of 1954, as amended, an owner who had not been reporting the interest on his or her Series E or EE bonds and savings notes on an accrual basis for Federal income tax purposes, and who exchanged those securities for Series HH bonds, was permitted to continue to defer reporting the interest on the securities exchanged until the taxable year in which the Series HH bonds received in the exchange reach final maturity, are redeemed, or are otherwise disposed of, whichever is earlier. A reissue transaction that affects any of the persons required to be named on the Series HH bonds, as set forth in paragraph (e) of this section, may result in termination of the tax deferral privilege.

(2) *Tax deferral legend.* Each bond issued in a tax-deferred exchange bore a legend showing how much of its issue price represented interest on the securities exchanged. This interest must be treated as income for Federal income tax purposes and reported in accordance with paragraph (g)(1) of this section.

(3) *Reporting of interest paid to owner.* To the extent that it represented interest earned on the securities presented for exchange, an amount paid

to an owner in accordance with paragraph (d) of this section was reportable as income for Federal income tax purposes for the year in which it was paid. Pursuant to 26 CFR 1.6049.4, a paying agent was required to report interest income of \$10 or more included in any amount paid in an exchange transaction to the payee and to the Internal Revenue Service on Form 1099-INT or an approved substitute. A separate report was permitted to be made for each exchange transaction in which interest in the amount of \$10 or more was paid, or all interest paid in both cash redemption and exchange transactions was permitted to be aggregated and reported annually should the total amount be \$10 or more.

(h) *Exchanges without tax deferral.* The rules prescribed for exchanges under paragraphs (a) through (f) of this section also applied to exchanges by owners who report the interest earned on their bonds of Series E and EE and savings notes annually for Federal income tax purposes, or elect to report all such interest that was not previously reported for the taxable year of the exchange. Series HH bonds issued in a nontax-deferred exchange were required to show a "0" in the tax-deferral legend.

■ 7. Amend § 352.8 as follows: revise the first sentence of paragraph (a) to read as set forth below; in the second sentence of paragraph (a) remove the words "may not" and add in their place the words "was not permitted to", remove the word "reach" and add in its place the word "reached", and remove the word "are" and add in its place the word "were"; in paragraph (b) remove the words "will be" and add in its place the word "were" for the words both places that the words appear.

§ 352.8 Reinvestment of matured Series H bonds.

(a) *General.* Prior to the close of business on August 31, 2004, the proceeds of matured Series H and HH bonds, whether purchased for cash or issued in exchange for other securities, were permitted to be reinvested in Series HH bonds. * * *

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§ 352.9 [Amended]

■ 8. Amend § 352.9 as follows: in the first sentence, remove the words "will deliver" and add in their place the word "delivered"; in the second sentence, remove the words "will be" and add in their place the word "were"; in the third sentence, remove the words "will be" and add in their place the word "were".

§ 352.11 [Amended]

■ 9. Amend § 352.11 as follows: in the first sentence, remove the word "reserves" and add in its place the word "reserved", and remove the word "is" and add in its place the word "was"; in the final sentence, remove the word "is" and add in its place the word "was".

Dated: June 9, 2004.

Donald V. Hammond,

Fiscal Assistant Secretary.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[CGD13-04-028]

RIN 1625-AA00

Safety Zones: Fireworks Displays in the Captain of the Port Portland Zone

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing safety zones on the waters located in the Portland, Oregon, Captain of the Port (COTP) Zone during fireworks displays. The COTP is taking this action to safeguard watercraft and their occupants from safety hazards associated with these displays. Entry into these safety zones is prohibited unless authorized by the COTP.

DATES: This rule is effective from 10 p.m. July 4, 2004, through 10:30 p.m. July 24, 2004.

ADDRESSES: Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, are available for inspection or copying at the U.S. Coast Guard MSO/Group Portland, 6767 N. Basin Avenue, Portland, Oregon 97217 between 7 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Lieutenant Junior Grade Belen Audirsch, c/o Captain of the Port, Portland, 6767 N. Basin Avenue, Portland, Oregon 97217, (503) 240-9301.

SUPPLEMENTARY INFORMATION:

Regulatory Information

Safety zones for these events are being submitted through the normal rulemaking process for 2005. Following normal notice and comment procedures

for the events occurring in 2004 would disallow the publishing of the final rule until after the dates of the events. For this reason, following normal rulemaking procedures in this case would be impracticable and contrary to the public interest since immediate action is necessary to ensure the safety of vessels and spectators gathering in the vicinity of the various fireworks launching barges and displays.

Background and Purpose

The Coast Guard is establishing temporary safety zones to allow for safe fireworks displays indicated in section 2(a)(1–11) of this temporary final rule. All events occur within the Portland, Oregon, Captain of the Port (COTP) Zone. These events may result in a number of vessels congregating near fireworks launching barges and sites. The safety zones are needed to protect watercraft and their occupants from safety hazards associated with fireworks displays. These safety zones will be enforced by representatives of the Captain of the Port, Portland, Oregon. The Captain of the Port may be assisted by other federal and local agencies.

Discussion of Rule

In response to safety concerns, this rule will control vessels, personnel and individual movements in a regulated area surrounding the firework events indicated in § 165.T13–008(a)(1)–(11) of this temporary final rule. Entry into these zones is prohibited unless authorized by the Captain of the Port, Portland, or his designated representative. Coast Guard personnel will enforce these safety zones. The Captain of the Port may be assisted by other federal and local agencies.

Regulatory Evaluation

This rule 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. The Office of Management and Budget has not reviewed this rule under that Order. This rule is not “significant” under the regulatory policies and procedures of the Department of Homeland Security. The Coast Guard expects the economic impact of this proposal to be so minimal that a full Regulatory Evaluation under the regulatory policies and procedures act of DHS is unnecessary. This expectation is based on the fact that the regulated areas established by this rule will encompass small portions of rivers in the COTP Zone on different dates, all in the evening when vessel traffic is low.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), we considered whether this rule would have a significant economic impact on a substantial number of small entities. The term “small entities” include small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. This rule will affect the following entities, some of which may be small entities: the owners or operators of vessels intending to transit a portion of the Willamette River, Columbia River, and Siuslaw River during the times and dates mentioned under 2(a)(1–11) of this Temporary Final Rule. These safety zones will not have significant economic impact on a substantial number of small entities for the following reasons. This rule will be in effect no more than one hour during eleven evenings when vessel traffic is low. Traffic will be allowed to pass through the zone with the permission of the Captain of the Port or his designated representatives on scene, if safe to do so. Because the impacts of this proposal are expected to be so minimal, the Coast Guard certifies under 5 U.S.C. 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) that this temporary final rule will not have a significant economic impact on a substantial number of small entities.

Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding the rule so that they can better evaluate its effects on them and participate in the rulemaking process. If the rule will affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Collection of Information

This rule calls for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

Federalism

We have analyzed this rule under Executive Order 13132 and have determined that this temporary final rule does not have implications for federalism under that Order.

Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or tribal government or the private sector to incur direct costs without the Federal Government's having first provided the funds to pay those unfunded mandate costs. This rule will not impose an unfunded mandate.

Taking of Private Property

This rule will not effect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

Civil Justice Reform

This rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

Protection of Children

We have analyzed this rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and does not concern an environmental risk to health or risk to safety that may disproportionately affect children.

Indian Tribal Governments

This rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian tribal governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the federal government and Indian tribes, or on the distribution of power and responsibilities between the federal government and Indian tribes.

Energy Effects

We have analyzed this rule under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not a “significant energy action” under that order because it is not a “significant regulatory action” under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy. It has not been designated by the Administrator of the Office of Information and Regulatory Affairs as a significant energy action. Therefore, it

does not require a Statement of Energy Effects under Executive Order 13211.

Environment

The Coast Guard considered the environmental impact of this rule and concluded that, under figure 2-1, paragraph (34)(g) of Commandant Instruction M16475.1C, this rule is categorically excluded from further environmental documentation. A Categorical Exclusion is provided for temporary safety zones of less than one week in duration.

List of Subjects in 33 CFR Part 165

Harbors, Marine Safety, Navigation (water), Reporting and Record Keeping Requirements, Security Measures, Waterways.

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

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

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

Authority: 33 U.S.C. 1226, 1231; 46 U.S.C. Chapter 701; 50 U.S.C. 191, 195; 33 CFR 1.05-1(g), 6.04-1, 6.04-6, and 160.5; Pub. L. 107-295, 116 Stat. 2064; Department of Homeland Security Delegation No. 0170.1.

■ 2. A temporary § 165.T13-008 is added to read as follows:

§ 165.T13-008 Safety Zones for fireworks events in the Captain of the Port Portland Zone.

(a) *Safety zones.* The following areas are designated safety zones:

(1) *City of Milwaukie Celebration Fireworks Display, Milwaukie, OR:*

(i) *Location.* All water of the Willamette River enclosed by a line connecting the following points: 45°26'41" N, 122°38'46" W; following the shoreline to 45°26'17" N, 122°38'36" W; then west to 45°26'17" N, 122°38'55" W; following the shoreline to 45°26'36" N, 122°38'50" W; then back to the point of origin.

(ii) *Enforcement period.* 10 p.m. to 10:30 p.m. on July 24, 2004.

(2) *Gladstone Celebration Fireworks Display, Gladstone, OR:*

(i) *Location.* All water of the Willamette River enclosed by a line connecting the following points: 45°22'29" N, 122°36'42" W; following the shoreline to 45°22'23" N, 122°36'23" W; then west to 45°22'14" N, 122°36'26" W; following the shoreline to 45°22'24" N, 122°36'44" W; then back to the point of origin.

(ii) *Enforcement period.* 10 p.m. to 10:30 p.m. on July 4, 2004.

(3) *Oaks Park July 4th Celebration, Portland, OR.*

(i) *Location.* All water of the Willamette River enclosed by a line connecting the following points: 45°28'26" N, 122°39'43" W; following the shoreline to 45°28'10" N, 122°39'54" W; then west to 45°28'41" N, 122°40'06" W; following the shoreline to 45°28'31" N, 122°40'01" W; then back to the point of origin.

(ii) *Enforcement period.* 9:45 p.m. to 10:30 p.m. on July 4, 2004.

(4) *Fort Vancouver 4th of July Celebration, Vancouver, WA.*

(i) *Location.* All water of the Columbia River enclosed by a line connecting the following points: 45°31'16" N, 122°40'18" W; following the shoreline to 45°36'55" N, 122°39'11" W; south to 45°35'28" N, 122°39'19" W; following the shoreline to 45°36'52" N, 122°40'32" W, then back to the point of origin.

(ii) *Enforcement period:* 10 p.m. to 10:50 p.m. on July 4, 2004.

(5) *St. Helens 4th of July, St. Helens, OR.*

(i) *Location.* All water of the Columbia River extending out to a 1200-foot radius from the barge centered at 45°51'57" N, 122°47'02" W.

(ii) *Enforcement period:* 10 p.m. to 10:30 p.m. on July 4, 2004.

(6) *East County 4th of July Fireworks, Gresham, OR.*

(i) *Location.* All water of the Columbia River enclosed by a line connecting the following points: 45°32'29" N, 122°47'32" W; following the shoreline to 45°33'45" N, 122°26'54" W; then south to 45°33'29" N, 122°26'37" W; following the shoreline to 45°33'29" N, 122°27'32" W; back to the point of origin.

(ii) *Enforcement period:* 10 p.m. (PDT) to 10:30 p.m. (PDT) on July 4, 2004.

(7) *City of Cascade Locks 4th of July, Cascade Locks, OR.*

(i) *Location.* All water of the Columbia River extending out to a 2000' radius from the launch site at 45°40'16" N, 122°53'38" W.

(ii) *Enforcement period:* 10 p.m. to 10:30 p.m. on July 4, 2004.

(8) *Arlington Chamber of Commerce Fireworks, Arlington, OR.*

(i) *Location.* All water of the Columbia River extending out to a 500-foot radius from the launch site at 45°43'23" N, 122°12'08" W.

(ii) *Enforcement period:* 10 p.m. to 10:20 p.m. on July 4, 2004.

(9) *Western Display 4th of July Party, Vancouver, WA.*

(i) *Location.* All water of the Columbia River extending out to a 500-foot radius from the launch site at 45°35'46" N, 122°32'22" W.

(ii) *Enforcement period:* 10 p.m. to 10:20 p.m. on July 4, 2004.

(10) *Ilwaco July 4th Committee Fireworks, Ilwaco, WA.*

(i) *Location.* All water of the Columbia River extending out to a 700-foot radius from the launch site at 46°18'17" N, 124°01'55" W.

(ii) *Enforcement period:* 10 p.m. to 10:30 p.m. on July 4, 2004.

(11) *Florence Chamber 4th of July, Florence, OR.*

(i) *Location.* All water of the Siuslaw River enclosed by a line connecting the following points: 43°57'58" N, 124°06'29" W; following the shoreline to 43°58'08" N, 124°05'42" W; then south to 43°57'53" N, 124°05'31" W; following the shoreline to 43°57'48" N, 124°06'29" W; back to the point of origin.

(ii) *Enforcement period:* 10 p.m. to 10:30 p.m. on July 4, 2004.

(b) *Regulations.* In accordance with the general regulations in Section 165.23 of this part, no person or vessel may enter or remain in this zone unless authorized by the Captain of the Port or his designated representatives.

Dated: June 25, 2004.

Paul D. Jewell,

Captain, U.S. Coast Guard, Captain of the Port, Portland, Oregon.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[Region 2 Docket No. NJ66-273, FRL-7776-2]

Approval and Promulgation of Implementation Plans; New Jersey 1-hour Ozone Control Programs

AGENCY: Environmental Protection Agency.

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is approving a request from New Jersey to revise its State Implementation Plan to incorporate revisions to Subchapter 16 "Control and Prohibition of Air Pollution by Volatile Organic Compounds." These revisions relate to the control of volatile organic compounds from mobile equipment repair and refinishing operations, solvent cleaning operations and refueling of motor vehicles at gasoline service stations. The intended effect is to reduce the emissions of volatile organic compounds (VOC) and thereby reduce ozone concentrations in the lower atmosphere.

DATES: *Effective Date:* This rule will be effective August 2, 2004.