

regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the regulations will be submitted to the Small Business Administration for comment on their impact on small business.

### Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rule and how it may be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for October 20, 1999, at 10 a.m. in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Due to building security procedures, visitors must enter at the 10th Street entrance, located between Constitution and Pennsylvania Avenues, NW. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 15 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit comments by September 20, 1999, and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by September 29, 1999. A period of 10 minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

### Drafting Information

The principal author of these proposed regulations is James F. Hogan, Office of the Chief Counsel, IRS. Other personnel from the IRS and Treasury Department participated in their development.

### List of Subjects in 26 CFR Part 25

Gift taxes, Reporting and recordkeeping requirements.

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 25 is proposed to be amended as follows:

#### PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

**Paragraph 1.** The authority citation for part 25 continues to read in part as follows:

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

**Par. 2.** Section 25.2702-3 is amended as follows:

1. Paragraph (b)(1)(i) is amended by adding a new sentence after the third sentence.

2. Paragraph (c)(1)(i) is amended by adding a new sentence after the fourth sentence.

3. A new paragraph (d)(5) is added. The additions read as follows:

#### § 25.2702-3 Qualified interests.

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \* (i) \* \* \* Issuance of a note, other debt instrument, option or other similar financial arrangement in satisfaction of the annuity amount does not constitute payment of the annuity amount. \* \* \*

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \* (i) \* \* \* Issuance of a note, other debt instrument, option or other similar financial arrangement in satisfaction of the unitrust amount does not constitute payment of the unitrust amount. \* \* \*

\* \* \* \* \*

(d) \* \* \*

(5) *Use of debt obligations to satisfy the annuity or unitrust payment obligation*—(i) *In general.* The trust instrument must prohibit the trustee from issuing a note, other debt instrument, option or other similar financial arrangement in satisfaction of the annuity or unitrust payment obligation.

(ii) *Special rule in the case of a trust created prior to September 20, 1999.* In the case of a trust created prior to September 20, 1999, the interest will be treated as a qualified interest under section 2702(b) if—

(A) Notes, other debt instruments, options or similar financial arrangements are not used after September 20, 1999 to satisfy the annuity or unitrust payment obligation; and

(B) Any note or notes or any other debt instruments issued to satisfy the

annual payment obligation on or prior to September 20, 1999, are paid in full by December 31, 1999, and, any option or similar financial arrangement issued to satisfy the annual payment obligation is terminated by December 31, 1999, such that the grantor receives cash or other trust assets in satisfaction of the payment obligation. For purposes of the preceding sentence, an option will be considered terminated only if the grantor receives cash or other trust assets equal in value to the greater of the required annuity or unitrust payment plus interest computed under section 7520 of the Code, or the fair market value of the option.

\* \* \* \* \*

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

[FR Doc. 99-15524 Filed 6-21-99; 8:45 am]

BILLING CODE 4830-01-P

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 73

[MM Docket No. 99-215, RM-9337]

### Radio Broadcasting Services; Mason, TX

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** This document requests comments on a petition filed by BK Radio requesting the allotment of Channel 239C2 at Mason, Texas, and modification of its application for Channel 249C2 at Mason to specify operation Channel 239C2 with cut-off protection. The coordinates for Channel 239C2 at Mason are 30-33-24 and 99-25-34. Concurrence of the Mexican government will be requested for this allotment.

**DATES:** Comments must be filed on or before August 2, 1999, and reply comments on or before August 17, 1999.

**ADDRESSES:** Federal Communications Commission, Washington, DC. 20554. In addition to filing comments with the FCC, interested parties should serve the petitioner's counsel, as follows: Lee J. Peltzman, Shainis & Peltzman, Chartered, 1901 L Street, NW, Suite 290, Washington, DC 20036.

**FOR FURTHER INFORMATION CONTACT:** Kathleen Scheuerle, Mass Media Bureau, (202) 418-2180.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Notice of Proposed Rule Making, MM Docket No. 99-215, adopted June 2, 1999, and

released June 11, 1999. The full text of this Commission decision is available for inspection and copying during normal business hours in the Commission's Reference Center, 445 12th Street, SW, Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Services, Inc., 1231 20th Street, NW, Washington, DC. 20036, (202) 857-3800, facsimile (202) 857-3805.

Provisions of the Regulatory Flexibility Act of 1980 do not apply to this proceeding.

Members of the public should note that from the time a Notice of Proposed Rule Making is issued until the matter is no longer subject to Commission consideration or court review, all *ex parte* contacts are prohibited in Commission proceedings, such as this one, which involve channel allotments. See 47 CFR 1.1204(b) for rules governing permissible *ex parte* contact.

For information regarding proper filing procedures for comments, see 47 CFR 1.415 and 1.420.

#### List of Subjects in 47 CFR Part 73

Radio broadcasting.  
Federal Communications Commission.  
**John A. Karousos,**  
*Chief, Allocations Branch, Policy and Rules Division, Mass Media Bureau.*  
[FR Doc. 99-15746 Filed 6-21-99; 8:45 am]  
BILLING CODE 6712-01-P

## DEPARTMENT OF DEFENSE

### 48 CFR Parts 212, 247, and 252

[DFARS Case 98-D014]

#### Defense Federal Acquisition Regulation Supplement; Cargo Preference—Subcontracts for Commercial Items

**AGENCY:** Department of Defense (DoD).  
**ACTION:** Proposed rule with request for comments.

**SUMMARY:** The Director of Defense Procurement is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) guidance regarding the applicability of statutory requirements for use of U.S. vessels in the transportation of DoD supplies by sea. The DFARS presently waives these requirements for subcontracts for the acquisition of commercial items. This rule would require the use of the U.S. vessels under certain subcontracts for commercial items.

**DATES:** Comments on the proposed rule should be submitted in writing to the

address specified below on or before August 23, 1999, to be considered in the formation of the final rule.

**ADDRESSES:** Interested parties should submit written comments on the proposed rule to: Defense Acquisition Regulations Council, Attn: Ms Amy Williams, PDUSD (A&T) DP (DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax (703) 602-0350. Please cite DFARS Case 98-D014.

E-mail comments submitted over the Internet should be addressed to: [dfars@acq.osd.mil](mailto:dfars@acq.osd.mil).

Please cite DFARS Case 98-D014 in all correspondence related to this proposed rule. E-mail correspondence should cite DFARS Case 98-D014 in the subject line.

**FOR FURTHER INFORMATION CONTACT:** Ms. Amy Williams, (703) 602-0131. Please cite DFARS Case 98-D014.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

10 U.S.C. 2631 provides a preference for use of U.S. vessels for ocean transportation of supplies purchased under DoD contracts. DFARS Parts 212 and 247 presently waive the requirements of 10 U.S.C. 2631 for subcontracts for the acquisition of commercial items or commercial components. This rule proposes to amend DFARS Parts 212 and 247 and corresponding clauses to limit the types of subcontracts for which the waiver of 10 U.S.C. 2631 is applicable. The rule is intended to ensure compliance with 10 U.S.C. 2631 for ocean cargoes clearly destined for DoD cause, while avoiding disruption of commercial delivery systems.

##### B. Regulatory Flexibility Act

The proposed rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because most entities providing ocean transportation of cargo are not small business concerns. Therefore, an initial regulatory flexibility analysis has not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities concerning the affected DFARS subparts also will be considered in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 98-D014 in correspondence.

##### C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the proposed rule

does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

#### List of Subjects in 48 CFR Parts 212, 247, and 252

Government procurement.

**Michele P. Peterson,**  
*Executive Editor, Defense Acquisition Regulations Council.*

Therefore, 48 CFR Parts 212, 247, and 252 are proposed to be amended as follows:

1. The authority citation for 48 CFR Parts 212, 247, and 252 continues to read as follows:

**Authority:** 41 U.S.C. 421 and 48 CFR Chapter 1.

#### PART 212—ACQUISITION OF COMMERCIAL ITEMS

2. Section 212.504 is amended by revising paragraph (a)(xxii) to read as follows:

**§ 212.504 Applicability of certain laws to subcontracts for the acquisition of commercial items.**

(A) \* \* \*  
(xxii) 10 U.S.C. 2631, Transportation of Supplies by sea (except for the types of supplies listed at 252.247-7023(b)).  
\* \* \* \* \*

#### PART 247—TRANSPORTATION

##### § 247.572-1 [Amended]

3. Section 247.572-1 is amended in paragraph (a) by removing the last sentence.

#### PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

4. Section 252.212-7001 is amended by revising the clause date; in paragraph (b) by adding in numerical order the entry “\_\_\_\_252.247-7023 Transportation of Supplies by Sea (10 U.S.C. 2631).”; and by revising paragraph (c) to read as follows:

**§ 252.212-7001 Contract Terms and Conditions Required to Implement Statutes or Executive Orders Applicable to Defense Acquisitions of Commercial Items.**

\* \* \* \* \*

**Contract Terms and Conditions Required To Implement Statutes or Executive Orders Applicable to Defense Acquisitions of Commercial Items (XXX 1999)**

\* \* \* \* \*

(c) In addition to the clauses listed in paragraph (e) of the Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items