

**DATES:** This correction is effective on August 25, 2010, and is applicable on July 30, 2010.

**FOR FURTHER INFORMATION CONTACT:** Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final regulations (TD 9495) that are the subject of this document are under section 1397E of the Internal Revenue Code.

**Need for Correction**

As published, the final regulations (TD 9495) contain an error that may prove to be misleading and is in need of clarification.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Correction of Publication**

■ Accordingly, 26 CFR part 1 is corrected by making the following correcting amendment:

**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.** Section 1.1397E-1 is amended by revising the first sentence of paragraph (m)(3) to read as follows:

**§ 1.1397E-1 Qualified zone academy bonds.**

\* \* \* \* \*

(m) \* \* \*

(3) \* \* \* Except to the extent inconsistent with the successor statutory provisions for QZABs in sections 54A and 54E or applicable public administrative or regulatory guidance under those provisions and except as otherwise provided in this paragraph (m)(3), issuers and taxpayers may apply these regulations to QZABs issued under sections 54A and 54E that are sold after October 3, 2008. \* \* \*

**LaNita Van Dyke,**

*Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

[FR Doc. C1-2010-21045 Filed 8-24-10; 8:45 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9495]

RIN 1545-BC61

**Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions; Correction**

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

**ACTION:** Correction to final regulations.

**SUMMARY:** This document contains a correction to final regulations (TD 9495) that were published in the **Federal Register** on Friday, July 30, 2010 (75 FR 44901) providing guidance to State and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program requirements for qualified zone academy bonds.

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**FOR FURTHER INFORMATION CONTACT:** Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final regulations (TD 9495) that are the subject of this document are under section 1397E of the Internal Revenue Code.

**Need for Correction**

As published, the final regulations (TD 9495) contain an error that may prove to be misleading and is in need of clarification.

**Correction of Publication**

■ Accordingly, the publication of the final regulations (TD 9495) which were the subject of FR Doc. 2010-18678, is corrected as follows:

■ On page 44903, column 1, in the preamble, under the paragraph heading “Effective/Applicability Dates”, lines 2 and 3 from the last paragraph of the column, the language “Act, effective for QZABs that are sold on or after October 3, 2008, section 1397E” is corrected to read “Act, effective for QZABs that are sold after October 3, 2008, section 1397E”.

**LaNita Van Dyke,**

*Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).*

[FR Doc. C1-2010-21046 Filed 8-24-10; 8:45 am]

**BILLING CODE 4830-01-P**

**LIBRARY OF CONGRESS**

**Copyright Office**

**37 CFR Part 201**

[Docket No. 2005-5]

**Waiver of Statement of Account Filing Deadline for the 2010/1 Period**

**AGENCY:** Copyright Office, Library of Congress.

**ACTION:** Extension of Cable Statement of Account Filing Deadline

**SUMMARY:** The Copyright Office extends the deadline for the filing of the 2010/1 cable statements of account to September 29, 2010. In granting the extension, the Office waives the filing requirements under Section 201.17(c)(1) of its rules. The passage of the Satellite Television Extension and Localism Act of 2010 (STELA) and the subsequent work by the Office to revise the cable statements of account, in light of STELA(s) amendments to the Copyright Act, have impaired the timely availability of the on-line forms cable operators use to pay their royalty fees. These circumstances will make it extremely difficult for many cable operators to comply with the current deadline. For these reasons, therefore, the Office deems the extension necessary and in the public interest.

**EFFECTIVE DATES:** August 25, 2010.

**FOR FURTHER INFORMATION CONTACT:** Ben Golant, Assistant General Counsel, and Tanya M. Sandros, Deputy General Counsel, Copyright GC/I&R, P.O. Box 70400, Washington, DC 20024. Telephone: (202) 707-8380. Telefax: (202) 707-8366.

**SUPPLEMENTARY INFORMATION:** Section 111 of the Copyright Act (“Act”), title 17 of the United States Code (“Section 111”), provides cable operators with a statutory license to retransmit a performance or display a work embodied in a primary transmission made by a television station licensed by the Federal Communications Commission (“FCC”). Cable systems that retransmit broadcast signals in accordance with the provisions governing the statutory license set forth in Section 111 are required to pay royalty fees to the Copyright Office (“Office”). Payments made under the cable statutory license are remitted semi-annually to the Office which invests the royalties in United States Treasury securities pending distribution of these funds to those copyright owners who are entitled to receive a share of the fees.

Congress recently passed the Satellite Television Extension and Localism Act

of 2010 (“STELA”), Pub. L. No. 111–175 (2010). STELA amended the cable statutory license found in Section 111 of the Copyright Act as well as the distant and local satellite licenses found in Sections 119 and 122, respectively.<sup>1</sup> Among other updates, the new law revised the rates for the cable retransmission of distant broadcast signals and changed the method for calculating royalty fees. Cable operators now pay royalties on a “community-by-community” basis (that is, according to “subscriber groups”) rather than on a system-wide basis as had been the case before STELA amended Section 111(d) of the Act. In addition, STELA now requires cable operators to pay for the retransmission of distant multicast streams in certain instances. STELA also broadened the definition of “local service area” found in Section 111(f) of the Act to accommodate a digital television station’s technical service area. The President signed STELA on May 27, 2010, with a retroactive effective date of February 27, 2010.

Cable operators must pay royalties under the Section 111 license on a semi-annual basis using a Statement of Account (“SOA”) form<sup>2</sup> developed by the Office.<sup>3</sup> Section 111 does not establish a specific deadline upon which a cable operator must file its SOA with the Office. Instead, Congress had left it to the Office to implement a filing schedule to fulfill the mandates found in the statute. See 37 CFR 201.17(c)(1). Cable operators that file their statement of accounts late must add interest to their royalty payment. See 37 CFR 201.17(i)(4).

The SOAs are available in a print format, a PDF format, and a software “fill-in” format created by Gralin Associates, Inc.<sup>4</sup> The first two forms are

<sup>1</sup>One of STELA’s principal purposes was to reauthorize the satellite carrier distant broadcast signal license for another five years. Congress also amended the licenses to take into account the recent digital broadcast television transition and the ability of digital television stations to split their signal into several sub-channels (*i.e.*, “multicasting”).

<sup>2</sup>There are two types of Statement of Account forms. The Form SA1–2 is for smaller cable operators (cable television systems whose semiannual gross receipts are less than \$527,600). The Form SA3 is for larger cable operators (cable television systems whose semiannual gross receipts are \$527,600 or more).

<sup>3</sup>The Office receives about 4,800 statement of account forms from cable operators each accounting period.

<sup>4</sup>Gralin is a specialty software company, unaffiliated with the government, that custom designs “filler” forms for cable operators and other businesses. Gralin touts the following benefits of using its SOA software: (1) generates a single database containing information for all cable system’s Statement of Account information; (2) allows editing of data for subsequent filings; (3)

freely available from the Office either by mail or by accessing them via the web at [copyright.gov](http://copyright.gov). Cable operators have to pay Gralin for the right to use its specialized software. It is estimated that about 40%–45% of all cable statement of account forms filed with the Office have been prepared using the Gralin form since the software was first made available in 1985.

The Office recently revised the cable statement of account forms in light of the recent STELA amendments to Section 111. The new SA3 form now reflects the royalty rate adjustments found in STELA and includes, *inter alia*, modifications to accommodate the reporting of subscriber groups and multiple channel line-ups and the retransmission of multicast streams. The paper and PDF versions of the form have been available to cable operators since the second week in July. However, the Gralin SOA “fill-in” form, which is usually released at or about the same time as the paper version in years past, was not made publicly available until August 6, 2010. This form was delayed because it had to undergo performance tests over a period spanning several days. As such, cable operators who have relied on the Gralin form have been unable to access it or use it until very recently.

*NCTA request.* On August 12, 2010, the National Cable and Telecommunications Association (“NCTA”) filed a letter with the Office seeking an extension, for 30 days, of the filing deadline for cable copyright Statements of Account covering the first accounting period of 2010.<sup>5</sup>

NCTA explains that Section 111(d)(2) of the Act requires cable operators to file semi-annual Statements of Account. It then states that Section 201.17(c)(1) of the Office’s regulations provide that those filings “shall be deposited in the Copyright Office, together with the total royalty fee for such accounting periods as prescribed by Section 111(d)(1) (B), (C), or (D) of title 17, by not later than the immediately following August 29, if the SOA covers the January 1 through June 30 accounting period....” It also notes that Section 201.17(i)(4) of the Office’s regulations state that royalty fee payments “submitted as a result of late

performs the necessary royalty fee calculations for short and long forms; (4) available for use on an unlimited number of computers in a single location; (5) database may be located on a server accessible by all system users at a single location; and (6) prints the cable system’s Statement of Account on images of the Copyright Office prescribed forms. See <http://www.gralin.net> (Last accessed on August 13, 2010).

<sup>5</sup>Letter from Diane Burstein, Deputy General Counsel, NCTA, to Marybeth Peters, Register of Copyrights, dated August 12, 2010.

or amended filings” must include interest. NCTA requests that the Office issue a waiver so that SOAs currently due August 30, 2010, instead would be due September 29, 2010. NCTA adds that pursuant to its waiver request, SOA filings made by that date would be considered timely and no interest would be assessed, but that SOA filings made after September 29, 2010, would be assessed interest from September 30, 2010, until the filing date.

NCTA comments that this one-time waiver is warranted in light of the changes to the Statement of Account forms and associated calculations resulting from Congress’s adoption of STELA leaving little time for making the necessary changes to the SOA forms that must be used for the first accounting period of 2010. It adds that many cable operators that file SOAs for multiple cable systems use commercial software to facilitate those filings. It remarks that this software was not approved by the Office for use until August 6, 2010. According to NCTA, even after the software’s release, cable operators using the software have discovered problems that have delayed their ability to input necessary data.<sup>6</sup>

NCTA asserts that granting the waiver will be in the public interest. It states that additional time will help operators accurately complete their SOA filings, thus reducing the need to file supplemental or amended SOAs. It adds that providing sufficient time so operators can make that single filing will also alleviate burdens on the Office. NCTA asserts that it is authorized to represent that Program Suppliers, Joint Sports Claimants, Commercial Television Claimants, Public Television Claimants, Music Claimants, Devotional Claimants, National Public Radio and Canadian Claimants (collectively, the “Phase I Claimants”) do not oppose the granting by the Copyright Office of this one-time waiver.<sup>7</sup>

*Discussion.* We grant NCTA’s request to waive the filing requirement under Section 201.17(c)(1) of the Office’s rules and extend the filing deadline to September 29, 2010. We recognize that the passage of STELA in the late Spring of this year, and the subsequent work by the Office to revise the cable statements of account, have impaired the timely availability of the forms cable operators use to pay their royalty fees, especially the revised Gralin form. While we recognize that the paper and PDF versions of the SOA have been available since July, many large and small cable

<sup>6</sup>*Id.* It appears that NCTA is referring to Gralin without stating so directly.

<sup>7</sup>*Id.*

operators have continued to rely on the Gralin form to fulfill their SOA reporting and filing requirement under Section 111. Given that the Gralin form had been made available well in advance of the first day of the 60-day filing period in years past, operators had reasonably expected that it would be ready to use at or about the same time this year. However, through no fault of their own, the cable operators relying on Gralin did not have access to the revised Gralin form until August 6 this year, reducing to about three weeks the time they would have had to process and file their forms in the absence of a waiver. We recognize that complying with the existing deadline would be an arduous, and perhaps insurmountable task, for many cable operators particularly those who would have to file hundreds of forms during these last three weeks.

Further, as NCTA indicates, there are still minor problems with the Gralin software that have been discovered after its official release on August 6th. Cable operators should not be held accountable for matters beyond their control. The grant of the requested waiver will permit Gralin an additional amount of time to fix the problems with its software so that the SOA filings will be both accurate and complete.<sup>8</sup>

We also agree with NCTA when it states that additional time will help operators accurately complete their SOA filings, thus reducing the need to file supplemental or amended SOAs. It is evident that providing sufficient time so operators can make that single filing will alleviate burdens on the cable industry as well as the Copyright Office and produce more accurate filings. In this context, a waiver will serve the interest of the public because it will reduce unnecessary paperwork and further the efficient administration and processing of the incoming SOAs.

NCTA has also indicated that copyright owner groups would not oppose a thirty day extension of the filing deadline, and the Office has received confirmation from representatives of the copyright owner groups that this is the case. On this point, we note that the Office is waiving a procedural deadline and not a substantive royalty requirement. Cable operators will still be paying the royalties that are due under the Section 111 framework, albeit under a modified timeline. Thus, in light of the problems associated with providing forms and the lack of any opposition from those who

have a direct stake in the filing of the statements of account and the timely receipt of royalty payments, the Office perceives no reason to deny the request.

Finally, we note that waivers are rarely granted by the Office. However, the action taken today is necessary because of unique, extenuating circumstances.<sup>9</sup>

We hereby waive Section 201.17(c)(1) and extend the date for filing cable statements of account to September 29, 2010. Accordingly, interest will be assessed pursuant to Section 201.17(i)(4) for late payments made *after* September 29, 2010.

Dated: August 18, 2010

**Marybeth Peters,**

*Register of Copyrights,*

*U.S. Copyright Office.*

[FR Doc. 2010-20956 Filed 8-24-10; 8:45 am]

**BILLING CODE 1410-30-S**

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 180

[EPA-HQ-OPP-2010-0429; FRL-8841-2]

#### Acetic Acid Ethenyl Ester, Polymer With Oxirane; Tolerance Exemption

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rule.

**SUMMARY:** This regulation establishes an exemption from the requirement of a tolerance for residues of acetic acid ethenyl ester, polymer with oxirane; when used as an inert ingredient in a pesticide chemical formulation under 40 CFR 180.960. BASF Corporation submitted a petition to EPA under the Federal Food, Drug, and Cosmetic Act (FFDCA), requesting an exemption from the requirement of a tolerance. This regulation eliminates the need to establish a maximum permissible level for residues of acetic acid ethenyl ester, polymer with oxirane on food or feed commodities.

**DATES:** This regulation is effective August 25, 2010. Objections and requests for hearings must be received on or before October 25, 2010, and must be filed in accordance with the instructions provided in 40 CFR part 178 (see also Unit I.C. of the **SUPPLEMENTARY INFORMATION**).

<sup>9</sup>See *Filing of Claims for DART Royalty Funds*, 68 FR 74481 (Dec. 24, 2003), citing *Northeast Cellular Telephone Company v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (holding that a waiver of an agency's rules is "appropriate only if special circumstances warrant a deviation from the general rule and such deviation will serve the public interest.").

<sup>8</sup>Gralin has reported that the glitches in its software have led, in limited instances, to difficulties in reporting certain data points and printing of the SA3 form. The Office is currently working with Gralin to resolve these glitches.

**ADDRESSES:** EPA has established a docket for this action under docket identification (ID) number EPA-HQ-OPP-2010-0429. All documents in the docket are listed in the docket index available at <http://www.regulations.gov>. Although listed in the index, some information is not publicly available, e.g., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available in the electronic docket at <http://www.regulations.gov>, or, if only available in hard copy, at the OPP Regulatory Public Docket in Rm. S-4400, One Potomac Yard (South Bldg.), 2777 S. Crystal Dr., Arlington, VA. The Docket Facility is open from 8:30 a.m. to 4 p.m., Monday through Friday, excluding legal holidays. The Docket Facility telephone number is (703) 305-5805.

#### FOR FURTHER INFORMATION CONTACT:

Deirdre Sunderland, Registration Division (7505P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460-0001; telephone number: (703) 603-0851; e-mail address: [sunderland.deirdre@epa.gov](mailto:sunderland.deirdre@epa.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. General Information

###### A. Does this Action Apply to Me?

You may be potentially affected by this action if you are an agricultural producer, food manufacturer, or pesticide manufacturer. Potentially affected entities may include, but are not limited to:

- Crop production (NAICS code 111).
- Animal production (NAICS code 112).
- Food manufacturing (NAICS code 311).
- Pesticide manufacturing (NAICS code 32532).

This listing is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. Other types of entities not listed in this unit could also be affected. The North American Industrial Classification System (NAICS) codes have been provided to assist you and others in determining whether this action might apply to certain entities. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.