Commission has in a series of recent cases considered these Interconnection Customer Interconnection Facilities to be open access transmission facilities and required that the original developer (G1 in the above schematic) file an OATT within 60 days of a request for service on these facilities. In light of comments received, this NOI seeks feedback on whether the filing of an OATT, modifications to the LGIA/LGIP, or other means are better for addressing third-party access to facilities at issue here.

[FR Doc. 2012–9848 Filed 4–24–12; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

19 CFR Part 101

[Docket No. USCBP–2012–0006]

Extension of Port Limits of Indianapolis, IN

AGENCY: U.S. Customs and Border Protection, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: U.S. Customs and Border Protection (CBP) is proposing to extend the geographical limits of the port of entry of Indianapolis, Indiana. The proposed extension will make the boundaries more easily identifiable to the public and will allow for uniform and continuous service to the extended area of Indianapolis, Indiana. The proposed change is part of CBP's continuing program to use its personnel, facilities, and resources more efficiently, and to provide better service to carriers, importers, and the general public.

DATES: Comments must be received on or before June 25, 2012.

ADDRESSES: Please submit comments, identified by docket number, by one of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments via docket number USCBP–2012–0006.
- *Mail:* Border Security Regulations Branch, Office of International Trade, U.S. Customs and Border Protection, Mint Annex, 799 9th Street NW., Washington, DC 20229–1179.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to *http://www.regulations.gov,* including any personal information provided.

Docket: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov.* Comments submitted will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552) and 19 CFR 103.11(b) on normal business days between the hours of 9 a.m. and 4:30 p.m. at the Border Security Regulations Branch, Office of International Trade, U.S. Customs and Border Protection, 799 9th Street NW., 5th Floor, Washington, DC. Arrangements to inspect submitted comments should be made in advance by calling Mr. Joseph Clark at (202) 325–0118.

FOR FURTHER INFORMATION CONTACT: Roger Kaplan, Office of Field Operations, U.S. Customs and Border Protection, (202) 325–4543, or by email at *Roger.Kaplan@dhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Public Participation

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of the proposed rule. CBP also invites comments that relate to the economic, environmental, or federalism effects that might result from this proposed rule. Comments that will provide the most assistance to CBP will reference a specific portion of the proposed rule, explain the reason for any recommended change, and include data, information, or authority that support such recommended change.

II. Background

As part of its continuing efforts to use CBP's personnel, facilities, and resources more efficiently, and to provide better service to carriers, importers, and the general public, CBP is proposing to extend the limits of the Indianapolis, Indiana, port of entry. CBP ports of entry are locations where CBP officers and employees are assigned to accept entries of merchandise, clear passengers, collect duties, and enforce the various provisions of customs, immigration, agriculture, and related U.S. laws at the border. The term ''port of entry'' is used in the Code of Federal Regulations (CFR) in title 8 for immigration purposes and in title 19 for customs purposes. For customs purposes, CBP regulations list designated CBP ports of entry and the limits of each port in section 101.3(b)(1) of title 19 (19 CFR 101.3(b)(1)).[1]

Indianapolis was designated as a customs port of entry by the President's message of March 3, 1913, concerning a reorganization of the customs service pursuant to the Act of August 24, 1912 (37 Stat. 434; 19 U.S.C. 1). Although CBP is not aware of any document which specifically sets forth the geographical boundaries of the Indianapolis port of entry, the port limits are generally understood to be the corporate limits of the city of Indianapolis.

In 1970, by act of the Indiana legislature, the city of Indianapolis consolidated with the surrounding county of Marion. However, four municipalities within Marion County remained excluded from the corporate limits of Indianapolis. Additionally, members of the trade community have expressed a need for CBP services in areas west and south of the city limits.

CBP would like to extend the boundaries of the port of entry of Indianapolis, Indiana, to include all the territory within the boundaries of Marion County, Indiana, as well as portions of the neighboring counties of Boone, Hendricks, and Johnson. This update is necessary to clarify the geographic limits of the port. The update will also allow CBP to better serve the public in the greater Indianapolis area, by providing regular service to (1) municipalities within Indianapolis that are not technically within the city limits, and to (2) locations to the immediate west and south of the city. The proposed change in the boundaries of the port of Indianapolis, Indiana, will not result in a change in the service that is provided to the public by the port and will not require a change in the staffing or workload at the port.

III. Proposed Port Limits of Indianapolis, Indiana

The new port limits of Indianapolis, Indiana, are proposed as follows:

In the State of Indiana, all of Marion County; that part of Boone County which is west of Interstate Route 65 and east of State Route 39; that part of Hendricks County which is east of State Route 39; and that part of Johnson County which is east of State Route 37, north of State Route 144, and west of Interstate Route 65.

CBP has included a map of the proposed port limits in the docket as ''Attachment: Port of Entry of Indianapolis—Proposed Limits.''

IV. Statutory and Regulatory Reviews

A. Executive Orders 12866 and 13563

DHS does not consider this proposed rule to be a ''significant regulatory action'' under section 3(f) of Executive Order 12866, Regulatory Planning and Review, as supplemented by Executive

[1] Ports of entry for immigration purposes are currently listed at 8 CFR 100.4.

Order 13563. The proposed change is intended to expand the geographical boundaries of the Indianapolis, Indiana, port of entry and make the boundaries more easily identifiable to the public. There are no new costs to the public associated with this rule, and the rule does not otherwise implicate the factors set forth in section 3(f) of Executive Order 12866. Accordingly, this rule has not been submitted to the Office of Management and Budget for review.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires federal agencies to examine the impact a rule would have on small entities. A small entity may be a small business (defined as any independently owned and operated business not dominant in its field that qualifies as a small business per the Small Business Act); a small not-for-profit organization; or a small governmental jurisdiction (locality with fewer than 50,000 people).

This proposed rule merely expands the limits of an existing port of entry and does not impose any new costs on the public. Accordingly, we certify that this rule would not have a significant economic impact on a substantial number of small entities.

C. Signing Authority

The signing authority for this document falls under 19 CFR 0.2(a) because the extension of port limits is not within the bounds of those regulations for which the Secretary of the Treasury has retained sole authority. Accordingly, this notice of proposed rulemaking may be signed by the Secretary of Homeland Security (or her delegate).

V. Authority

This change is proposed under the authority of 5 U.S.C. 301; 6 U.S.C. 203; 19 U.S.C. 2 & note, 66, and 1624.

VI. Proposed Amendment to the Regulations

If the proposed port limits are adopted, CBP will amend the list of CBP ports of entry at 19 CFR 101.3(b)(1) to reflect the new description of the limits of the Indianapolis, Indiana, port of entry.

Dated: April 10, 2012.

Janet Napolitano,

Secretary of Homeland Security.

[FR Doc. 2012–9996 Filed 4–24–12; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–137589–07]

RIN 1545–BH60

Local Lodging Expenses

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to the deductibility of expenses for lodging when not traveling away from home (local lodging). The regulations affect taxpayers who pay or incur expenses for local lodging.

DATES: Comments or a request for a public hearing must be received by July 24, 2012.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG–137589–07), room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–137589–07), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Federal eRulemaking Portal at *http://www.regulations.gov* (IRS REG–137589–07).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, R. Matthew Kelley, (202) 622–7900; concerning submission of comments or a request for a hearing, Funmi Taylor, (202) 622–7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to 26 CFR part 1 relating to the deduction of local lodging expenses.

Section 1.262–1 of the Income Tax Regulations generally disallows a deduction for local lodging expenses. The proposed regulations allow taxpayers to deduct local lodging expenses as ordinary and necessary business expenses in appropriate circumstances.

Business Expenses Generally

Section 162(a) of the Internal Revenue Code (Code) allows a deduction for all of the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business. Whether an expense is ordinary and necessary is a question of fact. In general, a trade or business expense is ordinary if it is normal, usual, or customary in the taxpayer's type of business. An expense is necessary if it is appropriate and helpful for the development of the taxpayer's business. See *Commissioner* v. *Heininger,* 320 U.S. 467, 475 (1943). An expense that serves primarily to furnish the taxpayer with a social or personal benefit, and is only secondarily related to business, is not a necessary business expense under section 162(a).

Employee Expenses

An expense that an employee must bear as a condition of employment may be a deductible employee business expense. See *Sibla* v. *Commissioner,* 611 F.2d 1260 (9th Cir. 1980), acq. (1985–2 CB viii) (contributions to firemen's mess required as a condition of employment are deductible business expenses). However, expenses that primarily are for the employee's personal benefit or convenience are not deductible employee business expenses. See *Commissioner* v. *Flowers,* 326 U.S. 465 (1946) (a taxpayer's expenses for lodging near his principal work location, to avoid a long commute to and from his primary residence, were nondeductible personal expenses incurred solely because of the taxpayer's decision to maintain his primary residence far from his work location).

Deductible Employee Expenses

The tax consequences to an employee who is reimbursed by an employer for an expense, or who receives property or services resulting from an employer's payment of an expense, depend on whether the expense is one that would have been deductible if paid directly by the employee.

For example, if an employee pays an expense and an employer reimburses the employee under a reimbursement or other expense allowance arrangement, the reimbursement is not includible in the employee's income if it is made under an accountable plan. A reimbursement is treated as made under an accountable plan only if it is made for an expense that would be deductible by the employee under sections 161 through 199. See sections 62(a)(2)(A) and 62(c).

Similarly, if an employer provides property or services to an employee in the course of business, the value of the benefit to the employee is excludable from the employee's income if the benefit constitutes a working condition fringe under section 132(a)(3). A working condition fringe is defined as