Issued in Kansas City, Missouri, on December 1, 1998.

James E. Jackson,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 98–32474 Filed 12–7–98; 8:45 am] BILLING CODE 4910–13–U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98-CE-91-AD] RIN 2120-AA64

Airworthiness Directives; British Aerospace Jetstream Model 3201 Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking

(NPRM).

SUMMARY: This document proposes to adopt a new airworthiness directive (AD) that would apply to certain British Aerospace Jetstream Model 3201 airplanes. The proposed AD would require replacing the nose landing gear downlock actuator, the flap actuator, the steering selector valve, the hydraulic reservoir, and the emergency selector valve. The proposed AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for the United Kingdom. The actions specified by the proposed AD are intended to prevent internal corrosion of the hydraulic components on airplanes where these components were exposed to water contamination, which could result in reduced or loss of control of the airplane.

DATES: Comments must be received on or before January 11, 1999.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 98–CE–91–AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from British Aerospace Regional Aircraft, Prestwick International Airport, Ayrshire, KA9 2RW, Scotland; telephone: (01292) 479888; facsimile: (01292) 479703. This information also may be examined at the Rules Docket at the address above.

FOR FURTHER INFORMATION CONTACT: Mr. S.M. Nagarajan, Aerospace Engineer, FAA, Small Airplane Directorate, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone: (816) 426–6932; facsimile: (816) 426–2169.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 98–CE–91–AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 98–CE–91–AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Discussion

The Civil Airworthiness Authority (CAA), which is the airworthiness authority for the United Kingdom, recently notified the FAA that an unsafe condition may exist on certain British Aerospace Jetstream Model 3201 airplanes. The CAA reports incidents of hydraulic components having significant internal corrosion.

This condition, if not corrected in a timely manner, could result in loss of hydraulic power with consequent reduced or loss of control of the airplane.

Relevant Service Information

British Aerospace has issued Jetstream Alert Service Bulletin 29–A– JA 970940, Original Issue: February 4, 1998, which specifies replacing the following critical components of the hydraulic system in accordance with the applicable maintenance manual:

- —the nose landing gear downlock actuator;
- —the flap actuator;
- —the steering selector valve;
- —the hydraulic reservoir; and
- —the emergency selector valve.

The CAA classified this service bulletin as mandatory and issued British AD 001–02–98, not dated, in order to assure the continued airworthiness of these airplanes in the United Kingdom.

The FAA's Determination

This airplane model is manufactured in the United Kingdom and is type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the CAA has kept the FAA informed of the situation described above.

The FAA has examined the findings of the CAA; reviewed all available information, including the service information referenced above; and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Explanation of the Provisions of the Proposed AD

Since an unsafe condition has been identified that is likely to exist or develop in other British Aerospace Jetstream Model 3201 airplanes of the same type design registered in the United States, the FAA is proposing AD action. The proposed AD would require replacing the nose landing gear downlock actuator, the flap actuator, the steering selector valve, the hydraulic reservoir, and the emergency selector valve. Accomplishment of the proposed actions would be required in accordance with the applicable maintenance manual, as specified in Jetstream Alert Service Bulletin 29-A-JA 970940. Original Issue: February 4, 1998.

Cost Impact

The FAA estimates that 9 airplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 33 workhours per airplane to accomplish the proposed action, and that the average labor rate is approximately \$60 an hour. Parts to accomplish the replacements cost approximately \$46,636. (Overhauled or repaired parts are available from the agencies of equipment manufacturers or from the aircraft manufacturer's agency). Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$437,544, or \$48,616 per airplane.

Compliance Time of the Proposed AD

The compliance time of the proposed AD is presented in both calendar time and hours time-in-service (TIS). Corrosion could occur on the hydraulic system components and then either continue to deteriorate the part over time regardless of airplane operation or develop into stress cracks over time based on airplane operation. In order to assure that this condition does not go undetected, a compliance time of specific hours TIS and calendar time is proposed.

Regulatory Impact

The regulations proposed herein would not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the draft regulatory evaluation prepared for this action has been placed in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption ADDRESSES.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part

39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§39.13 [Amended]

2. Section 39.13 is amended by adding a new airworthiness directive (AD) to read as follows:

British Aerospace: Docket No. 98-CE-91-

Applicability: Jetstream Model 3201 airplanes, constructor numbers 841, 842, 844 through 848, 851, 853 through 855, 857, 859 through 862, and 864; certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (c) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required at whichever of the following occurs later, unless already accomplished:

- 1. Upon accumulating 8,000 landings on the airplane or within 5 years since the last time the hydraulic system components were replaced (see paragraph (a) of this AD for listing of components), whichever occurs first; or
- 2. Within the next 12 calendar months after the effective date of this AD.

Note 2: If the number of landings is unknown, hours time-in-service (TIS) may be used by dividing 8,000 by 0.75. If hours TIS are utilized to calculate the number of landings, this would calculate the 8,000 landings compliance time to 10,667 hours

To prevent internal corrosion of the hydraulic components on airplanes where these components were exposed to water contamination, which could result in reduced or loss of control of the airplane, accomplish the following:

- (a) Replace the following critical components of the hydraulic system, in accordance with the applicable maintenance manual, as specified in Jetstream Alert Service Bulletin 29–A–JA 970940, Original Issue: February 4, 1998:
- (1) the nose landing gear downlock actuator;
 - (2) the flap actuator;
 - (3) the steering selector valve;
 - (4) the hydraulic reservoir; and
 - (5) the emergency selector valve.

Note 3: The FAA highly recommends replacing the hydraulic fluid while these system components are being replaced, as specified in Jetstream Alert Service Bulletin 29–A–JA 970940, Original Issue: February 4, 1998

- (b) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.
- (c) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Small Airplane Directorate, Aircraft Certification Service, 1201 Walnut, suite 900, Kansas City, Missouri 64106. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

Note 4: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Small Airplane Directorate.

(d) Questions or technical information related to British Aerospace Jetstream Alert Service Bulletin 29–A–JA 970940, Original Issue: February 4, 1998, should be directed to British Aerospace Regional Aircraft, Prestwick International Airport, Ayrshire, KA9 2RW, Scotland; telephone: (01292) 479888; facsimile: (01292) 479703. This service information may be examined at the FAA, Central Region, Office of the Regional Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Note 5: The subject of this AD is addressed in British AD 001-02-98, not dated.

Issued in Kansas City, Missouri, on December 1, 1998.

James E. Jackson,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-209446-82]

RIN 1545-AT52

Pass Through of Items of an S Corporation to its Shareholders; Hearing Cancellation

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cancellation of notice of public hearing on proposed rulemaking.

SUMMARY: This document provides notice of cancellation of a public hearing on proposed regulations relating to the pass through of items of an S