

Order 7400.9G dated September 1, 1999, and effective September 16, 1999, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to Title 14 Code of Federal Regulations, part 71 (14 CFR part 71) revise Class E airspace extension at Englewood, CO, in order to accommodate a revised SIAP to the Centennial Airport, Englewood, CO. This amendment provides a small amount of additional Class E4 airspace at Englewood, CO, to meet current criteria standards associated with the SIAP. The FAA establishes Class E airspace where necessary to contain aircraft transitioning between the terminal and en route environments. This rule is designed to provide for the safe and efficient use of the navigable airspace and to promote safe flight operations under Instrument Flight Rules (IFR) at the Centennial Airport and between the terminal and en route transition stages.

The area will be depicted on aeronautical charts for pilot reference. The coordinates for this airspace docket are based on North American Datum 83. Class E airspace areas designated as an extension to a Class D airspace area, are published Paragraph 6004, of FAA Order 7400.9G dated September 1, 1999, and effective September 16, 1999, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document will be published subsequently in the Order.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (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) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9G, Airspace Designations and Reporting Points, dated September 1, 1999, and effective September 16, 1999, is amended as follows:

Paragraph 6004 Class E airspace areas designated as an extension to a Class D airspace area.

* * * * *

ANM CO E5 Englewood, CO [Revised]

Centennial Airport, CO

(Lat. 39°34'13" N, long. 104°50'58" W)

That airspace extending upward from the surface within 3.2-mile radius each side of the 178° bearing from the Centennial Airport extending from the 4.4-mile radius to 14.1 miles south of the airport, and within 2.1 miles each side of the 109° bearing from the Centennial Airport extending from the 4.4-mile radius to 5.5 miles southeast of the airport. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective dates and times will thereafter be continuously published in the Airport/Facility Directory.

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Issued in Seattle, Washington, DC on May 12, 2000.

Daniel A. Boyle,

*Acting Manager, Air Traffic Division,
Northwest Mountain Region.*

[FR Doc. 00–13174 Filed 5–24–00; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 91, 93, 121 and 135

[Docket No. FAA–1999–5926; Amendment Nos. 91–263, 93–80, 121–274 and 135–75]

RIN 2120–AG74

Modification of the Dimensions of the Grand Canyon National Park Special Flight Rules Area and Flight Free Zones; Correction

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; correction.

SUMMARY: This document contains a correction to the final rule, published in the **Federal Register** on April 4, 2000 (65 FR 17736). That final rule amends special operating rules and airspace for those persons operating aircraft in the area designated as the Grand Canyon National Park Special Flight Rules Area (SFRA). That rule assists the National Park Service in fulfilling the statutory mandate of substantial restoration of the natural quiet and experience of the park. **DATES:** This correction is effective December 1, 2000.

FOR FURTHER INFORMATION CONTACT: Kevin C. Willis, (202) 267–8741.

Correction of Publication

In final rule FR Doc. 00–7950, beginning on page 17736 in the **Federal Register** issue of April 4, 2000, make the following correction:

1. On page 17736, in column 1, in the heading section, beginning on line 4, correct "Amendment No. 93–80" to read "Amendment Nos. 91–263, 93–80, 121–274 and 135–75".

Issued in Washington, DC on May 15, 2000.

Donald P. Byrne,

Assistant Chief Counsel, Regulations Division.

[FR Doc. 00–12819 Filed 5–24–00; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 129

Changes to the International Aviation Safety Assessment (IASA) Program

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Policy statement.

SUMMARY: This notice describes recent policy changes to the FAA's

International Aviation Safety Assessment (IASA) program, which involves assessing whether another country's oversight of its air carriers that operate, or seek to operate, into the United States complies with minimum international standards for aviation safety. The FAA is making these changes as it commences a new phase of the IASA program following the completion of initial determinations on the safety oversight exercised by virtually all countries whose air carriers operate, or have applied to operate, to the United States. This notice modifies the IASA policies previously announced by the FAA.

DATES: This policy modification is effective May 25, 2000. Comments on this policy may be directed to the address below.

ADDRESSES: Send comments to Federal Aviation Administration, Office of Public Affairs, 800 Independence Avenue, SW, Washington, DC 20591.

FOR FURTHER INFORMATION CONTACT: Mr. Lynn Jensen, International Liaison Staff, AFS-50, Flight Standards Service, Federal Aviation Administration, 800 Independence Avenue, SW, Washington, DC 20591; (202) 267-3719.

SUPPLEMENTARY INFORMATION:

Background

The policy announced at 57 FR 38342, August 24, 1992, described how the FAA would assess whether a foreign civil aviation authority (CAA) complied with the minimum international standards for aviation safety oversight established by the International Civil Aviation Organization (ICAO). In obtaining information relevant to its assessment, the FAA meets with the foreign CAA responsible for providing the safety oversight to its carriers, reviews pertinent records and meets with officials of the subject foreign air carriers. The FAA then analyzes the collected information to determine whether the CAA complies with ICAO standards regarding the oversight provided to the air carriers under its authority. This determination is part of the basis for FAA recommended courses of action to the Department of Transportation on the initiation, continuation, or expansion of air service to the United States by the carriers overseen by that CAA. The IASA program applies to all foreign countries with air carriers proposing or have existing air service to the United States under an economic authority issued by the Department.

The policy announced at 59 FR 46332, September 8, 1994, concerned the FAA's decision to publicly disclose

the results of FAA assessments. In connection with the public disclosure policy, the FAA established three categories of ratings for countries to signify the status of a CAA's compliance with minimum international safety standards: Category I (Acceptable), Category II (Conditional), and Category III (Unacceptable). Category II or III apply to countries whose CAAs are found not to be providing safety oversight in compliance with the minimum international standards established by ICAO. The FAA normally places a country in Category II if one of its carriers provided air service to the United States at the time of the FAA assessment. The FAA places a country in Category III if none of its carriers provided air service to the United States at the time of the FAA assessment. Carriers from Category II countries are permitted to maintain, but not expand, current levels of service under heightened FAA surveillance. Carriers from Category III countries are not permitted to commence service to the United States.

Program and Public Disclosure Changes

Sources of Information on Safety Oversight

The FAA has a continuing obligation to ensure that CAAs comply with minimum international standards for safety oversight. In collecting information to support its assessment findings, the FAA will continue to rely, when necessary, on meetings with CAA and airline officials and reviewing pertinent documents. The FAA also will make use of other sources of information on CAA compliance with minimum international standards for safety oversight. These sources may include other qualified entities (e.g., the European Joint Aviation Authorities or ICAO) considered reliable by the FAA.

Categorization of Results of FAA Assessments

As in the past, assessment determinations will continue to be publicly disclosed. However, FAA will only use two categories in the future, i.e., Category 1 (in compliance with minimum international standards for aviation safety) and Category 2 (not in compliance with minimum international standards for aviation safety). This change is being made to eliminate any confusion that has resulted from having two different categories regarding non-compliance with ICAO standards. We believe that there has been a misimpression created that being in Category II reflects a higher degree of compliance with ICAO

standards than being in Category III. To correct this misimpression and make clear that no inferences should be drawn about relative degrees of ICAO compliance, we are deleting Category III and redefining Category II as follows:

Category 2. The Federal Aviation Administration assessed this country's civil aviation authority and determined that it does not provide safety oversight of its air carrier operators in accordance with the minimum safety oversight standards established by the International Civil Aviation Organization (ICAO). This rating is applied if one or more of the following deficiencies are identified: (1) The country lacks laws or regulations necessary to support the certification and oversight of air carriers in accordance with minimum international standards; (2) the CAA lacks the technical expertise, resources, and organization to license or oversee air carrier operations; (3) the CAA does not have adequately trained and qualified technical personnel; (4) the CAA does not provide adequate inspector guidance to ensure enforcement of, and compliance with, minimum international standards, and (5) the CAA has insufficient documentation and records of certification and inadequate continuing oversight and surveillance of air carrier operations. This category consists of two groups of countries.

One group are countries that have air carriers with existing operations to the United States at the time of the assessment. While in Category 2 status, carriers from these countries will be permitted to continue operations at current levels under heightened FAA surveillance. Expansion or changes in services to the United States by such carriers are not permitted while in category 2, although new services will be permitted if operated using aircraft wet-leased from a duly authorized and properly supervised U.S. carrier or a foreign air carrier from a category 1 country that is authorized to serve the United States using its own aircraft.

The second group are countries that do not have air carriers with existing operations to the United States at the time of the assessment. Carriers from these countries will not be permitted to commence service to the United States while in Category 2 status, although they may conduct services if operated using aircraft wet-leased from a duly authorized and properly supervised U.S. carrier or a foreign air carrier from a Category 1 country that is authorized to serve the United States with its own aircraft.

No other difference is made between these two groups of countries while in a category 2 status.

Transition to New IASA Categorization System

Countries in the former Category I will initially be placed in the new Category 1 (in compliance with ICAO Standards). Countries in the former Categories II and III will initially be placed in the new Category 2 (not in compliance with ICAO standards). For those countries not serving the U.S. at the time of the assessment, an asterisk "*" will be added to their Category 2 determination.

The FAA will review the category determinations of all countries included in the IASA categorization scheme at least once every two years, or when new information becomes available which calls into question the country's ability to continue complying with minimum standards for aviation safety. The purpose of such reviews is to determine if a country's CAA continues to comply with minimum international standard for aviation safety (Category I) or is making sustainable progress toward compliance (Category 2). After each such review, the FAA will update the appropriate public disclosure.

The FAA will continue to work with countries to improve safety oversight capabilities in cases where the assessment process has revealed deficiencies. When FAA determines that sustainable progress is not being made, or is not possible under the prevailing circumstances in the country, it may advise the Office of the Secretary that the subject country has not made significant progress in correcting its safety oversight deficiencies and recommend a course of action to review the status of all authorities issued to carriers of that country.

Current IASA category determinations for countries included in the IASA categorization system are available on the FAA web-site at <http://www.faa.gov/avr/isa.htm>

Issued in Washington, DC on May 15, 2000.

Thomas E. McSweeney,

Associate Administrator for Regulation and Certification.

[FR Doc. 00-13179 Filed 5-24-00; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8884]

RIN 1545-AV88

Consolidated Returns—Limitations on the Use of Certain Credits

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations regarding certain credits of corporations that become members of a consolidated group. The regulations provide rules for computing the limitation with respect to certain credits earned in a separate return limitation year (SRLY) and the carryover and carryback of those credits to consolidated and separate return years. The regulations also eliminate the application of the SRLY rules in certain circumstances in which the rules of section 383 also apply.

DATES: *Effective Date:* These regulations are effective May 25, 2000.

Applicability Dates: For dates of applicability, see the "Dates of Applicability" portion of this preamble.

FOR FURTHER INFORMATION CONTACT: Marie C. Milnes-Vasquez, (202) 622-7770 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

A. In General

On January 12, 1998, the IRS and Treasury published in the **Federal Register** a Treasury decision (TD 8751, 63 FR 1740) containing temporary regulations concerning the use of certain tax attributes by a consolidated group. In part, these regulations provided rules governing the absorption of general business credits and minimum tax credits carried from separate return limitation years (SRLYs), and eliminated SRLY restrictions with respect to recapture of overall foreign losses (OFLs) and on the use of foreign tax credits of corporations joining a group. Further, this Treasury decision contained a final regulation eliminating the limitation on credit carryovers following a consolidated return change of ownership (CRCO).

A notice of proposed rulemaking cross-referencing the temporary regulations was published in the **Federal Register** on the same day (63 FR 1803). On March 16, 1998, the IRS and

Treasury published temporary amendments to those consolidated return regulations (TD 8766, 63 FR 12641) and the corresponding notice of proposed rulemaking (63 FR 12717) modifying the general date of applicability contained in the January 12, 1998 temporary regulations. Per the amendment, the January 12, 1998 temporary regulations, as amended, are generally applicable for consolidated return years for which the due date of the return is after March 13, 1998. The amendments provided further guidance with respect to consolidated return years beginning on or after January 1, 1997, for which the income tax return is due on or before March 13, 1998.

On August 11, 1999, the IRS and Treasury issued final regulations relating to the recapture of OFLs (including elimination of any SRLY limitation on such recapture). (TD 8833, 64 FR 43613).

This Treasury decision adopts without substantive change the portions of the temporary regulations that were issued in 1998, relating to general business credits and minimum tax credits, with the addition of the "overlap rule", discussed in *Extension of 1999 Principles* of this preamble. This Treasury decision also makes final the rules eliminating SRLY restrictions on the use of foreign tax credits, and the rules repealing the consolidated return change of ownership provisions pertaining to those credits.

B. Extension of 1999 Principles

On July 2, 1999, the IRS and Treasury published in the **Federal Register** a Treasury decision (TD 8823, 64 FR 36092) containing final regulations providing rules governing the absorption of certain tax attribute carryovers and carrybacks from separate return limitation years (SRLYs). These tax attributes included net operating losses and net capital losses. The rules also governed the absorption of recognized built-in losses. These regulations, in part, eliminated the application of the SRLY rules in certain circumstances in which the rules of section 382 also apply (overlap rule).

The IRS and Treasury believe that it is appropriate to apply a single set of SRLY principles to all attributes that are subject to SRLY limitations. Unnecessary complexity would result from applying different principles to different attributes. Accordingly, this document extends the principles of the overlap rule of the 1999 final regulations to the general business credit and the minimum tax credit. These final regulations adopt the mechanism of subgrouping and the