

## 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 the following new airworthiness directive:

**Bombardier, Inc. (Formerly de Havilland, Inc.):** Docket 2001-NM-331-AD.

**Applicability:** Model DHC-8-102, -103, -106, -201, -202, -301, -311, and -315 airplanes, serial numbers 452, 464, 490, 506, 508 through 531 inclusive, and 535; certificated in any category.

**Compliance:** Required as indicated, unless accomplished previously.

To prevent the wardrobe shelf and attached equipment separating from the attachment in the event of a hard landing, which could impede the egress of passengers in the event of an emergency evacuation, accomplish the following:

#### Rework/Retrofit

(a) Within 12 months after the effective date of this AD, rework/retrofit the wardrobe shelf assembly per the Accomplishment Instructions of Bombardier Service Bulletin 8-25-311, Revision 'B,' dated December 15, 2000.

(b) Rework/retrofit of the wardrobe shelf assembly accomplished before the effective date of this AD per Bombardier Service Bulletin 8-25-311, dated December 14, 1999; or Revision 'A,' dated February 8, 2000; is acceptable for compliance with the requirements of paragraph (a) of this AD.

#### Alternative Methods of Compliance

(c) In accordance with 14 CFR 39.19, the Manager, New York Aircraft Certification Office, FAA, is authorized to approve alternative methods of compliance (AMOC) for this AD.

**Note 1:** The subject of this AD is addressed in Canadian airworthiness directive CF-2001-17, effective June 15, 2001.

Issued in Renton, Washington, on March 24, 2004.

**Kalene C. Yanamura,**

*Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.*  
[FR Doc. 04-7285 Filed 3-31-04; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 2003-NM-123-AD]

RIN 2120-AA64

**Airworthiness Directives; Airbus Model A300 B2 and A300 B4; A300 B4-600, A300 B4-600R, A300 C4-605R Variant F, A300 F4-600R (Collectively Called A300-600); and A310 Series Airplanes**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes the adoption of a new airworthiness directive (AD) that is applicable to all Airbus Model A300 B2 and A300 B4; A300 B4-600, A300 B4-600R, A300 C4-605R Variant F A300 F4-600R (collectively called A300-600); and A310 series airplanes. This proposal would require an inspection to detect breaks in the bottom flange fitting of the ram air turbine (RAT); and corrective actions, if necessary. This proposal would also require submission of an inspection report to the airplane manufacturer. This action is necessary to prevent failure of the RAT yoke fitting, which could result in the loss of RAT function and possible loss of critical flight control in the event of certain emergency situations. This action is intended to address the identified unsafe condition.

**DATES:** Comments must be received by May 3, 2004.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2003-NM-123-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9 a.m. and 3 p.m., Monday through Friday, except Federal holidays. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: [9-anm-nprmcomment@faa.gov](mailto:9-anm-nprmcomment@faa.gov). Comments sent via fax or the Internet must contain "Docket No. 2003-NM-123-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 or 2000 or ASCII text.

The service information referenced in the proposed rule may be obtained from Airbus, 1 Rond Point Maurice Bellonte,

31707 Blagnac Cedex, France. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

**FOR FURTHER INFORMATION CONTACT:** Tim Backman, Aerospace Engineer, International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2797; fax (425) 227-1149.

#### 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 shall 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 action may be changed in light of the comments received.

Submit comments using the following format:

- Organize comments issue-by-issue. For example, discuss a request to change the compliance time and a request to change the service bulletin reference as two separate issues.
- For each issue, state what specific change to the proposed AD is being requested.
- Include justification (*e.g.*, reasons or data) for each request.

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 summarizing 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 action must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2003-NM-123-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, Transport Airplane Directorate, ANM-114, Attention: Rules Docket No.

2003–NM–123–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056.

### Discussion

The Direction Générale de l'Aviation Civile (DGAC), which is the airworthiness authority for France, notified the FAA that an unsafe condition may exist on all Airbus Model A300 B2 and A300 B4; A300 B4–600, A300 B4–600R, A300 C4–605R Variant F, A300 F4–600R (collectively called A300–600); and A310 series airplanes. The DGAC advises that, during scheduled maintenance on a Model A310 series airplane, an operator reported that the swivel coupling of the ram air turbine (RAT) yoke fitting was found broken. Investigation along the corner radius of the bottom flange fitting of the part showed that the failure was associated with abnormal static loads. The RAT drives a pump that allows one hydraulic system to be pressurized in order to maintain critical flight control in the event of certain emergency situations. Failure of the RAT yoke fitting, if not corrected, could result in the loss of RAT function and possible loss of critical flight control.

### Explanation of Relevant Service Information

Airbus has issued All Operators Telex (AOT) A300–57A0241, dated March 6, 2003; AOT A300–57A6096, dated March 6, 2003; and AOT A310–57A2085, dated March 6, 2003. These AOTs describe procedures for inspecting the bottom flange fitting of the RAT for damage, and replacing it with a new part, if necessary. The DGAC classified these AOTs as mandatory and issued French airworthiness directive 2003–149(B), dated April 16, 2003, to ensure the continued airworthiness of these airplanes in France.

### FAA's Conclusions

These airplane models are manufactured in France and are 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 DGAC has kept the FAA informed of the situation described above. The FAA has examined the findings of the DGAC, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

### Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same type design registered in the United States, the proposed AD would require accomplishment of the actions specified in the AOTs described previously, except as discussed below.

### Differences Among the Proposed Rule, the AOTs, and the French Airworthiness Directive

The French airworthiness directive mandates, and the AOTs describe, a one-time inspection of the yoke fitting for the RAT swivel coupling. However, because the root cause has not been identified, this proposed AD would require repetitive inspections. We find it necessary to require these repetitive inspections to ensure the safety of the fleet until a terminating action can be developed.

Although the AOTs and the French AD do not give a compliance time for submitting inspection reports to the manufacturer, this proposed AD would require submission of such reports within 60 days following any inspection.

### Interim Action

This proposed AD is considered to be interim action. The inspection reports that would be required by this proposed AD will enable the manufacturer to obtain better insight into the nature, cause, and extent of the damage, and eventually to develop final action to address the unsafe condition. Once final action has been identified, we may consider further rulemaking.

### Cost Impact

The FAA estimates that 165 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 1 work hour per airplane to accomplish the proposed inspection, and that the average labor rate is \$65 per work hour. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$10,725, or \$65 per airplane, per inspection cycle.

The cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These figures typically do not include incidental costs, such as the time

required to gain access and close up, planning time, or time necessitated by other administrative actions.

### Regulatory Impact

The regulations proposed herein would not have a substantial direct effect 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, it is determined that this proposal would not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that this proposed regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the 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 is contained 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 the following new airworthiness directive:

**Airbus:** Docket 2003–NM–123–AD.

**Applicability:** Model A300 B2 and A300 B4; A300 B4–600, A300 B4–600R, A300 C4–605R Variant F, A300 F4–600R (collectively called A300–600); and A310 series airplanes; certificated in any category.

**Compliance:** Required as indicated, unless accomplished previously.

To prevent failure of the ram air turbine (RAT) yoke fitting, which could result in the loss of RAT function and possible loss of critical flight control in the event of certain emergency situations, accomplish the following:

**All Operators Telex (AOT) References**

(a) The term "All Operators Telex," or "AOT" as used in this AD, means the following AOTs, as applicable:

(1) For Model A300 B2 and A300 B4 series airplanes: Airbus All Operators Telex A300-57A0241, dated March 6, 2003;

(2) For Model A300 B4-600, A300 B4-600R, A300 C4-605R Variant F, and A300 F4-600R (collectively called A300-600) series airplanes: Airbus All Operators Telex A300-57A6096, dated March 6, 2003; and

(3) For Model A310 series airplanes: Airbus All Operators Telex A310-57A2085, dated March 6, 2003.

**Detailed Inspection and Replacement, If Necessary**

(b) Within 600 flight hours or 3 months after the effective date of this AD, whichever occurs first: Perform a detailed inspection of the bottom flange fitting of the yoke fitting for the RAT swivel coupling in accordance with the applicable AOT.

**Note 1:** For the purposes of this AD, a detailed inspection is defined as: "An intensive visual examination of a specific structural area, system, installation, or assembly to detect damage, failure, or irregularity. Available lighting is normally supplemented with a direct source of good lighting at intensity deemed appropriate by the inspector. Inspection aids such as mirror, magnifying lenses, etc., may be used. Surface cleaning and elaborate access procedures may be required."

(1) If the flange fitting is not broken, repeat the inspection required by paragraph (b) of this AD at intervals not to exceed 600 flight hours.

(2) If the flange fitting is broken, before further flight, replace the flange fitting with a new flange fitting in accordance with the applicable AOT. Repeat the inspection required by paragraph (b) of this AD at intervals not to exceed 600 flight hours.

**Inspection Report**

(c) Submit a report of the findings, both positive (broken or cracked fittings) and negative (no findings) of the initial inspection required by paragraph (b) of this AD; thereafter report only positive findings of the repetitive inspections required by paragraphs (b)(1) and (b)(2) of this AD. Send the reports to Airbus, Customer Service Engineering, Attention: Mr. Xavier Jolivet, SEA22, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France; fax number (33) 561933614, at the applicable time specified in paragraph (c)(1) or (c)(2) of this AD. The report must include the inspection results, a description of any discrepancies found, the airplane serial number, and the number of landings and flight hours on the airplane. Under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), the Office of Management and Budget (OMB) has approved the information collection requirements contained in this AD and has assigned OMB Control Number 2120-0056.

(1) For inspections done on or after the effective date of this AD: Submit the report within 60 days after the inspection.

(2) For inspections done prior to the effective date of this AD: Submit the report within 60 days after the effective date of this AD.

**Alternative Methods of Compliance**

(d) In accordance with 14 CFR 39.19, the Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate, is authorized to approve alternative methods of compliance for this AD.

**Note 2:** The subject of this AD is addressed in French airworthiness directive 2003-149(B), dated April 16, 2003.

Issued in Renton, Washington, on March 24, 2004.

**Kalene C. Yanamura,**

*Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 04-7304 Filed 3-31-04; 8:45 am]

**BILLING CODE 4910-13-P**

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Parts 1 and 301**

[REG-106681-02]

**RIN 1545-BA59**

**Modification of Check the Box**

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

**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains proposed regulations that clarify that qualified REIT subsidiaries, qualified subchapter S subsidiaries, and single owner eligible entities that are disregarded as entities separate from their owners are treated as separate entities for purposes of any Federal tax liability for which the entity is liable. This document also provides notice of a public hearing.

**DATES:** Written or electronic comments must be received by June 30, 2004. Outlines of topics to be discussed at the public hearing scheduled for July 22, 2004, at 10 a.m., must be received by July 1, 2004.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-106681-02), room 5203, Internal Revenue Service, POB 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-106681-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit electronic comments directly to the IRS Internet

site at <http://www.irs.gov/regs>. The public hearing will be held in the Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:**

Concerning the proposed regulations, James M. Gergurich, (202) 622-3070; concerning submissions and the hearing, Treena Garrett, (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:****Background**

Under the Internal Revenue Code and its regulations, three types of entities may be disregarded as entities separate from their owners: qualified REIT subsidiaries (within the meaning of section 856(i)(2)), qualified subchapter S subsidiaries (within the meaning of section 1361(b)(3)(B)), and single owner eligible entities (within the meaning of § 301.7701-3(a)) (each, a disregarded entity).

Section 856(i)(1) provides that a qualified REIT subsidiary (QRS) shall not be treated as a separate corporation. Under section 856(i)(2), a QRS is defined as any corporation 100 percent of the stock of which is held by a real estate investment trust (REIT), unless the REIT and the corporation jointly elect under section 856(l) that the corporation shall be treated as a taxable REIT subsidiary. Such election may be revoked at any time with the consent of both the corporation and the REIT.

Section 1361(b)(3)(A) similarly provides that a qualified subchapter S corporation (QSub) shall not be treated as a separate corporation. Under section 1361(b)(3)(B), a QSub is defined as any eligible domestic corporation that is wholly owned by an S corporation and that the S corporation elects to treat as a QSub.

In addition, under § 301.7701-3(b)(1) and (2), an eligible entity with a single owner may be disregarded as an entity separate from its owner. Section 301.7701-3(b)(1)(ii) provides that a domestic eligible entity with a single owner is disregarded unless the entity makes an election to be classified as an association (and thus a corporation under § 301.7701-2(b)(2)). Section 301.7701-3(b)(2)(C) provides that a foreign eligible entity with a single owner that does not have limited liability is disregarded unless the entity elects to be classified as a corporation. Under § 301.7701-3(c), a single owner eligible entity that has elected to be treated as a corporation and a foreign eligible entity with a single owner that has limited liability (that would otherwise be treated as a corporation