

checks required by this AD shall be established in accordance with either paragraph (f)(1) or (f)(2) of this AD, as applicable. After each leak check has been performed once, each subsequent leak check must be performed in accordance with the new operator's schedule, in accordance with either paragraph (a) or (b) of this AD, as applicable.

(1) For airplanes previously maintained in accordance with this AD: The first leak check to be performed by the new operator must be accomplished in accordance with either the previous operator's schedule or the new operator's schedule, whichever would result in the earlier accomplishment date for that leak check.

(2) For airplanes that have not been previously maintained in accordance with this AD: The first leak check to be performed by the new operator must be accomplished prior to further flight; or in accordance with a schedule approved by the FAA PMI, but within a period not to exceed 200 flight hours.

(g) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Los Angeles ACO, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA PMI, who may add comments and then send it to the Manager, Los Angeles ACO.

Note 7: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

Note 8: For any valve that is not eligible for the extended leak check intervals of this AD: To be eligible for the leak check interval specified in paragraph (a)(1), (a)(2), (b)(2)(i), or (b)(2)(ii), the service history data of the valve must be submitted to the Manager, Los Angeles ACO, FAA, Transport Airplane Directorate, with a request for approval of an alternative method of compliance with this AD. The request should include an analysis of known failure modes for the valve, if it is an existing design, and known failure modes of similar valves. Additionally, the request should include an explanation of how design features will preclude these failure modes, results of qualification tests, and approximately 25,000 flight hours or 25,000 flight cycles of service history data, including a winter season, collected in accordance with the requirements of paragraph (c) of this AD or a similar program.

(h) 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.

Issued in Renton, Washington, on December 19, 1995.

Darrell M. Pederson,
*Acting Manager, Transport Airplane
Directorate, Aircraft Certification Service.*

[FR Doc. 95-31245 Filed 12-22-95; 8:45 am]

BILLING CODE 4910-13-U

RAILROAD RETIREMENT BOARD

20 CFR Part 211

RIN 3220-AB10

Finality of Records of Compensation

AGENCY: Railroad Retirement Board.

ACTION: Proposed rule.

SUMMARY: The Railroad Retirement Board (Board) hereby proposes to adopt regulations pertaining to the finality of reports of compensation. The proposed regulations relate to corrections to records of compensation more than four years after the date on which the compensation was required to be reported to the Board.

DATES: Comments must be received on or before February 26, 1996.

ADDRESSES: Secretary to the Board, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611.

FOR FURTHER INFORMATION CONTACT: Michael C. Litt, General Attorney, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611, telephone (312) 751-4929, TTD (312) 751-4701.

SUPPLEMENTARY INFORMATION: The Board's rules and procedures regarding the finality and reports of compensation are presently contained in Board Orders, which are not readily available to the public.

The proposed rule would amend part 211 of the Board's regulations (Creditable Railroad Compensation) by adding a new § 211.16 to this part. Under section 9 of the Railroad Retirement Act, the Board will not change an employee's record of reported compensation if the change is requested more than four years after the report of compensation is required to be filed under § 209.6 of the Board's regulations. Proposed § 211.16 explains when the Board will change a record of compensation beyond the four year period; for example, where the record is incorrect because of clerical error or fraud, where the compensation was posted to the wrong period or person, or where the compensation was originally reported to the Social Security Administration but the Board or a court has determined that it should have been reported to the Board. Changes to credit compensation and service after the four year period could be made only where taxes due under the Railroad Retirement Tax Act have been paid.

The Labor Member of the Board dissented from the action of the majority of the Board approving the proposed rule. The Labor Member's reasons for dissenting from this action are set out below.

Views of the Labor Member of the Board

The Labor Member feels that this proposed revision to part 211 presents a major change in the crediting of compensation and service, in that if the four year time limit for corrections to records of compensation has passed, no employee may be credited with service months or compensation unless the employee establishes that all employment taxes have been paid with respect to this service. The Labor Member acknowledges that in the current environment where the Internal Revenue Service has responsibility for assessing and collecting taxes under the Railroad Retirement Tax Act and the Board has the responsibility for crediting compensation and service, a lack of coordination is inevitable. He contends that this should in no way compel the Board to limit the granting of legitimate railroad retirement credits, but that the change proposed by the majority of the Board would do this.

The Labor Member feels that this change could also put an employee in a "catch 22" situation since there could be questions as to the employee's status under the Social Security Act for the period where the employer is found to be covered under the Railroad Retirement Act, but because no railroad retirement taxes had been paid, the employee would receive no railroad retirement credit. Conceivably, the employee would receive no credit under either Act. The Labor Member points out that currently there are many situations where the Board may correct a compensation record retroactively. There are cases where earnings were erroneously reported to the Social Security Administration by the employer and, subsequently, the Board rules that the employer is covered under the Railroad Retirement Act. The Board may correct a record of compensation where such correction is determined or approved by a court having jurisdiction to make such a decision, or as a result of a settlement entered into by the employer and the Internal Revenue Service.

The Labor Member does not endorse the change recommended by the majority of the Board. Instead, he feels that the Board should make a concerted effort to identify when an employer or employee is, in fact, covered under the Railroad Retirement Act and attempt to mitigate the consequences of decisions that retroact over several years. He submits that we are, in fact, doing this now with the assistance of our agency's Audit and Compliance Division which

is successfully dedicating significant resources to this effort.

The Board, with the concurrence of the Office of Management and Budget, has determined that this is not a significant regulatory action under Executive Order 12866; therefore, no regulatory impact analysis is required. There are no information collections associated with this rule.

List of Subjects in 20 CFR Parts 211

Pensions, Railroad employees, Railroad retirement.

For the reasons set out in the preamble, chapter II of title 20 of the Code of Federal Regulations is proposed to be amended as follows:

PART 211—[AMENDED]

1. The authority citation for part 211 continues to read as follows:

Authority: 45 U.S.C. 231(f).

2. Part 211 is amended by adding a new § 211.16 to read as follows:

§ 211.16 Finality of records of compensation.

(a) *Time limit for corrections to records of compensation.* The Board's record of the compensation reported as paid to an employee for a given period shall be conclusive as to amount, or if no compensation was reported for such period, then as to the employee's having received no compensation for such period, unless the error in the amount of compensation or the failure to make return of the compensation is called to the attention of the Board within four years after the date on which the compensation was required to be reported to the Board as provided for in § 209.6 of this chapter.

(b) *Correction after 4 years.* Subject to paragraph (c) of this section, the Board may correct a report of compensation after the time limit set forth in paragraph (a) of this section for one of the following reasons:

(1) Where the compensation was posted as the result of fraud;

(2) Where the compensation was posted for the wrong person or the wrong period;

(3) Where the earnings were erroneously reported to the Social Security Administration in the good faith belief by the employer or employee that such earnings were not covered under the Railroad Retirement Act and there is a final decision of the Board under part 259 of this chapter that such employer or employee was covered under the Railroad Retirement Act during the period in which the earnings were paid;

(4) Where a determination pertaining to the coverage under the Railroad Retirement Act of an individual, partnership, or company as an employer, is retroactive; and

(5) Where a record of compensation could not otherwise be corrected under this part and where in the judgment of the three-member Board that heads the Railroad Retirement Board failure to make a correction would be inequitable.

(c) *Limitation on crediting service.* No employee may be credited with service months or tier II compensation beyond the four year period referred to in paragraph (a) of this section unless the employee establishes to the satisfaction of the Board that all employment taxes imposed by sections 3201, 3211, and 3221 of title 26 of the Internal Revenue Code have been paid with respect to the compensation and service.

Dated: December 15, 1995.
By Authority of the Board.

Beatrice Ezerski,

Secretary to the Board.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[INTL-0009-95]

RIN 1545-AT42

Certain Transfers of Domestic Stock or Securities by U.S. Persons to Foreign Corporations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In the Rules and Regulations section of this issue of the Federal Register, the IRS is issuing temporary regulations revising the rules under section 367(a) with respect to certain transfers of stock or securities of domestic corporations by United States persons pursuant to the corporate organization, reorganization or liquidation provisions of the Internal Revenue Code. The text of those temporary regulations also serves as the text of these proposed regulations. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written comments must be received by March 25, 1996. Outlines of topics to be discussed at the public

hearing scheduled for April 11, 1996, at 10 a.m. must be received by March 21, 1996.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (INTL 0009-95), Room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (INTL-0009-95), Courier's Desk, Internal Revenue Service, 1111 Constitution Ave. NW., Washington, DC. The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Philip L. Tretiak at (202) 622-3860; concerning submissions and the hearing, Christina Vasquez at (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507).

Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, T:FP, Washington, DC 20224. Comments on the collection of information should be received by February 26, 1996.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The collection of information is in § 1.367(a)-3T(c)(4). This information is required by the IRS as a condition for a taxpayer to qualify for an exception to the general rule of taxation under section 367(a)(1). This information will be used to determine whether a taxpayer properly qualifies for a claimed exception. The respondents generally will be U.S. corporations, probably U.S. multinationals, that are acquired by foreign companies pursuant to nonrecognition exchanges or that engage in joint ventures with foreign companies. Responses to this collection of information by the relevant U.S. corporations are required in order for the shareholders of such corporations to