

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## FEDERAL DEPOSIT INSURANCE CORPORATION

### 12 CFR Part 357

RIN 3064-AA97

#### Determination of Economically Depressed Regions

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Withdrawal of proposed rule.

**SUMMARY:** The FDIC is withdrawing a proposed rule to amend its regulation designating economically depressed regions at 12 CFR Part 357. The proposed rule, published at 57 FR 60140 on December 18, 1992, would have updated the list of states designated as "economically depressed regions" for purposes of section 13(k)(5) of the Federal Deposit Insurance Act, 12 U.S.C. 1823(k)(5). No comments were received and the proposed rule was never adopted as final. Elsewhere in this issue of the **Federal Register**, the FDIC is publishing a final rule that provides criteria to be used by the FDIC to determine which regions are "economically depressed" rather than identifying particular states by regulation.

**DATES:** The proposed rule published at 57 FR 60140, December 18, 1992 is withdrawn on March 3, 1998.

**FOR FURTHER INFORMATION CONTACT:** John P. O'Keefe, Chief, Economic Analysis Section, (202) 898-3945, David Horne, Financial Economist, (202) 898-3981, Division of Research and Statistics; Michael Phillips, Counsel, Legal Division, (202) 898-3581, FDIC, 550 17th Street, N.W., Washington, DC 20429.

By order of the Board of Directors.

Dated at Washington, D.C., this 10th day of February, 1998.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 98-5376 Filed 3-2-98; 8:45 am]

BILLING CODE 6714-01-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 97-SW-25-AD]

#### Airworthiness Directives; Eurocopter France Model AS-350B, BA, B1, B2, and D, and Model AS-355E, F, F1, F2, and N Helicopters

**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 Eurocopter France (Eurocopter) Model AS-350B, BA, B1, B2, and D, and Model AS-355E, F, F1, F2, and N helicopters. This proposal would require inspections of the main gearbox suspension bi-directional cross-beam (cross-beam) for cracks, and replacement of the cross-beam if a crack is found. This proposal is prompted by several reports of cracks in the cross-beam. The actions specified by the proposed AD are intended to provide a terminating action to prevent failure of the cross-beam that could cause the main gearbox to pivot, resulting in severe vibrations and a subsequent forced landing.

**DATES:** Comments must be received by April 2, 1998.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 96-SW-25-AD, 2601 Meacham Blvd., Room 663, Fort Worth, Texas 76137. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from American Eurocopter Corporation, 2701 Forum Drive, Grand Prairie, Texas 75053-4005, telephone (972) 641-3460, fax (972) 641-3527. This information may be examined at the FAA, Office of the Regional Counsel, Southwest Region, 2601 Meacham Blvd., Room 663, Fort Worth, Texas.

**FOR FURTHER INFORMATION CONTACT:** Mr. Mike Mathias, Aerospace Engineer, FAA, Rotorcraft Directorate, ASW-111,

2601 Meacham Blvd., Fort Worth, Texas 76137, telephone (817) 222-5123, fax (817) 222-5961.

#### 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 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 notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 97-SW-25-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, Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 97-SW-25-AD, 2601 Meacham Blvd., Room 663, Fort Worth, Texas 76137.

##### Discussion

The Direction Generale De L'Aviation Civile (DGAC), which is the airworthiness authority for France, recently notified the FAA that an unsafe condition may exist on Eurocopter France Model AS-350B, BA, B1, B2, and D, and Model AS-355E, F, F1, F2, and N helicopters. The DGAC advises that cracks were discovered in the cross-beam. The DGAC issued AD 96-156-

071(B), dated July 31, 1996, applicable to Model AS-350 helicopters, and AD 96-155-053(B), dated July 31, 1996, applicable to Model AS-355 helicopters. The DGAC subsequently issued AD 96-156-071(B)R1, applicable to Model AS-350 helicopters, and AD 96-155-053(B)R1, applicable to Model AS-355 helicopters, both dated June 4, 1998.

Eurocopter France has issued Eurocopter France Service Bulletin No. 05.00.28, applicable to Model AS-350 helicopters, and Eurocopter Service Bulletin No. 05.00.29, applicable to Model AS-355 helicopters, both dated May 26, 1996, and both of which specify repetitive checks of the cross-beam for cracks, and replacement with an airworthy cross-beam of any cross-beam in which a crack is found.

These helicopter 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.

Since an unsafe condition has been identified that is likely to exist or develop on other Eurocopter France Model AS-350B, BA, B1, B2, and D, and Model AS-355E, F, F1, F2, and N helicopters of the same type design registered in the United States, the proposed AD would require visual and dye-penetrant inspections of the cross-beam for cracks, and replacement with an airworthy cross-beam if a crack is found.

The FAA estimates that 454 helicopters of U.S. registry would be affected by this proposed AD, that it would take approximately 0.5 work hour per helicopter to accomplish each visual inspection with an estimated average of 150 visual inspections per helicopter, and 3 work hours per helicopter to accomplish the dye-penetrant inspection, and 6 work hours per helicopter to replace the cross-beam, if necessary, and that the average labor rate is \$60 per work hour. Parts costs would be approximately \$6,000 per cross-beam. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$5,012,160 to perform an average of 150 visual inspections and one dye-

penetrant inspection per helicopter, and to replace the cross-beam on all 454 helicopters.

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 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 a new airworthiness directive to read as follows:

**Eurocopter France:** Docket No. 97-SW-25-AD.

**Applicability:** Model AS-350B, BA, B1, B2, and D, and Model AS-355E, F, F1, F2, and N helicopters, with main gearbox suspension bi-directional cross-beam (cross-beam), part number (P/N) 350A38-1018-all dash numbers, installed, certificated in any category.

**Note 1:** This AD applies to each helicopter 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 helicopters that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (d) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition, or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any helicopter from the applicability of this AD.

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

To prevent failure of the main gearbox diagonal cross-beam that could lead to rotation of the main gearbox, resulting in severe vibrations and a subsequent forced landing, accomplish the following:

(a) For cross-beams having 2,000 or more hours time-in-service (TIS) or 10,000 or more operating cycles:

**Note 2:** The Master Service Recommendations and the flight log contain accepted procedures that are used to determine the cumulative operating cycles on the rotorcraft.

(1) Within 30 hours TIS after the effective date of this AD, and thereafter at intervals not to exceed 30 hours TIS or 150 operating cycles, visually inspect the cross-beam for cracks in accordance with paragraph 2.B.1 of Eurocopter France Service Bulletin No. 05.00.28, applicable to Model AS-350 helicopters, and Eurocopter France Service Bulletin No. 05.00.29, applicable to Model AS-355 helicopters, both dated May 26, 1997.

(2) If a crack is found as a result of the inspections required by paragraph (a)(1) of this AD, remove the cross-beam and replace it with an airworthy cross-beam.

(b) For cross-beams having 5,000 or more hours TIS:

(1) Within 550 hours TIS or 2,750 operating cycles, whichever occurs first, after compliance with paragraph (a)(1) of this AD, perform a dye-penetrant inspection in accordance with paragraph 2.B.2 of Eurocopter France Service Bulletin No. 05.00.28, applicable to Model AS-350 helicopters, and Eurocopter Service Bulletin No. 05.00.29, applicable to Model AS-355 helicopters, both dated May 26, 1996.

(2) If a crack is found as a result of the inspections required by paragraphs (b)(1) of this AD, remove the cross-beam and replace it with an airworthy cross-beam.

(c) Prior to installing any replacement cross-beams, regardless of TIS, inspect the replacement cross-beam in accordance with paragraph (b)(1) of this AD.

(d) 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, Rotorcraft Standards Staff, FAA, Rotorcraft Directorate. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send

it to the Manager, Rotorcraft Certification Office.

**Note 3:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Rotorcraft Certification Office.

(e) 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 helicopter to a location where the requirements of this AD can be accomplished.

**Note 4:** The subject of this AD is addressed in Direction Generale De L'Aviation Civile (France) AD 96-156-071(B)R1 and AD 96-155-053(B)R1, both dated June 4, 1997.

Issued in Fort Worth, Texas, on February 24, 1998.

**Eric Bries,**

*Acting Manager, Rotorcraft Directorate,  
Aircraft Certification Service.*

[FR Doc. 98-5354 Filed 3-2-98; 8:45 am]

BILLING CODE 4910-13-U

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-102144-98]

RIN 1545-AV90

#### Source and Grouping Rules for Foreign Sales Corporation Transfer Pricing

**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 that provide guidance to taxpayers who have made an election to be treated as a foreign sales corporation (FSC). The regulations provide rules clarifying the special sourcing rules under section 927(e)(1) and provide a deadline for the election to group transactions. This document also provides notice of a public hearing on these proposed regulations. The text of the temporary regulations also serves as the text of the proposed regulations.

**DATES:** Written comments must be received by June 1, 1998. Requests to speak (with outlines of oral comments) to be discussed at the public hearing scheduled for June 24, 1998, at 10 a.m., must be received by June 3, 1998.

**ADDRESSES:** Send submissions to: CC:DOM:CORP:R (REG-102144-98), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station,

Washington, DC 20044. Submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-102144-98), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet site at [http://www.irs.ustreas.gov/prod/tax\\_regs/comments.html](http://www.irs.ustreas.gov/prod/tax_regs/comments.html). The public hearing will be held in Room 2615, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC.

#### FOR FURTHER INFORMATION CONTACT:

Concerning the regulations, Elizabeth Beck (202) 622-3880; concerning submissions and the hearing, Michael Slaughter, (202) 622-7190 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

Temporary regulations in the Rules and Regulations portion of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR part 1) relating to sections 925 and 927. The temporary regulations contain rules relating to the grouping of transactions under the FSC transfer pricing rules and the special source rules under section 927(e)(1). The preamble to the temporary regulations explains the temporary regulations.

##### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

##### Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (preferably a signed original and eight (8) copies) that are submitted timely to the IRS. All

comments will be available for public inspection and copying.

A public hearing has been scheduled for June 24, 1998, at 10 a.m., in room 2615, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Because of access restrictions, visitors will not be admitted beyond the Internal Revenue lobby more than 15 minutes before the hearing starts.

The rules of 26 CFR 601.601(a)(3) apply to the hearing.

Persons that wish to present oral comments at the hearing must submit written comments by June 1, 1998 and submit an outline of the topics to be discussed and the time to be devoted to each topic (preferably a signed original and eight (8) copies) by June 3, 1998.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the schedule of speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

**Drafting Information:** The principal author of the proposed regulations is Elizabeth Beck, of the Office of the Associate Chief Counsel (International). Other personnel from the IRS and Treasury Department also participated in the development of these regulations.

#### List of Subjects in 26 CFR Part 1

Income taxes, reporting and recordkeeping requirements.

#### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

**Paragraph 1.** The authority citation for part 1 is amended by adding the following entries to the table in numerical order to read as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*  
Section 1.925(a)-1 is also issued under 26 U.S.C. 925(b)(1) and (2) and 927(d)(2)(B).  
Section 1.925(b)-1 is also issued under 26 U.S.C. 925(b)(1) and (2) and 927(d)(2)(B).  
\* \* \*

##### § 1.925(a)-1 [Added]

**Par. 2.** Section 1.925(a)-1 is added as follows:

[The text of proposed § 1.925(a)-1 consisting of paragraphs (c)(8)(i) and (e)(4) is the same as the text of § 1.925(a)-1T(c)(8)(i) and (e)(4) as amended elsewhere in this issue of the **Federal Register**].

##### § 1.925(b)-1 [Added]

**Par. 3.** Section 1.925(b)-1 is added as follows: