

holes, installation of new fasteners in the cold-worked holes, and installation of new modified system brackets), as applicable, in accordance with Airbus Service Bulletin A320-53-1128, Revision 01, including Appendix 01, both dated October 4, 1999, constitutes terminating action for the requirements of this AD.

Note 4: Accomplishment of the modification in accordance with Airbus Service Bulletin A320-53-1128, including Appendix 1, both dated October 3, 1997, prior to the effective date of this AD, is considered acceptable for compliance with the modification requirements of paragraph (f) of this AD.

Alternative Methods of Compliance

(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, International Branch, ANM-116, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM-116.

Note 5: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

Special Flight Permits

(h) Special flight permits may be issued in accordance with §§ 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.

Note 6: The subject of this AD is addressed in French airworthiness directive 98-509-123(B), dated December 16, 1998.

Issued in Renton, Washington, on March 30, 2000.

Donald L. Riggan,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 00-8391 Filed 4-4-00; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-NM-27-AD]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 727-100 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 certain Boeing Model 727-100 series airplanes. This proposal would require repetitive inspections to detect corrosion of the lower surface of the wing center section and the surrounding area, and follow-on actions. This proposal is prompted by reports of corrosion progression through the lower surface of the wing center section into the center wing fuel tank, and subsequent fuel leakage into the ram air duct. The actions specified by the proposed AD are intended to detect and correct such conditions, which, if combined with a leak in the primary or secondary heat exchanger, could result in the release of fuel vapors into the cabin, and consequent adverse effects on flight crew and passengers.

DATES: Comments must be received by May 22, 2000.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2000-NM-27-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.

The service information referenced in the proposed rule may be obtained from Boeing Commercial Airplane Group, PO Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Stan Wood, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2772; fax (425) 227-1181.

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 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 Number 2000-NM-27-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. 2000-NM-27-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

On November 7, 1985, the FAA issued AD 85-24-02, amendment 39-5170 (50 FR 47356, November 18, 1985), applicable to all Boeing Model 727-200 series airplanes, which requires repetitive inspections for corrosion, and repair, as necessary, of the lower surface of the wing center section, which forms the upper wall of the ram air plenum chambers.

Since the issuance of that AD, the manufacturer has notified the FAA that certain airplanes were inadvertently not included in the effectivity listing in Boeing Service Bulletin 727-51-17, dated April 26, 1974, which was referenced as the appropriate source of service information for accomplishment of the actions required by AD 85-24-02. That service bulletin describes corrosion inspections for Model 727-200 series airplanes having integral fuel cells installed. Model 727-100 series airplanes were not included in the effectivity of that service bulletin, and consequently, in the applicability of the existing AD, due to the fact that bladder-type fuel cells are installed on the majority of those airplanes. However, it has now been determined that there are three Model 727-100 series airplanes having integral fuel cells installed that are subject to the same unsafe condition as the airplanes that are included in the applicability statement of AD 85-24-02. Therefore, the FAA finds that additional rulemaking is necessary to ensure that the unsafe condition is addressed on all affected airplanes.

Explanation of Relevant Service Information

The FAA has reviewed and approved Boeing Service Bulletin 727-51-17, Revision 1, dated January 24, 1986, which describes procedures for repetitive inspections to detect corrosion of the lower surface of the wing center section and the surrounding area, and follow-on actions. The follow-on actions consist of the application of corrosion-inhibiting compound and repair of any corrosion.

Accomplishment of the actions described in the service bulletin is intended to adequately address the identified unsafe condition.

Explanation of Requirements of Proposed Rule

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

Difference Between Proposed Rule and Service Bulletin

Operators should note that Revision 1 of the service bulletin (as well as the original issue of the service bulletin, which was referenced as the appropriate source of service information for accomplishment of the actions required by AD 85-24-02), specifies the effectivity of that service bulletin as, "all Model 727-200 series airplanes." However, the manufacturer has informed the FAA that it has identified three Model 727-100 series airplanes that were inadvertently not included in the effectivity listing and have not accomplished the actions required by that AD. Therefore, the applicability section of this proposed rule specifies only those airplanes (described as Group 1 airplanes in the service bulletin).

Operators also should note that, although the service bulletin specifies that the manufacturer may be contacted for disposition of certain corrosion repair conditions, this proposal would require the repair of those conditions to be accomplished in accordance with a method approved by the FAA.

Cost Impact

There are 3 Model 727-100 series airplanes of the affected design in the worldwide fleet. The FAA estimates that 2 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 12 work hours per airplane to accomplish the proposed inspection, and that the

average labor rate is \$60 per work hour. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$1,440, or \$720 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.

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:

Boeing: Docket 2000-NM-27-AD.

Applicability: Model 727-100 series airplanes, serial numbers 20512, 20513, and 20533; 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 (b) 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 as indicated, unless accomplished previously.

To detect corrosion of the lower surface of the wing center section and the surrounding area, and subsequent fuel leakage into the ram air duct, which, if combined with a leak in the primary or secondary heat exchanger, could result in the release of fuel vapors into the cabin, and consequent adverse effects on flight crew and passengers, accomplish the following:

Detailed Visual Inspection

(a) Within 1 year or 3,000 hours time-in-service after the effective date of this AD, whichever occurs first: Perform a detailed visual inspection in accordance with Part II.B. of the Accomplishment Instructions of Boeing Service Bulletin 727-51-17, Revision 1, dated January 24, 1986. Repeat the inspection thereafter at intervals not to exceed 4 years or 8,000 hours time-in-service, whichever occurs first.

Note 2: For the purposes of this AD, a detailed visual 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."

Follow-On Actions

(1) If no corrosion is detected, prior to further flight, apply corrosion inhibiting compound in accordance with Part II.C. of the Accomplishment Instructions of the service bulletin.

(2) If any corrosion is detected, prior to further flight, repair in accordance with Part II.D. of the Accomplishment Instructions of the service bulletin; or in accordance with a method approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA, Transport Airplane Directorate.

Alternative Methods of Compliance

(b) 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, Seattle ACO. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

Special Flight Permit

(c) 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 March 30, 2000.

Donald L. Riffin,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
[FR Doc. 00-8390 Filed 4-4-00; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-209601-92]

RIN 1545-AR19

Taxation of Tax-Exempt Organizations' Income From Corporate Sponsorship; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains corrections to a notice of proposed rulemaking and notice of public hearing which was published in the **Federal Register** on Wednesday, March 1, 2000 (65 FR 11012), relating to the tax treatment of sponsorship payments received by exempt organizations.

FOR FURTHER INFORMATION CONTACT: Stephanie Lucas Caden at (202) 622-6080.

SUPPLEMENTARY INFORMATION:

Background

The proposed regulations that are the subject of this correction are under section 512 of the Internal Revenue Code.

Need for Correction

As published, the proposed regulations [REG-209601-92] contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the proposed regulations [REG-209601-92], which were the subject of FR Doc. 00-4848, is corrected as follows:

1. On page 11012, third column, in the preamble, the last sentence under the caption **ADDRESSES** is corrected to read, "The public hearing will be held in room 4718, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC."

2. On page 11012, third column, in the preamble, the text under the caption **FOR FURTHER INFORMATION CONTACT** is corrected to read, "Concerning the regulations, Stephanie Lucas Caden at (202) 622-6080; concerning submissions and the hearing, LaNita VanDyke at (202) 622-7180 (not toll-free numbers)."

3. On page 11015, second column, the first sentence of the second paragraph under the caption Comments and Public Hearing is corrected to read, "A public hearing has been scheduled for June 21, 2000, at 10 a.m. in room 4718, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC."

§ 1.513-4 [Corrected]

4. On page 11018, third column, in the 22nd line of § 1.513-4(f) *Example 8*, the language "Music Shop's name and address in the lobby" is corrected to read, "Music Shop's name, address and telephone number in the lobby".

Dale D. Goode,

Federal Register Liaison, Assistant Chief Counsel (Corporate).

[FR Doc. 00-8030 Filed 4-4-00; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-107872-99]

RIN 1545-AX18

Coordination of Sections 755 and 1060 Relating to Allocation of Basis Adjustments Among Partnership Assets

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: This document contains proposed regulations relating to the allocation of basis adjustments among partnership assets under section 755. The proposed regulations are necessary to implement section 1060(d), which applies the residual method to certain partnership transactions. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written comments must be received by July 5, 2000.

Outlines of topics to be discussed at the public hearing scheduled for July 12, 2000, must be received by June 21, 2000.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-107872-99), room 5226, 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 5 p.m. to: CC:DOM:CORP:R (REG-107872-99), 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/taxregs/reglist.html>. The public hearing will be held in room 2716, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Matthew Lay or Craig Gerson, (202) 622-3050; concerning submissions, the hearing, and/or to be placed on the building access list to attend the hearing, LaNita VanDyke, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

As part of the Tax Reform Act of 1986, Congress enacted section 1060, which generally requires the use of the residual method in order to allocate the purchase price of "applicable asset acquisitions" among individual assets purchased. An applicable asset acquisition is defined as any transfer of assets that constitute a trade or business where the transferee's basis is determined wholly by reference to the consideration paid for the assets. Both direct and indirect transfers of a business were intended to be covered by the provision, including "the sale of a partnership interest in which the basis of the purchasing partner's proportionate share of the partnership's assets is adjusted to reflect the purchase price." See section 1060(c) and S. Rep. No. 99-313, 1986-3 C.B. Vol. 3 at 254-255.

In July of 1988, the IRS and the Treasury Department issued temporary and proposed regulations, which, among other things, provided guidance concerning the application of section 1060 and coordinated the application of sections 755 and 1060. TD 8215 (1988-2 C.B. 305).