

and, in accordance with procedures established by OPM, pay into the Civil Service Retirement and Disability Fund the amounts deducted from the individual's pay.

(e) The Corporation shall, in accordance with procedures established by OPM, pay into the Civil Service Retirement and Disability Fund amounts equal to any agency contributions required under FERS.

PART 870—FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

5. The authority citation for Part 870 is revised to read as follows:

Authority: 5 U.S.C. 8716; subpart J also issued under section 599C of Public Law 101-513, 104 Stat. 2064, as amended; § 870.302(a)(3)(ii) also issued under sec. 153 of Public Law 104-134, 110 Stat. 1321; § 870.302(a)(3) also issued under sections 11202(f), 11232(e), and 11246(b) and (c) of Public Law 105-33, 111 Stat. 251 and section 721 of Pub. L. 105-261, 112 Stat. 2061; § 870.510 also issued under section 1622(b) of Pub. L. 104-106, 110 Stat. 521.

Subpart E—Coverage

6. Add § 870.510 to subpart E to read as follows:

§ 870.510 Continuation of eligibility for former Federal employees of the Civilian Marksmanship Program.

(a) A Federal employee who was employed by the Department of Defense to support the Civilian Marksmanship Program as of the day before the date of the transfer of the Program to the Corporation for the Promotion of Rifle Practice and Firearms Safety, and was offered and accepted employment by the Corporation as part of the transition described in section 1612(d) of Public Law 104-106, 110 Stat. 517, shall be deemed to be an employee for purposes of this part during continuous employment with the Corporation unless the individual files an election under § 831.206(c) or § 842.109(c) of this title. Such a covered individual shall be treated as if he or she were a Federal employee for purposes of this part, and of any other part within this title relating to FEGLI. The individual shall be entitled to the benefits of, and be subject to all conditions under, FEGLI on the same basis as if the individual were an employee of the Federal Government.

(b) Cessation of employment with the Corporation for any period shall terminate eligibility for coverage under FEGLI as an employee during any subsequent employment by the Corporation.

(c) The Corporation shall withhold from the pay of an individual described

by paragraph (a) of this section an amount equal to the premiums withheld from Federal employees' pay for FEGLI coverage and, in accordance with procedures established by OPM, pay into the Employees' Life Insurance Fund the amounts deducted from the individual's pay.

(d) The Corporation shall, in accordance with procedures established by OPM, pay into the Employees' Life Insurance Fund amounts equal to any agency contributions required under FEGLI.

PART 890—FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

7. The authority citation for Part 890 is revised to read as follows:

Authority: 5 U.S.C. 8913; Sec. 890.111 also issued under section 1622(b) of Pub. L. 104-106, 110 Stat. 521; § 890.803 also issued under 50 U.S.C. 403p, 22 U.S.C. 4069c and 4069c-1; subpart L also issued under sec. 599C of Pub. L. 101-513, 104 Stat. 2064, as amended; § 890.102 also issued under sections 11202(f), 11232(e), 11246 (b) and (c) of Pub. L. 105-33, 111 Stat. 251; and section 721 of Pub. L. 105-261, 112 Stat. 2061.

Subpart A—Administration and General Provisions

8. Add § 890.111 to subpart A to read as follows:

§ 890.111 Continuation of eligibility for former Federal employees of the Civilian Marksmanship Program.

(a) A Federal employee who was employed by the Department of Defense to support the Civilian Marksmanship Program as of the day before the date of the transfer of the Program to the Corporation for the Promotion of Rifle Practice and Firearms Safety, and was offered and accepted employment by the Corporation as part of the transition described in section 1612(d) of Public Law 104-106, 110 Stat. 517, shall be deemed to be an employee for purposes of this part during continuous employment with the Corporation unless the individual files an election under § 831.206(c) or § 842.109(c) of this title. Such a covered individual shall be treated as if he or she were a Federal employee for purposes of this part, and of any other part within this title relating to the FEHB Program. The individual shall be entitled to the benefits of, and be subject to all conditions under, the FEHB Program on the same basis as if the individual were an employee of the Federal Government.

(b) Cessation of employment with the Corporation for any period shall terminate eligibility for coverage under the FEHB Program as an employee

during any subsequent employment by the Corporation.

(c) The Corporation shall withhold from the pay of an individual described by paragraph (a) of this section an amount equal to the premiums withheld from Federal employees' pay for the FEHB Program coverage and, in accordance with procedures established by OPM, pay into the Employees Health Benefits Fund the amounts deducted from the individual's pay.

(d) The Corporation shall, in accordance with procedures established by OPM, pay into the Employees Health Benefits Fund amounts equal to any agency contributions required under the FEHB Program.

[FR Doc. 02-13740 Filed 5-31-02; 8:45 am]

BILLING CODE 6325-50-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-NE-57-AD]

RIN 2120-AA64

Airworthiness Directives; Titeflex Corporation

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The Federal Aviation Administration (FAA) proposes to adopt a new airworthiness directive (AD) that is applicable to certain Titeflex Corporation high-pressure and medium-pressure hoses. This proposal would require inspecting certain Titeflex hoses for a date of manufacture, and if necessary, replacing the hose with a serviceable part. This proposal is prompted by reports of hoses that failed to meet the fire test requirements during laboratory testing. The actions specified by the proposed AD are intended to prevent failure of a hose when exposed to fire.

DATES: Comments must be received by August 2, 2002.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000-NE-57-AD, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may be inspected, by appointment, at this location between 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. Comments may also

be sent via the Internet using the following address: "9-ane-adcomment@faa.gov". Comments sent via the Internet must contain the docket number in the subject line.

The service information referenced in the proposed rule may be obtained from Titeflex Corporation, 603 Hendee Street, P.O. Box 90054, Springfield, MA 01139, Tel. (413) 271-8244. This information may be examined, by appointment, at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

FOR FURTHER INFORMATION CONTACT: Terry Fahr, Aerospace Engineer, Boston Aircraft Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7155; fax (781) 238-7199.

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 action 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 action must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2000-NE-57-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRM's

Any person may obtain a copy of this NPRM by submitting a request to the FAA, New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000-NE-57-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

Discussion

Titeflex Corporation has notified the FAA of high- and medium-pressure hoses failing to meet the fire test requirements of AS1072 for their Teflon (PTFE) hoses. The failures were first encountered during a new hose qualification test. All of the failures occurred during laboratory testing. The causes of those failures have been determined to be the result of the firesleeves shrinking away from the end fittings during the flame test due to incorrect clamping force on the metal bands. No failures in the field have been reported. The group of suspect hoses consists of high- and medium-pressure hoses. The suspect high-pressure hoses were fabricated at the Springfield, MA facility from January 1996 through June 2000. The suspect medium-pressure hoses were fabricated at the Springfield, MA facility from February 2000 through May 2000. This condition, if not corrected, could result in failure of a hose when exposed to fire.

Manufacturer's Service Information

The FAA has reviewed and approved the technical contents of Titeflex Corporation Service Bulletin (SB) 73-2, dated November 27, 2000, that provides part numbers (P/N's) of the suspect hoses, and dates of manufacture of the hoses.

FAA's Determination of Compliance Period

The 48 month compliance period was established based on allowing sufficient time for operators to incorporate hose replacement within their maintenance schedules, ensuring availability of parts from Titeflex, and the risk analysis indicating this to be an acceptable compliance period.

FAA's Determination of an Unsafe Condition and Proposed Actions

Since an unsafe condition has been identified that is likely to exist or develop on other hoses of the same type design, the proposed AD would require inspection of the applicable P/N hoses to determine where they were fabricated and the date on which they were fabricated. If the hose is part of the suspect hose population, this proposal would require replacing the hose within 48 months after the effective date of this AD. The actions would be required to be done in accordance with the service bulletin described previously. The technical requirements of this proposed AD were coordinated with Transport Airplane Directorate.

Economic Analysis

The FAA estimates that 2,500 hoses installed on airplanes of U.S. registry would be affected by this proposed AD. The FAA also estimates that it would take approximately 5 work hours per product to do the proposed actions, and that the average labor rate is \$60 per work hour. Required parts would cost approximately \$1,000 per product. Based on these figures, the total cost of the proposed AD on U.S. operators is estimated to be \$3,250,000.

Regulatory Analysis

This proposed rule does not have federalism implications, as defined in Executive Order 13132, because it 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. Accordingly, the FAA has not consulted with state authorities prior to publication of this proposed rule.

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:

Titeflex Corporation: Docket No. 2000–NE–57–AD.

Applicability

This airworthiness directive (AD) is applicable to certain part number (P/N) Titeflex Corporation high- and medium-pressure hoses that were fabricated at the Titeflex Springfield, MA, facility from January 1996 through June 2000. These hoses are installed on Airbus A300, A310, A340, Boeing, 737, 777, Cessna 650, Bombardier CL–600, BAE Avro 146 and Bae 146, McDonnell Douglas Corporation DC8 series airplanes, General Electric CF6–80C and CFM–56 series, and Honeywell International Inc. ALF502 and LF507 series turbofan engines.

Note 1: This AD applies to each engine and 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 engines or airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner or operator must request approval for an alternative method of compliance in accordance with paragraph (d) 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

Compliance with this AD is required within 48 months after the effective date of this AD, unless already done.

To prevent failure of a hose when exposed to fire, do the following:

(a) Inspect all high-pressure and medium-pressure hoses, with a P/N specified in paragraph 1.A. of Titeflex Corporation service bulletin (SB) 73–2.

(b) If the hose has a brown, integral firesleeve, no further action is required. If the hose has an orange, slip-on firesleeve, then inspect the metal tag for the assembly location.

(1) If the assembly location on the metal tag is TITFLEX/API, TITFLEX/API LGB, TITFLEX E, TITFLEX EUROPE, or SHAC 1S353, no further action is required.

(2) If the assembly location on the metal tag is TITFLEX, inspect for a date and disposition as specified in the following Table:

If the hose is	And the date is	Then
(i) High-pressure,	(A) Before January 1996 or after June 2000, (B) January 1996 through June 2000,	No further action is required. Replace hose with a serviceable part.
(ii) Medium-pressure,	(A) Before February 2000 or after May 2000, (B) February 2000 through May 2000,	No further action is required. Replace hose with a serviceable part.

Definition of a Serviceable Hose

(c) For the purposes of this AD, a serviceable hose is defined as a hose that has an assembly location listed in paragraph (b)(1) of this AD, that has an integral brown firesleeve, as a high-pressure hose that was fabricated before January 1996 or after June 2000, and as a medium-pressure hose that was fabricated before February 2000 or after May 2000.

Alternative Methods of Compliance

(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, Boston Aircraft Certification Office (ACO). Operators must submit their request through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Boston ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Boston ACO.

Special Flight Permits

(e) 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 done.

Issued in Burlington, Massachusetts on May 24, 2002.

Jay J. Pardee,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 02–13766 Filed 5–31–02; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–125626–01]

RIN 1545–BA25

Unit Livestock Price Method; Hearing Cancellation

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cancellation of notice of public hearing on proposed rulemaking.

SUMMARY: This document provides notice of cancellation of a public hearing on proposed regulations under section 471 of the Internal Revenue Code.

DATES: The public hearing originally scheduled for June 12, 2002, at 10 a.m., is cancelled.

FOR FURTHER INFORMATION CONTACT: Treena Garrett of the Regulations Unit, Associate Chief Counsel (Income Tax and Accounting), (202) 622–7180 (not a toll-free number).

SUPPLEMENTARY INFORMATION: A notice of proposed rulemaking and notice of public hearing that appeared in the **Federal Register** on February 4, 2002, (67 FR 5074), announced that a public hearing was scheduled for June 12, 2002, at 10 a.m., in room 4716, Internal Revenue Service Building, 1111 Constitution Avenue, NW, Washington,

DC. The subject of the public hearing is proposed regulations under section 471 of the Internal Revenue Code. The public comment period for these proposed regulations expired on May 6, 2002.

The notice of proposed rulemaking and notice of public hearing, instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed. As of May 22, 2002, no one has requested to speak. Therefore, the public hearing scheduled for June 12, 2002, is cancelled.

Cynthia E. Grigsby,

Chief, Regulations Unit, Associate Chief Counsel, (Income Tax and Accounting).

[FR Doc. 02–13847 Filed 5–31–02; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–248110–96]

RIN 1545–AY48

Guidance Under Section 817A Regarding Modified Guaranteed Contracts

AGENCY: Internal Revenue Service (IRS), Treasury.

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