

the proposed AD on U.S. operators is estimated to be \$3,031,065. CFMI has indicated that this figure may be reduced depending upon warranty agreements.

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:

CFM International: Docket No. 2001-NE-49—AD.

Applicability

This airworthiness directive (AD) is applicable to CFM International CFM56-5, -5A, and -5B series turbofan engines. These engines are installed on, but not limited to

Airbus Industrie A318, A319, A320 and A321 airplanes.

Note 1: This AD applies to each engine 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 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

Compliance with this AD is required as indicated, unless already done.

To prevent unexpected deterioration of critical rotating engine parts due to higher than desired engine operating exhaust gas temperatures (EGT's), do the following:

(a) For affected EGT harnesses and EGT couplings, listed by serial number (SN) in Tables 1, 2, and 3 of CFM International service bulletin (SB) CFM56-5 S/B 77-0020, dated March 4, 2002, for CFM56-5 and -5A series engines, and SB CFM56-5B S/B 77-0008, dated March 4, 2002, for CFM56-5B series engines, do the following:

(1) Replace EGT harnesses and EGT couplings not being trend monitored, with serviceable parts, within 250 hours of operation after the effective date of this AD, or,

(2) After the effective date of this AD, establish an EGT baseline from the installation of the EGT harnesses and coupling, and perform trend monitoring using the System for Analysis of Gas Turbine Engines (SAGE), or equivalent. Replace EGT harnesses and EGT couplings as soon as slow and continuous temperature drift downward (i.e. cooler indication) of 10°C or more from baseline is observed, without a corresponding change in other associated engine parameters such as N1 (LPT rotor speed), N2 (HPT rotor speed), and fuel flow.

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

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

Special Flight Permits

(c) 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 June 5, 2002.

Francis A. Favara,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 02-14856 Filed 6-12-02; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 01-AGL-21]

Proposed Modification of Class E Airspace; Zanesville, OH

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes to modify Class E airspace at Zanesville, OH. A Global Positioning System (GPS) Standard Instrument Approach Procedure (SIAP) 160° helicopter point in space approach, has been developed for Bethesda Hospital, Zanesville, OH. Controlled airspace extending upward from 700 feet or more above the surface of the earth is needed to contain aircraft executing this approach. This action would increase the radius of the existing controlled airspace for Zanesville Municipal Airport.

DATES: Comments must be received on or before August 6, 2002.

ADDRESSES: Send comments on the proposal in triplicate to: Federal Aviation Administration, Office of the Regional Counsel, AGL-7, Rules Docket No. 02-AGL-04, 2300 East Devon Avenue, Des Plaines, Illinois 60018.

The official docket may be examined in the Office of the Regional Counsel, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois. An informal docket may also be examined during normal business hours at the Air Traffic Division, Airspace Branch, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois.

FOR FURTHER INFORMATION CONTACT:

Denis C. Burke, Air Traffic Division, Airspace Branch, AGL-520, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294-7568.

SUPPLEMENTARY INFORMATION:

Background

On Monday, March 11, 2002, the FAA published a direct final rule with request for comment in the **Federal Register** (67 FR 10835). The rule

modified existing Class E airspace at Zanesville Municipal Airport, OH, in order to protect for a point in space approach used by helicopters involved in medical emergencies. It stated that unless adverse comments were received, the rule would become effective on August 8, 2002. Eight (8) comments were received. All eight (8) were considered adverse, thereby requiring the rule to be withdrawn, and this NPRM being issue. The objections centered around issues at Parr Airport and contained the following concerns:

1. Safety concern over IFR helicopter operations. One (1) respondent stated he was concerned about inserting occasional helicopters into a busy G.A. environment.

2. Increased restrictions on the ability to fly during periods of low visibility. Four (4) respondents stated they would have less opportunity to fly or train during marginal weather conditions because of the higher visibility requirements associated with Class E airspace.

3. Impact to local flight school. Three (3) respondents stated business would be lost because of the inability to conduct VFR training during periods of low visibility.

All of these comments were considered and evaluated. They are responded to as follows:

In reference to:

1. Class E airspace is designed to protect aircraft executing instrument approach procedures. The higher visibility requirements for VFR flight in Class E airspace allows for a safer operating environment for IFR aircraft.

2. While not as many aircraft may operate at the same time when visibility is restricted, a special VFR clearance may be obtained, thus allowing for continued flight or training during these periods. Additionally, creating a Class E airspace corridor, or an exclusion for Parr Airport, which was suggested, would not fit design criteria, or provide adequate protection for the approach.

3. Other than having to conduct training under higher visibility requirements (unless a special VFR clearance is requested), the economic impact to the flight school is undefined and beyond the scope of the airspace action.

Comment Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory

decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal.

Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 01-AGL-21." The postcard will be data/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this action may be changed in light of comments received. All comments submitted will be available for examination in the Rules Docket, FAA, Great Lakes Region, Office of the Regional Counsel, 2300 East Devon Avenue, Des Plaines, Illinois, both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Inquiry Center, APA-230, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267-3484. Communications must identify the docket number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11-2A, which describes the application procedure.

The Proposal

The FAA is considering an amendment to 14 CFR part 71 to modify Class E airspace at Zanesville, OH, for Zanesville Municipal Airport. Controlled airspace extending upward from 700 feet or more above the surface of the earth is needed to contain aircraft executing instrument approach procedures. The area would be depicted on appropriate aeronautical charts. Class E airspace areas extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9J dated August 31, 2001, and effective September 16, 2001, which is

incorporated by reference in 14 CFR 71.1. The Class E designations listed in this document would be published subsequently in the Order.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore this, proposed regulation—(1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9J, Airspace Designations and Reporting Points, dated August 31, 2001, and effective September 16, 2001, is amended as follows:

* * * * *

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

AGL OH E5 Zanesville, OH [Revised]

Zanesville Municipal Airport, OH
(Lat. 39°56'40" N., long. 81°53'32" W.)
Zanesville VOR/DME
(Lat. 39°56'27" N., long. 81°53'33" W.)
Zanesville, Bethesda Hospital, OH
Point in Space Coordinates

(Lat. 39°59'5" N., long. 82°1'30" W.)

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of the Zanesville Municipal Airport and within 7 miles east and 4.4 miles west of the Zanesville VOR/DME 220° radial extending from the VOR/DME to 10.5 miles southwest of the VOR/DME, and within 2.4 miles either side of the Zanesville VOR/DME 028° radial extending from the 6.5-mile radius to 7 miles northeast of the VOR/DME, and within a 6-mile radius of the Point in Space serving the Bethesda Hospital.

* * * * *

Dated: Issued in Des Plaines, Illinois on May 24, 2002.

Nancy B. Shelton,

Manager, Air Traffic Division, Great Lakes Region.

[FR Doc. 02-14985 Filed 6-12-02; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-107524-00]

RIN 1545-AY35

Guidance Under Section 6050P Regarding Cancellation of Indebtedness

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 information reporting requirement under section 6050P of the Internal Revenue Code (Code) for cancellation of indebtedness. The proposed regulations reflect the enactment of section 6050P(c)(2)(D) by the Ticket to Work and Work Incentives Improvement Act of 1999. Section 6050P(c)(2)(D) requires organizations a significant trade or business of which is the lending of money to report discharges of indebtedness. The proposed regulations also conform the existing regulations to statutory changes made by the Debt Collection Improvement Act of 1996. In addition, under the proposed regulations, if an organization that is required to report under section 6050P (an applicable entity) forms, or avails itself of, some other entity for the principal purpose of holding loans acquired by the applicable entity, then, for purposes of section 6050P, the entity so formed or availed of is treated as having a significant trade or business of lending money. This document also

provides notice of a public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by September 17, 2002. Requests to speak (with outlines of oral comments) at a public hearing scheduled for October 8, 2002, at 10 a.m., must be received by September 17, 2002.

ADDRESSES: Send submissions to: CC:ITA:RU (REG-107524-00), 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:ITA:RU (REG-107524-00), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically directly to the IRS Internet site at: www.irs.gov/regs. The public hearing will be held in Room 4718, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Donna J. Welch, at (202) 622-4910; concerning submissions and delivery of comments, and the hearing, Treena Garrett, at (202) 622-7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) defining an organization a significant trade or business of which is the lending of money under section 6050P(c)(2)(D). Section 6050P(c)(2)(D) was enacted by section 553(a) of the Ticket to Work and Work Incentives Improvement Act of 1999, Public Law 106-170, 113 Stat. 1860, 1931 (1999) ("the Act"), effective for discharges of indebtedness occurring after December 31, 1999. Generally, section 6050P(a) requires organizations that are subject to that section (applicable entities) to file returns with the Service and to provide statements to persons whose names are required to be shown on the returns ("payees"), setting forth certain information regarding discharges of indebtedness of \$600 or more. Section 553(a) of the Act amended section 6050P of the Code by expanding the types of entities that are required to report discharges of indebtedness to include any organization "a significant trade or business of which is the lending of money." Notice 2000-22, 2000-16 I.R.B. 902, April 17, 2000, provides that penalties under sections 6721 and 6722

will not be imposed on the lending organizations newly required to report discharges of indebtedness for failures to report discharges of indebtedness occurring before January 1, 2001. In addition, Notice 2001-8, 2001-4 I.R.B. 374, January 22, 2001, extended that suspension of penalties for failures to file information returns for any discharge of indebtedness that occurs prior to the first calendar year beginning at least two months after the date that appropriate guidance is issued.

This document also contains proposed amendments to the Income Tax Regulations (26 CFR part 1) conforming the existing regulations under section 6050P to statutory changes made by the Debt Collection Improvement Act of 1996.

Explanation of Provisions

Under section 6050P(c)(2)(D), any organization "a significant trade or business of which is the lending of money" is required to report discharges of indebtedness. These proposed regulations provide guidance on when a trade or business is the lending of money and when that trade or business is significant. In general, the proposed regulations provide that the lending of money is a significant trade or business if money is lent on a regular and continuing basis. The regulations provide three safe harbors under which organizations will not be considered to have a significant trade or business of lending money. The IRS and the Treasury Department believe that these safe harbors satisfy the information reporting objectives of the statute while minimizing the administrative burden on taxpayers.

The first safe harbor applies to organizations that were not required to report under section 6050P in the previous calendar year. Such an organization will be considered not to have a significant trade or business of lending money for the calendar year if its gross income from lending money in the most recent test year (the most recent taxable year ending before July 1 of the previous calendar year) is less than both 15 percent of the organization's gross income and \$5 million.

The second safe harbor applies to organizations that were required to report under section 6050P for the previous calendar year. Such an organization will be considered not to have a significant trade or business of lending money for the calendar year if, for each of the three most recent test years, its gross income from lending money is less than both 10 percent of the organization's gross income and \$3