

certificated for operation in the United States.

Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same type design registered in the United States, the proposed AD would require accomplishment of the actions specified in the service bulletin described previously.

Cost Impact

The FAA estimates that 440 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 10 work hours per airplane to accomplish the proposed actions, and that the average labor rate is \$65 per work hour. Required parts would cost approximately \$2,200 per airplane. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$1,254,000, or \$2,850 per airplane.

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. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These figures typically do not include incidental costs, such as the time required to gain access and close up, planning time, or time necessitated by other administrative actions. The manufacturer may cover the cost of replacement parts associated with this proposed AD, subject to warranty conditions. As a result, the costs attributable to the proposed AD may be less than stated above.

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:

Airbus: Docket 2002–NM–18–AD.

Applicability: Model A319, A320, and A321 series airplanes; certificated in any category; on which Airbus Modification 30821 has not been accomplished.

Compliance: Required as indicated, unless accomplished previously.

To prevent failure of an upper guide rod fitting, which could cause a rear passenger door to jam during opening, delaying an emergency evacuation and resulting in injury to passengers or crew members, accomplish the following:

Replacement

(a) Within 22 months after the effective date of this AD, replace the upper guide rod fitting on each rear passenger door with an improved fitting by doing all actions in and per the Accomplishment Instructions of Airbus Service Bulletin A320–53–1154, Revision 2, dated March 7, 2003.

Replacements Accomplished Previously

(b) Replacements accomplished before the effective date of this AD per the Accomplishment Instructions of Airbus Service Bulletin A320–53–1154, dated July 12, 2001; or Revision 1, dated August 28, 2002; are acceptable for compliance with the corresponding action required by this AD.

Alternative Methods of Compliance

(c) In accordance with 14 CFR 39.19, the Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA, is authorized to approve alternative methods of compliance for this AD.

Note 1: The subject of this AD is addressed in French airworthiness directive 2001–634(B), dated December 26, 2001.

Issued in Renton, Washington, on December 5, 2003.

Kalene C. Yanamura,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 03–31064 Filed 12–16–03; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 301

[REG–146893–02, REG–115037–00]

RIN 1545–BB31, 1545–AY38

Treatment of Services Under Section 482; Allocation of Income and Deductions From Intangibles; 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 that was published in the **Federal Register** on Wednesday, September 10, 2003 (68 FR 53448). The proposed regulations provide guidance regarding the treatment of controlled services transactions under section 482 and the allocation of income from intangibles in particular when one controlled taxpayer performs activities that increase (or are expected to increase) the value of an intangible owned by another controlled taxpayer.

FOR FURTHER INFORMATION CONTACT: J. Peter Luedtke or Helen Hong-George, (202) 435–5265 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking and notice of public hearing that is the subject of this correction is under section 482 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking and notice of public hearing contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed regulations and

notice of public hearing (REG-146893-02, REG-115037-00), that was the subject of FR Doc. 03-22550, are corrected as follows:

1. On page 53448, column 1, in the preamble under the paragraph heading "DATES", second line of the paragraph, the language "must be received December 9, 2003." is corrected to read "must be received by December 9, 2003."

2. On page 53449, column 2, in the preamble under the paragraph heading "2. Income Attributable to Intangibles", fifth line of the paragraph, the language, "property. The Taxpayers and other" is corrected to read "property. Taxpayers and other".

3. On page 53455, column 3, in the preamble under the paragraph heading "10. Total Services Costs—§ 1.482-9(j)", the last line of the paragraph, the language, "analysis of the result expressed as ration" is corrected to read "analysis of the result expressed as the ratio".

4. On page 53464, column 3, following § 1.482-6(c)(3)(i)(B)(2), paragraph (c)(3)(ii) is added to read as follows:

§ 1.482-6 Profit split method.

* * * * *

(c) * * *

(3) * * * (i) * * *

(ii) * * *

* * * * *

5. On page 53473, columns 2 and 3, § 1.482-9(f)(2)(iv)(A) through (C) introductory text are corrected to read as follows:

§ 1.482-9 Methods to determine taxable income in connection with a controlled services transaction.

* * * * *

(f) * * *

(2) * * *

(iv) Measurement of limitation on allocations: The rules of paragraphs (f)(2)(i) and (ii) of this section are expressed in this paragraph (f)(2)(iv) in equations and a table.

(A) The minimum arm's length markup necessary for an allocation by the Commissioner (Z) is the sum of the markup charged by the taxpayer (X) and the applicable number of percentage points determined under paragraph (f)(2)(ii) of this section (Y). Where the markup charged by the taxpayer is not less than zero, the minimum arm's length markup necessary for allocation by the Commissioner (Z) also equals the lesser of—

(1) The sum of six percentage points and half of the markup charged by the taxpayer (X); and

(2) Ten percentage points.

(B) The equations in paragraph (f)(2)(iv)(A) of this section may also be expressed as follows:

$$Z = X + Y = \min((6\% + 0.5 \times X), 10\%)$$

where $X \geq 0$.

(C) The following table illustrates the results of these calculations in representative cases:

* * * * *

6. On page 53480, column 1, § 1.482-9(l)(4), *Example 12*, the last line of the paragraph, the language, "therefore Company Y is considered to obtain." is corrected to read "therefore Company Y is considered to obtain a benefit from the activities."

Cynthia E. Grigsby,

Acting Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 03-31034 Filed 12-16-03; 8:45 am]

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

RIN: 1512-AC62

[Notice No. 24]

Proposed Trinity Lakes Viticultural Area (2001R-32P)

AGENCY: Alcohol and Tobacco Tax and Trade Bureau (TTB), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau proposes to establish the "Trinity Lakes" viticultural area in Trinity County, California. The proposed viticultural area consists of approximately 96,000 acres surrounding Trinity and Lewiston lakes and a portion of the Trinity River basin below Lewiston Dam. We invite comments on this proposal.

DATES: We must receive written comments on or before February 17, 2004.

ADDRESSES: You may send comments to any of the following addresses:

- Chief, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, PO Box 50221, Washington, DC 20091-0221 (Attn: Notice No. 24);
- 202-927-8525 (facsimile);
- nprm@ttb.gov (e-mail); or
- <http://www.ttb.gov> (An online comment form is posted with this notice on our Web site.)

You may view copies of this notice and any comments received at <http://www.ttb.gov/alcohol/rules/index.htm>

or by appointment at our library, 1310 G Street, NW., Washington, DC 20005; phone 202-927-8210.

See the Public Participation section of this notice for specific instructions and requirements, and for information on how to request a public hearing.

FOR FURTHER INFORMATION CONTACT: Tim DeVanney, Specialist, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, 650 Massachusetts Avenue, NW., Washington, DC 20226; telephone 202-927-8210.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

The Federal Alcohol Administration Act (FAA Act) at 27 U.S.C. 205(e) requires that alcohol beverage labels provide the consumer with adequate information regarding a product's identity, while prohibiting the use of misleading information on such labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out the Act's provisions. The Secretary has delegated this authority to the Alcohol and Tobacco Tax and Trade Bureau (TTB).

Regulations in 27 CFR Part 4, Labeling and Advertising of Wine, allow the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Title 27 CFR Part 9, American Viticultural Areas, contains the list of approved viticultural areas.

Definition

Title 27 CFR 4.25(e)(1) defines an American viticultural area as a delimited grape-growing region distinguishable by geographic features whose boundary has been delineated in subpart C of part 9. The establishment of viticultural areas allows the identification of regions where a given quality, reputation, or other characteristics of the wine is essentially attributable to its geographic origin. We believe that the establishment of viticultural areas allows wineries to describe more accurately the origin of their wines to consumers and helps consumers identify the wines they purchase. Establishment of a viticultural area is neither an approval nor endorsement by TTB of the wine produced there.

Requirements

Section 4.25(e)(2) outlines the procedure for proposing an American viticultural area. Anyone interested may