

(xvii) Section 314, concerning improved disclosure of the results of reinvestigation;

(xviii) Section 315, concerning reconciling addresses;

(xix) Section 316, concerning notice of dispute through reseller; and

(xx) Section 317, concerning the duty to conduct a reasonable reinvestigation.

By order of the Board of Governors of the Federal Reserve System, December 16, 2003.

Jennifer J. Johnson,

Secretary of the Board.

Dated: December 15, 2003.

By Direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 03-31360 Filed 12-23-03; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-NM-148-AD]

RIN 2120-AA64

Airworthiness Directives; BAE Systems (Operations) Limited Model BAe 146 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 all BAE Systems (Operations) Limited Model BAe 146 series airplanes. This proposal would require repetitive general visual inspections of the inside of the condenser regenerative air ducts, air cycle machine turbine outlet, and the jet pump ducts on each air conditioning pack to detect oil and/or oil breakdown products leaking from the engine(s) or auxiliary power unit (APU). This proposal would also require further inspections and replacement of any affected engine, APU, or component with a serviceable part, if necessary. This action is necessary to prevent impairment of the operational skills and abilities of the flight crew caused by oil or oil breakdown products in the cabin air, which could result in reduced controllability of the airplane. This action is intended to address the identified unsafe condition.

DATES: Comments must be received by January 23, 2004.

ADDRESSES: Submit comments in triplicate to the Federal Aviation

Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2001-NM-148-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. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: *9-anm-nprmcomment@faa.gov*. Comments sent via fax or the Internet must contain "Docket No. 2001-NM-148-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 or 2000 or ASCII text.

The service information referenced in the proposed rule may be obtained from British Aerospace Regional Aircraft American Support, 13850 Mcclarean Road, Herndon, Virginia 20171. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT:

Todd Thompson, Aerospace Engineer, International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-1175; fax (425) 227-1149.

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 action may be changed in light of the comments received.

Submit comments using the following format:

- Organize comments issue-by-issue. For example, discuss a request to change the compliance time and a request to change the service bulletin reference as two separate issues.
- For each issue, state what specific change to the proposed AD is being requested.
- Include justification (*e.g.*, reasons or data) for each request.

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 2001-NM-148-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. 2001-NM-148-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

The Civil Aviation Authority (CAA), which is the airworthiness authority for the United Kingdom, notified the FAA that an unsafe condition may exist on all BAE Systems (Operations) Limited Model BAe 146 series airplanes. The CAA advises that flight crews have reported four incidents in which they experienced various levels of impaired performance when flying the affected airplane models. The root cause of the impairment has not been identified; however, circumstantial evidence indicates that a possible cause is an agent or agents released from oil and/or oil breakdown products that leak from the engine(s) or auxiliary power unit (APU) and contaminate the environmental control system (ECS), and are possibly released into the cabin air. Oil or oil breakdown products in the cabin air, if not corrected, could result in possible impairment of the operational skills and abilities of the flight crew, and possible reduced controllability of the airplane.

Explanation of Relevant Service Information

BAE Systems (Operations) Limited has issued Service Bulletin ISB.21-150, Revision 2, dated October 24, 2002, which describes procedures for repetitive general visual inspections of the inside of the condenser regenerative air ducts, air cycle machine turbine outlet, and the jet pump ducts on each air conditioning pack to detect oil and/or oil breakdown products leaking from the engine(s) or APU and contaminating the ECS and cabin air supply. This

service bulletin also describes procedures for detailed inspections and replacement of any affected engine, APU, or component of the engine or APU with serviceable parts if oil contamination is found or if a cabin air quality problem is suspected of being associated with oil contamination of the air supply. Accomplishment of the actions specified in the service bulletin is intended to adequately address the identified unsafe condition. The CAA classified this service bulletin as mandatory and issued British airworthiness directive 002-03-2001, dated March 21, 2001, to ensure the continued airworthiness of these airplanes in the United Kingdom.

FAA's Conclusions

This airplane model is manufactured in the United Kingdom and is 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 CAA has kept us informed of the situation described above. We have examined the findings of the CAA, 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.

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, except as discussed below.

Difference Between Proposed Rule and Referenced Service Bulletin

Operators should note that although the service bulletin specifies to complete and return an inspection reporting sheet to the manufacturer, this proposed AD does not include such a requirement.

Interim Action

We consider this proposed AD interim action. If final action is later identified, we may consider further rulemaking then.

Cost Impact

The FAA estimates that 20 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 2 work hours per airplane to accomplish the proposed

general visual inspection, and that the average labor rate is \$65 per work hour. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$2,600, or \$130 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. 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.

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:

BAE Systems (Operations) Limited (formerly British Aerospace Regional Aircraft); Docket 2001-NM-148-AD.

Applicability: All Model BAe 146 series airplanes, certificated in any category.

Compliance: Required as indicated, unless accomplished previously.

To prevent impairment of the operational skills and abilities of the flight crew caused by oil or oil breakdown products in the cabin air, which could result in reduced controllability of the airplane, accomplish the following:

Service Bulletin Reference

(a) The following information pertains to the service bulletin referenced in this AD:

(1) The term "service bulletin," as used in this AD, means the Accomplishment Instructions of BAE Systems (Operations) Limited Service Bulletin ISB.21-150, Revision 2, dated October 24, 2002.

(2) Inspections and corrective actions accomplished before the effective date of this AD per BAE Systems (Operations) Limited Service Bulletin ISB.21-150, dated March 20, 2001; or BAE Systems (Operations) Limited Service Bulletin ISB.21-150, Revision 1, dated January 29, 2002; are acceptable for compliance with the corresponding actions required by this AD.

Initial Inspection

(b) Within 500 flight cycles after the effective date of this AD: Perform a general visual inspection of the inside of both the condenser regenerative air ducts, the air cycle machine turbine outlet, and the jet pump ducts on each air conditioning pack for the presence of oil contamination, per the service bulletin.

Note 1: For the purposes of this AD, a general visual inspection is defined as: "A visual examination of an interior or exterior area, installation, or assembly to detect obvious damage, failure, or irregularity. This level of inspection is made from within touching distance unless otherwise specified. A mirror may be necessary to enhance visual access to all exposed surfaces in the inspection area. This level of inspection is made under normally available lighting conditions such as daylight, hangar lighting, flashlight, or droplight and may require removal or opening of access panels or doors. Stands, ladders, or platforms may be required to gain proximity to the area being checked."

Repetitive Inspections

(c) If no oil contamination is found during the inspection required by paragraph (b) of this AD: Repeat the inspection at intervals not to exceed 500 flight cycles in accordance with the service bulletin.

Detailed Inspection and Replacement

(d) If any oil contamination is found during the inspection required by paragraph (b) of this AD: Before further flight, perform a

detailed inspection of any affected engine, APU, or component of the engine(s) or APU to determine the cause of the oil contamination per the service bulletin.

(1) If the cause of the oil contamination is found: Except as provided by paragraph (f) of this AD, before further flight, remove any affected engine, APU, or component and replace it with a serviceable part in accordance with the service bulletin. Repeat the general visual inspection required by paragraph (b) of this AD at intervals not to exceed 500 flight cycles in accordance with the service bulletin.

(2) If the cause of the oil contamination is not found, repeat the inspection required by paragraph (b) of this AD at intervals not to exceed 50 flight cycles in accordance with the service bulletin.

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

Inspection and Repair Following Air Quality Problems

(e) If any cabin air quality problem, whether intermittent or persistent, is reported that is suspected of being associated with oil contamination of the air supply from the environmental control system packs: Before further flight, perform the detailed inspection and any necessary corrective action required by paragraph (d) of this AD in accordance with the service bulletin.

Continued Operation Without Replacement

(f) Airplanes may be operated without accomplishing the replacement(s) required by paragraph (d)(1) of this AD under the conditions described in paragraphs 2.E.(1), 2.E.(2), and 2.E.(3) of the service bulletin, and in accordance with the provisions and limitations specified in the operator's Master Minimum Equipment List (MMEL). Repeat the inspection required by paragraph (b) of this AD at intervals not to exceed 500 flight cycles in accordance with the service bulletin.

Parts Installation

(g) As of the effective date of this AD, no person may install on any airplane an engine, APU, or component that has been removed per paragraph (d)(1) of this AD, unless it has been cleaned in accordance with paragraph 2.H. of the service bulletin.

No Reporting Requirements

(h) Although the service bulletin referenced in this AD specifies to submit certain information to the manufacturer, this AD does not include such a requirement.

Alternative Methods of Compliance

(i) 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 3: The subject of this AD is addressed in British airworthiness directive 002-03-2001, dated March 21, 2001.

Issued in Renton, Washington, on December 12, 2003.

Kevin M. Mullin,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 03-31441 Filed 12-23-03; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 20 and 301

[REG-139845-02]

RIN 1545-BB12

Gross Estate; Election to Value on Alternate Valuation Date

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to the election under section 2032 to value a decedent's gross estate on the alternate valuation date. The proposed regulations reflect a change to the law made by the Deficit Reduction Act of 1984. The proposed regulations affect estates that are required to file Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return.

DATES: Written or electronic comments and requests for a public hearing must be received by March 23, 2004.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-139845-02), room 5203, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-139845-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. Alternatively, taxpayers may submit electronic comments directly to the IRS Internet site at: <http://www.irs.gov/regs>.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Theresa Melchiorre, (202) 622-7830; concerning submissions of comments or to request a hearing, Treena Garrett, (202) 622-3401 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

As a general rule, section 2031 provides that the value of a decedent's

gross estate is to be determined as of the date of the decedent's death. Section 2032 provides that the executor may elect to value the property on an alternate valuation date. Prior to the enactment of the Deficit Reduction Act of 1984, Public Law 98-369 (98 Stat. 494), section 2032(c) and § 20.2032-1(b) of the Estate Tax Regulations required the election to be made on a timely filed estate tax return, including extensions of time to file actually granted. The Deficit Reduction Act amended section 2032, effective for estates of decedents dying after July 18, 1984, by redesignating section 2032(c) as section 2032(d) and amending section 2032(d) to provide that the election may be made on the estate tax return, whether it is filed timely or late, as long as the return is filed no more than 1 year after the due date, including extensions. Temporary Regulation § 301.9100-6T(b), issued on September 5, 1984, reflects this change to the law and provides a transition rule for estates of decedents dying before July 19, 1984. The temporary regulation, however, also provides that once a return that fails to make the election is filed, the election may not be made on a subsequent return unless the subsequent return is filed by the due date (including extensions) of the original return. This limitation is not found in §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations that apply to all requests for an extension of time to make an election submitted to the IRS on or after December 31, 1997.

The Deficit Reduction Act of 1984 also added new section 2032(c) that provides that, in the case of estates of decedents dying after July 18, 1984, the election to use the alternate valuation method may be made only if the election results in a reduction in both the value of the gross estate and the actual estate tax liability. The Tax Reform Act of 1986, Public Law 99-514 (100 Stat. 2085), amended section 2032(c)(2) to provide that the election may be made only if the election results in a decrease both in the value of the gross estate and in the sum of the estate tax and generation-skipping transfer tax liability (reduced by credits allowable against these taxes).

Explanation of Provisions

These proposed regulations will amend § 20.2032-1(b) to reflect the change made to section 2032 by the Deficit Reduction Act of 1984. In addition, the proposed regulations, when finalized, will remove temporary regulation § 301.9100-6T(b) of the Procedure and Administration Regulations so that estates that fail to