2. Is not a “significant rule” under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

3. Would not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a summary of the costs to comply with this proposal and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under ADDRESSES. Include “AD Docket No. 2000–NE–09–AD” in your request.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 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. The FAA amends §39.13 by removing Amendment 39–11889 (65 FR 58177, September 27, 2000) and by adding a new airworthiness directive, to read as follows:


Comments Due Date

(a) The Federal Aviation Administration (FAA) must receive comments on this airworthiness directive (AD) action by July 19, 2004.

Affected ADs

(b) This AD supersedes AD 2000–18–04.

Applicability

(c) This AD applies to Aviointeriors S.p.A. (formerly ALVEN), model 312 seats. These seats are installed, but not limited to, Fokker Model F27 Mark 050, Mark 506, and Mark 600 airplanes.

Unsafe Condition

(d) This AD results from reports of 88 cracked seat crossmembers, and 60 aisle side crossmembers, to date, and from the introduction of reinforced seat crossmembers by the manufacturer. The actions specified in this AD are intended to prevent the loss of the structural integrity of the seat due to cracks in the seat crossmembers.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified unless the actions have already been done.

Initial Visual Inspection

(i) Perform an initial visual inspection of the crossmembers for cracks, within 12,000 hours time-in-service (TIS) or within 180 days after the effective date of this AD if the crossmember has more than 12,000 hours TIS, as follows:

(1) Inspect seat central crossmembers, part number (P/N) DM03437–1, using Section 2 Inspection Procedure of Aviointeriors Service Bulletin (SB) No. 312/912–01, Revision 2, dated August 1, 2000.

(2) Replace any cracked central crossmember with a new crossmember of the same P/N. Use Section 3 Crossmember Replacement Procedure, Steps 3.1 through 3.10 of Aviointeriors SB No. 312/912–01, Revision 2, dated August 1, 2000.

(3) Inspect seat aisle side crossmembers, P/Ns DM03435–1 and DM03435–2, and DM03437–1 (Disabled People seat application), using Section 2 Inspection Procedure of Aviointeriors SB No. 312/912–02, Revision 1, dated August 1, 2000.

(4) Replace any cracked aisle side crossmember with a new crossmember of the same P/N. Use Section 3 Crossmember Replacement Procedure, Steps 3.1 through 3.8 of Aviointeriors SB No. 312/912–02, Revision 1, dated August 1, 2000.

Repetitive Visual Inspections

(g) Perform repetitive visual inspections of crossmembers, P/N DM03437–1, DM03435–1, and DM03435–2, for cracks, within 650 hours TIS after the last inspection. Use paragraphs (f)(1) through (f)(4) of this AD to inspect and disassembly crossmembers.

Optional Terminating Action

(h) As optional terminating actions to the repetitive inspections required by this AD, do the following:


(2) Replace seat aisle side crossmembers, P/N DM03435–1, DM03435–2, and DM03437–1 (Disabled People seat application), with reinforced crossmembers, P/N F11555400000, F11555500000, and F11541300000, respectively. Use Section 2 Crossmember Replacement Procedure, Steps 2.1 through 2.11 of Aviointeriors SB No. 312/912–04, dated August 1, 2000.

Alternative Methods of Compliance

(i) The Manager, Boston Aircraft Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

Material Incorporated by Reference

(j) None.

Related Information

(k) Ente Nazionale per l’Aviazione Civile airworthiness directives 2000–511 and 2000–512, both dated November 7, 2000, also address the subject of this AD.

Issued in Burlington, Massachusetts, on May 14, 2004.

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

[FR Doc. 04–11409 Filed 5–19–04; 8:45 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39


AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for Hartzell Propeller, Inc., McCauley Propeller Systems, and Sensenich Propeller Manufacturing Company, Inc. propellers. This proposed AD would require maintenance actions amounting to an overhaul of the affected propellers. This proposed AD results from the investigation of a failed propeller blade and subsequent inspections of various propeller models returned to service by Southern California Propeller Service, of Inglewood, CA. We are proposing this AD to prevent blade failure that could result in separation of a propeller blade and loss of control of the airplane.

DATES: We must receive any comments on this proposed AD by July 19, 2004.

ADDRESSES: Use one of the following addresses to submit comments on this proposed AD:


• By fax: (781) 238–7055.

• By e-mail: 9-anecdatabin@faa.gov.

You may examine the AD docket at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.
FOR FURTHER INFORMATION CONTACT:
Tomaso DiPaolo, Aerospace Engineer, 
Chicago Aircraft Certification Office, 
FAA, Small Airplane Directorate, 2300 
East Devon Avenue, Des Plaines, IL 
60018–4696; telephone (847) 294–7031, 
fax (847) 294–7834.

SUPPLEMENTARY INFORMATION:
Comments Invited
We invite you to submit any written 
relevant data, views, or arguments 
regarding this proposal. Send your 
comments to an address listed under 
ADDRESSES. Include “AD Docket No. 
2003–NE–53–AD” in the subject line of 
your comments. If you want us to 
acknowledge receipt of your mailed 
comments, send us a self-addressed, 
stamped postcard with the docket 
number written on it; we will date- 
stamp your postcard and mail it back to 
you. We specifically invite comments 
on the overall regulatory, economic, 
environmental, and energy aspects of 
the proposed AD. If a person contacts us 
verbally, and that contact relates to a 
proposition under this proposed AD, 
we will summarize the contact and 
place the summary in the docket. We 
will consider all comments received by 
the closing date and may amend the 
proposed AD in light of those 
comments.

We are reviewing the writing style we 
currently use in regulatory documents. 
We are interested in your comments on 
whether the style of this document is 
clear, and your suggestions to improve 
the clarity of our communications that 
Affect you. You can get more 
information about plain language at 
www.plainlanguage.gov.

Examining the AD Docket
You may examine the AD Docket 
(including any comments and service 
information), between 8 a.m. and 4:30 
p.m., Monday through Friday, except 
Federal holidays. See ADDRESSES for the 
location.

Discussion
We received a report in March of 
1998, of a failed Hartzell propeller 
blade, installed on a Piper PA–34–200 
airplane. The propeller blade fractured 
and separated at about ten inches from 
the blade tip, causing substantial 
damage to the airplane. Investigation of 
the failed blade has revealed evidence 
suggesting that an improper repair 
procedure by welding, or hot 
straightening of the blade was used. The 
blade only had 200 hours of service 
accumulated since the propeller was 
last overhauled. The last overhaul 
was done by Southern California Propeller 
Service, of Inglewood, CA. Subsequent 
inspections of various propeller models 
returned to service by Southern 
California Propeller Service have 
revealed other safety critical problems. 
The inspections uncovered the 
following unsafe conditions:
- Blades found below minimum 
dimensional limits.
- Blade serial number ground with a 
grinder which left deep gouges and 
scratches in the blade surface.
- Blade not treated with Alodine after 
grinding, and paint applied over the 
bar aluminum.
- Improperly drilled actuating pin 
holes and unapproved use of helicoil 
inserts in the actuating pin holes.
- Corrosion pitting of a blade nut.
- Blade retention clamps rusted and 
pitted in critical areas.
- Bearing races rusted and pitted.
- Hub arms found with corrosion 
pitting in the blade retention radius, and 
gouged, scratched, and rusted in other 
critical areas.

Since late in 1998, the FAA has 
received 43 reports of safety and 
airworthiness problems associated with 
work performed by Southern California 
Propeller Service, such as:
- Nicks, scratches, and cracks.
- Corrosion and pits.
- Failure of blades to meet minimum 
dimensions.
- Alodine or paint applied over 
corrosion.
- Unauthorized use of helicoil 
inserts.
- Incorrect parts installed.
- Parts installed incorrectly.
- Propellers returned to service after 
the FAA revoked Southern California 
Propeller Service’s repair station 

We are requiring certain actions in this 
AD to correct unsafe conditions that 
could result in separation of a propeller 
blade and loss of control of the airplane. 

FAA’s Determination and Requirements of the Proposed AD
We have evaluated all pertinent 
information and identified an unsafe 
condition that is likely to exist or 
develop on other propellers that 
Southern California Propeller Service, of 
Inglewood, CA, returned to service. 
Therefore, we are proposing this AD, to 
prevent blade failure that could result in 
separation of a propeller blade and loss of 
control of the airplane. This proposal 
will require maintenance actions that 
amount to an overhaul of Hartzell 
Propeller, Inc., McCauley Propeller 
Systems, and Sensenich Propeller 
Manufacturing Company, Inc. propellers 
returned to service by Southern 
California Propeller Service.

Costs of Compliance
We estimate that 1,000 propellers 
installed on aircraft of U.S. registry 
would be affected by this proposed AD 
and that it would cost on average about 
$3,000 to overhaul each propeller. 
Based on these figures, the total cost of 
the proposed AD on U.S. operators is 
estimated to be $3,000,000.

Regulatory Findings
We have determined that this 
proposed AD would not have federalism 
implications under Executive Order 
13132. This proposed AD 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.

For the reasons discussed above, I 
certify that the 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. Would not have a significant 
economic impact, positive or negative, 
on a substantial number of small entities 
under the criteria of the Regulatory 
Flexibility Act.

We prepared a summary of the costs 
to comply with this proposal and placed 
it in the AD Docket. You may get a copy 
of this summary by sending a request to 
us at the address listed under 
ADDRESSES. Include “AD Docket No. 
2003–NE–53–AD” in your request.

List of Subjects in 14 CFR Part 39
Air transportation, Aircraft, Aviation 
safety, Safety.

The Proposed Amendment
Accordingly, under the authority 
delegated to me by the Administrator, 
the Federal Aviation Administration 
proposes to amend 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. The FAA amends § 39.13 by adding 
the following new airworthiness 
directive:
Hartzell Propeller, Inc., McCauley Propeller 
Systems, and Sensenich Propeller 
Manufacturing Company, Inc. 
TABLE 1.—APPLICABLE PROPELLER MODELS

Hartzell Propeller, Inc.

( )HC–( )2(3,4)( )Y( )–( )
( )HA–( )–( )
HC–(D,E)(4,5)(A,B,N,P)–( )
McCaulay Propeller Systems

( )J2( ) )3( )C( ) ( ) )–( ) All constant speed two-bladed propeller models.
( )J3( ) )3( )C( ) ( ) )–( ) All constant speed three-bladed propeller models.
( )J1( ) )1( ) )/ )/ ) All metal propeller models.

Sensenich Propeller Manufacturing Company, Inc.

All metal propeller models.

(d) These actions are against propellers returned to service by Southern California Propeller Service. Southern California Propeller Service is not to be confused with propeller repair stations known as California Propeller or as Propeller Service of California. Southern California Propeller Service was issued Air Agency Certificate number of VXSR 617L in 1992, which was revoked in June of 1998.

(e) For Hartzell and McCauley propellers listed in Table 1 of this AD, any letter or number (or lack of a letter or number) could appear where open parentheses are shown in the model number. Model numbers could show any combination of letters or numbers where the model number shows parentheses with a series of numbers or letters.

(f) For propellers listed in Table 1 of this AD, that have been overhauled since being returned to service by Southern California Propeller Service by an authorized repair station other than Southern California Propeller Service, no further action is required.

Unsafe Condition

(g) This AD results from the investigation of a failed propeller blade and subsequent inspections of various propeller models returned to service by Southern California Propeller Service, of Inglewood, CA. We are issuing this AD to prevent blade failure that could result in separation of a propeller blade and loss of control of the airplane.

Compliance

(h) You are responsible for having the actions required by this AD performed within 10 hours time-in-service after the effective date of this AD.

Required Actions

(i) Perform the actions specified in paragraph (j) of this AD on propellers listed in Table 1 of this AD. You can find information on performing the actions in the applicable propeller manufacturer’s service documentation.

(j) Perform the following actions:

1. Disassemble.
2. Clean.
3. Inspect for the following:

- Cracks,
- Corrosion or pits,
- Nicks,
- Scratches,
- Blade minimum dimensions,
- Unapproved localized heating of blade,
- Unapproved use of helicoil inserts in actuating pin holes,
- Improperly drilled actuating pin holes,
- Chemical conversion coating or paint or both applied over corrosion,
- Lack of chemical conversion coating,
- Lack of paint on internal surfaces,
- Bolts incorrectly torqued,
- Incorrect parts,
- Incorrect installation of parts,
- Reinstallation of parts intended for one-time use, and
- Lack of proper shot peening.
4. Repair and replace with serviceable parts, as necessary,
5. Reassemble and test.

Alternative Methods of Compliance

(k) The Manager, Chicago Aircraft Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

Special Flight Permits

(l) Under 14 CFR part 39.23, we are limiting the special flight permits for this AD by not allowing any flights with apparent cracks in propellers.

Material Incorporated by Reference

(m) None.

Related Information

(n) Special Airworthiness Information Bulletin No. NE–01–19, dated March 20, 2001, pertains to the subject of this AD.

Issued in Burlington, Massachusetts, on May 14, 2004.

Francis A. Favara,
Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service,
[FR Doc. 04–11408 Filed 5–19–04; 8:45 am]
BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–148399–02]

RIN 1545–BB62

Uniform Capitalization of Interest Expense in Safe Harbor Sale and Leaseback Transactions

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In the Rules and Regulations section of this issue of the Federal Register, the IRS is issuing final and temporary regulations relating to the capitalization of interest expense in sale and leaseback transactions under the Economic Recovery Tax Act of 1981 (ERTA) safe harbor leasing provisions. The regulations affect taxpayers that provide purchase money obligations in connection with these transactions. The text of these regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments must be received by August 18, 2004.

ADDRESSES: Send submissions to: CC:PA:LPD:RU (REG–148399–02), room 5203, 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 4 p.m. to: CC:PA:LPD:RU (REG–148399–02), Courier’s Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically via the IRS Internet site at http://www.irs.gov/regs or the Federal Register.