

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

economic 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 a new airworthiness directive to read as follows:

MD Helicopters, Inc.: Docket No. 2003-SW-37-AD.

Applicability: Model 369A, 369D, 369E, 369F, 369FF, 369H, 369HE, 369HS, 369HM, 500N, and OH-6A helicopters, with any of the following components installed, certificated in any category:

Component name	Component part number (P/N)
Mid Aft Fairing Assembly	369H6200-61, -62, standard gear.
Aft Support Assembly	369H6200-23, -24 (-23 to be reinstalled on the right-hand side and -24 to be reinstalled on the left-hand side, all configurations).
Aft Fairing Assembly	369H92113-91, -92, extended gear.
Aft Filler Assembly	369H92113-131, -132, extended gear.
Aft Fillet Assembly	369A6200-45, -46, standard gear.
Aft Fillet Assembly	369H92113-111, -112, extended gear.
Mid Fwd Fairing Assembly	369H6200-41, -42, standard gear.
Fwd Fairing Assembly	369H92113-81, -82, extended gear.
Fwd Support Assembly	369H6200-23, -24 (-23 becomes right-hand side and -24 becomes left-hand side).
Fwd Filler Assembly	369H92113-121, -122, extended gear.
Fwd Fillet Assembly	369A6200-57, -58, standard gear.
Fwd Fillet Assembly	369H92113-101, -102, extended gear.

Compliance: Within the next 4 months, unless accomplished previously.

To prevent cracking of the fwd and aft struts, failure of a strut, and subsequent loss of control of the helicopter during landing, accomplish the following:

(a) Remove all landing gear fairings (fairings) and inspect each landing gear fairing support assembly (support assembly) to determine the number and location of the rivets attaching the support assembly to the landing gear strut assembly (strut assembly).

(1) If three rivets (forward, aft and inboard) are used to attach the support assembly to the strut assembly,

(i) for each FORWARD landing gear assembly, remove the landing gear fillet assembly (fillet assembly), the three rivets, and the support assembly, and clean and dye-penetrant inspect the 0.125 (3.18mm) diameter hole in the inboard surface of the strut assembly.

(A) If the strut assembly is cracked, replace the cracked strut assembly with an airworthy strut assembly and install the other landing gear components in accordance with steps (8) through (11) of paragraph C of the Accomplishment Instructions of MD Helicopters Service Bulletin SB369H-244, SB369E-094, SB500N-022, SB369D-200, and SB369F-078, dated April 7, 2000 (SB).

(B) If the strut assembly is not cracked, rework the landing gear assembly and install the other landing gear components in accordance with steps (5) and (8) through (11) of paragraph C of the Accomplishment Instructions of the SB.

(ii) for each AFT landing gear assembly, remove the fillet assembly, the three rivets, and the support assembly, and clean and dye-penetrant inspect the 0.125 (3.18mm) diameter hole in the inboard surface of the strut assembly.

(A) If the strut assembly is cracked, replace the cracked strut assembly with an airworthy strut assembly and install the other landing gear components in accordance with steps (8) through (13) of paragraph B of the Accomplishment Instructions of the SB.

(B) If the strut assembly is not cracked, rework the landing gear assembly and install the other landing gear components in accordance with steps (5) and (8) through (13) of Paragraph B of the Accomplishment Instructions of the SB.

(2) If only two rivets (forward and aft) are used to attach the support assembly to the strut assembly, neither the inspection of the strut assembly nor the rework of those landing gear assemblies is required by this AD.

Note: Creating an access hole to facilitate inspections is described in steps (6) and (7) of Paragraphs B and C of the SB, but is not required by this AD.

(b) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Contact the Los Angeles Aircraft Certification Office, Transport Airplane Directorate, FAA, for information about previously approved alternative methods of compliance.

Issued in Fort Worth, Texas, on July 28, 2004.

David A. Downey,
Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 04-17794 Filed 8-3-04; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2004-SW-07-AD]

RIN 2120-AA64

Airworthiness Directives; Bell Helicopter Textron Canada Model 407 Helicopters

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes adopting a new airworthiness directive (AD) for Bell Helicopter Textron Canada (Bell) Model 407 helicopters. This proposal would require creating a component history card or equivalent record for each crosstube assembly,

converting accumulated run-on landings to an accumulated Retirement Index Number (RIN) count, and establishing a maximum accumulated RIN for certain crosstube assemblies. This proposal is prompted by fatigue testing, analysis, and evaluation by the manufacturer that determined that run-on landings impose a high stress on landing gear or crosstubes and may cause cracking in the area above the skid tube saddle. The actions specified by this proposed AD are intended to prevent fatigue failure in a crosstube assembly due to excessive stress during run-on landings and subsequent loss of control of the helicopter.

DATES: Comments must be received on or before October 4, 2004.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 2004-SW-07-AD, 2601 Meacham Blvd., Room 663, Fort Worth, Texas 76137. You may also send comments electronically to the Rules Docket at the following address: 9-asw-adcomments@faa.gov. Comments may be inspected at the Office of the Regional Counsel between 9 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Sharon Miles, Aviation Safety Engineer, FAA, Rotorcraft Directorate, Regulations and Policy Group, Fort Worth, Texas 76193-0111, telephone (817) 222-5122, fax (817) 222-5961.

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 will be considered before taking action on the proposed rule. The proposals contained in this document 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 mailed comments submitted in response to this proposal must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 2004-SW-07-AD." The postcard will be date stamped and returned to the commenter.

Discussion

Transport Canada, the airworthiness authority for Canada, notified the FAA that an unsafe condition may exist on Bell Model 407 helicopters. Transport Canada advises that run-on landings impose high stress on landing gear crosstubes, and to prevent possible crosstube failure, the manufacturer has introduced the life limitation of 5,000 RIN. Further evaluation has confirmed the possibility that an extensive training environment with run-on landings may impose high stress on crosstubes. The same condition may result from repetitive landings with forward travel with rotorcraft weight on the skids.

Bell has issued Alert Service Bulletin No. 407-03-59, dated October 15, 2003, which specifies assigning a RIN count to forward and aft crosstube assemblies on Model 407 helicopters. Transport Canada classified this alert service bulletin as mandatory and issued AD No. CF-2004-03, dated February 11, 2004, to ensure the continued airworthiness of these helicopters in Canada.

This helicopter model is manufactured in Canada and is type certificated for operation in the United States under the provisions of 14 CFR 21.29 and the applicable bilateral agreement. Pursuant to the applicable bilateral agreement, Transport Canada has kept the FAA informed of the situation described above. The FAA has examined the findings of Transport Canada 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.

This previously described unsafe condition is likely to exist or develop on other helicopters of the same type design registered in the United States. Therefore, the proposed AD would require, before further flight, creating a component history card or equivalent record for each crosstube assembly, converting accumulated run-on landings to an accumulated RIN count, and establishing a retirement life of 5,000 accumulated RIN for the affected crosstube assemblies.

The FAA estimates that 319 helicopters of U.S. registry would be

affected by this proposed AD, that it would take approximately 4 work hours per helicopter to replace the forward and aft crosstube assemblies, and that the average labor rate is \$65 per work hour. Required parts would cost approximately \$6,670 per helicopter for both forward and aft low gear crosstube assemblies or \$8,450 per helicopter for both forward and aft high gear crosstube assemblies. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$2,210,670 to replace the low gear crosstube assemblies on the entire fleet or \$2,778,490 to replace the high-gear crosstube assemblies on the entire fleet and assuming the costs associated with creating and updating the historical component card are negligible.

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 economic 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 a new airworthiness directive to read as follows:

Bell Helicopter Textron Canada (Bell):

Docket No. 2004-SW-07-AD.

Applicability: Model 407 helicopters, with landing gear crosstube assemblies, part number (P/N) 407-050-101-101 and -103; P/N 407-050-102-101 and -103; P/N 407-050-201-101 and -103; P/N 407-050-202-101 and -103; P/N 407-704-007-119; P/N 407-722-101; P/N 407-723-104; P/N 407-724-101; or P/N 407-725-104, installed, certificated in any category.

Note 1: This AD applicability includes both Bell crosstube assemblies and Bell's approved production and spare alternate crosstube assemblies from Aeronautical Accessories Incorporated (AAI).

Compliance: Required as indicated, unless accomplished previously.

To prevent fatigue failure of the crosstube assembly and subsequent loss of control of the helicopter, accomplish the following:

(a) Before further flight, create a component history card or equivalent record for each crosstube assembly.

(b) Before further flight, determine and record the accumulated Retirement Index Number (RIN) for each crosstube assembly as follows:

(1) For each crosstube assembly, record one (1) RIN for every run-on landing.

(2) For any crosstube assembly with an unknown number of run-on landings, assume and record ten (10) RINs for each 100 hours TIS since the crosstube assembly was installed (for example, 5,000 hours of time-in-service equals 500 RIN).

(c) Replace any crosstube assembly on or before reaching 5,000 RIN.

Note 2: Bell Helicopter Textron Alert Service Bulletin No. 407-03-59, dated October 15, 2003, pertains to the subject of this AD.

(d) This AD revises the Airworthiness Limitations section of the maintenance manual by establishing a retirement life of 5,000 RIN for the affected crosstube assemblies.

(e) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Contact the Regulations and Policy Group, Rotorcraft Directorate, FAA, for information about previously approved alternative methods of compliance.

Note 3: The subject of this AD is addressed in Transport Canada (Canada) AD No. CF-2004-03, dated February 11, 2004.

Issued in Fort Worth, Texas, on July 28, 2004.

David A. Downey,

Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 04-17795 Filed 8-3-04; 8:45 am]

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DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-152549-03]

RIN 1545-BC69

Section 179 Elections

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations under section 179 of the Internal Revenue Code relating to the election to expense the cost of property subject to section 179. The temporary regulations reflect changes to the law made by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The text of those temporary regulations also serves as the text of these proposed regulations. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by November 2, 2004. Requests to speak with outlines of topics to be discussed at the public hearing scheduled for Tuesday, November 30, 2004, at 10 a.m., must be received by November 9, 2004.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG-152549-03), room 5203, Internal Revenue Service, PO Box 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:PR (REG-152549-03), 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 via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS-REG-152549-03). 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, Winston Douglas, (202) 622-3110; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Robin Jones, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Comments on the collection of information should be received by October 4, 2004. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of service to provide information.

The collections of information in this proposed regulation are in §§ 1.179-2T and 1.179-5T. This information is required by § 1.179-2T to insure that married individuals filing separate returns properly allocate the cost of section 179 property elected to be expensed in a taxable year and that the dollar limitation is properly allocated among the component members of a controlled group. Also, this information is required by § 1.179-5T to insure the specific identification of each piece of acquired section 179 property and reflect how and from whom such property was placed in service. This information will be used for audit and examination purposes. The collection of information is required to obtain a benefit. The likely respondents and/or recordkeepers are individuals, farms, and small businesses.

Estimated total annual reporting and/or recordkeeping burden: 3,015,000 hours.