

the compliance times specified, unless the actions have already been done.

#### Repetitive Inspections

(f) At the applicable time specified in paragraph (f)(1) or (f)(2) of this AD: Do a detailed inspection to find cracking on the outboard flanges around the fastener holes of frames 38 through 41, between stringers 12 and 21, using Airbus Service Bulletin A320-53-1032, Revision 02, dated December 5, 2001. Accomplishment of the inspection required by this paragraph ends the requirements of AD 99-01-19.

(1) For airplanes on which the inspection specified in Airbus Service Bulletin A320-53-1032, Revision 01, dated January 15, 1998, or Revision 02, dated December 5, 2001; has been done as of the effective date of this AD: Do the next inspection within 4,900 flight cycles after accomplishment of the last inspection, or within 1,100 flight cycles after the effective date of this AD, whichever is later.

(2) For airplanes on which no inspection specified in Airbus Service Bulletin A320-53-1032, Revision 01, dated January 15, 1998, or Revision 02, dated December 5, 2001; has been done as of the effective date of this AD: Do the inspection at the earlier of the times specified in paragraphs (f)(1)(i) and (f)(1)(ii) of this AD.

(i) Before the accumulation of 30,000 total flight cycles.

(ii) Before the accumulation of 24,800 total flight cycles, or within 3,500 flight cycles after the effective date of this AD, whichever is later.

(g) If no crack is found during the inspection required by paragraph (f)(1) or (f)(2) of this AD: Repeat the inspection thereafter at intervals not to exceed 4,900 flight cycles.

**Note 1:** 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."

#### Corrective Action

(h) If any crack is found during any inspection required by paragraph (f) of this AD, before further flight, repair using Airbus Service Bulletin A320-53-1032, Revision 01, dated January 15, 1998, or Revision 02, dated December 5, 2001. Accomplishment of a repair using the service bulletin ends the repetitive inspection requirements for the area repaired. If any crack is found during any inspection required by this AD, and the service bulletin specifies to contact Airbus for appropriate action:

Before further flight, repair using a method approved by the Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate.

#### Optional Terminating Action

(i) Accomplishment of Airbus Modification 21346 using Airbus Service Bulletin A320-

53-1031, dated December 9, 1994, or Revision 02, dated December 5, 2001, constitutes terminating action for the repetitive inspection requirements of this AD.

(j) Accomplishment of the optional terminating action specified in AD 99-01-19 before the effective date of this AD, using Airbus Service Bulletin A320-53-1031, dated December 9, 1994, or Revision 02, dated December 5, 2001, is considered acceptable for compliance with paragraph (i) of this AD.

#### Alternative Methods of Compliance (AMOCs)

(k) The Manager, International Branch, ANM-116, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

#### Related Information

(l) French airworthiness directive 2002-259(B), dated May 15, 2002, also addresses the subject of this AD.

Issued in Renton, Washington, on July 29, 2004.

#### Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 04-17857 Filed 8-4-04; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2004-18771; Directorate Identifier 2002-NM-313-AD]

RIN 2120-AA64

#### Airworthiness Directives; Airbus Model A320 Series Airplanes

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The FAA proposes to supersede an existing airworthiness directive (AD) for certain Airbus Model A320 series airplanes. That AD currently requires repetitive inspections to detect fatigue cracking in certain areas of the fuselage; and corrective action, if necessary. That AD also provides for an optional terminating action for the repetitive inspections. This proposed AD would reduce the compliance threshold and repetitive intervals for the inspections required by the existing AD and would add an allowable time for the optional terminating action. This proposed AD is prompted by a full-scale fatigue survey on the Model A320 fleet. We are proposing this AD to detect and correct fatigue cracking of the fuselage, which

could result in reduced structural integrity of the airplane.

**DATES:** We must receive comments on this proposed AD by September 7, 2004.

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

- DOT Docket Web site: Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.

- Government-wide rulemaking web site: Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

- Mail: Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street SW., Nassif Building, room PL-401, Washington, DC 20590.

- Fax: (202) 493-2251.

- Hand Delivery: room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

You can get the service information identified in this proposed AD from Airbus, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France.

You may examine the contents of this AD docket on the Internet at <http://dms.dot.gov>, or at the Docket Management Facility, U.S. Department of Transportation, 400 Seventh Street SW., room PL-401, on the plaza level of the Nassif Building, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Dan Rodina, Aerospace Engineer, International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington 98055-4056; telephone (425) 227-2125; fax (425) 227-1149.

#### SUPPLEMENTARY INFORMATION:

#### Docket Management System (DMS)

The FAA has implemented new procedures for maintaining AD dockets electronically. As of May 17, 2004, new AD actions are posted on DMS and assigned a docket number. We track each action and assign a corresponding directorate identifier. The DMS AD docket number is in the form "Docket No. FAA-2004-99999." The Transport Airplane Directorate identifier is in the form "Directorate Identifier 2004-NM-999-AD." Each DMS AD docket also lists the directorate identifier ("Old Docket Number") as a cross-reference for searching purposes.

#### Comments Invited

We invite you to submit any written relevant data, views, or arguments regarding this proposed AD. Send your comments to an address listed under **ADDRESSES**. Include "Docket No. FAA-

2004-18771; Directorate Identifier 2002-NM-313-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We will post all comments we receive, without change, to <http://dms.dot.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed AD. Using the search function of our docket web site, anyone can find and read the comments in any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You may review the DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78), or you may visit <http://dms.dot.gov>.

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 <http://www.faa.gov/language> and <http://www.plainlanguage.gov>.

#### Examining the Docket

You may examine the AD docket in person at the Docket Management Facility office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Management Facility office (telephone (800) 647-5227) is located on the plaza level of the Nassif Building at the DOT street address stated in the **ADDRESSES** section. Comments will be available in the AD docket shortly after the DMS receives them.

#### Discussion

On December 30, 1998, we issued AD 99-01-17, amendment 39-10985 (64 FR 1118, January 11, 1999), for certain Airbus Model A320 series airplanes. That AD requires repetitive inspections to detect fatigue cracking in certain areas of the fuselage; and corrective action, if necessary. That AD also provides for an optional terminating action for the repetitive inspections. That AD was prompted by issuance of mandatory continuing airworthiness information by a foreign civil airworthiness authority. We issued that

AD to detect and correct fatigue cracking of the fuselage, which could result in reduced structural integrity of the airplane.

#### Actions Since Existing AD Was Issued

Since we issued AD 99-01-17, the Direction Generale de l'Aviation Civile (DGAC), which is the airworthiness authority for France, advises that a full-scale fatigue survey on the Model A320 fleet revealed that the weight of fuel at landing and the average flight duration are higher than those defined for the analysis of fatigue-related tasks. This has led to an adjustment of the fatigue mission for the A320 fleet, in that the DGAC has required shorter compliance thresholds and repetitive intervals for accomplishment of the inspections for fatigue cracking than those required by AD 99-01-17. Fatigue-related cracking in certain areas of the fuselage could result in reduced structural integrity of the airplane.

#### Relevant Service Information

Airbus has issued Service Bulletin A320-53-1034, Revision 02, dated December 4, 2001. The procedures specified in Revision 02 are essentially the same as those in the original issue of the service bulletin, which was referenced in the existing AD for accomplishment of the inspections and corrective action. However, Revision 02 has a change that recommends a reduction in the compliance threshold from 30,000 total flight cycles to 24,200 total flight cycles, and in the repetitive intervals from 6,000 flight cycles to 5,200 flight cycles. Airbus also has issued Service Bulletin A320-53-1033, Revision 04, dated December 4, 2001. The procedures in Revision 04 are essentially the same as those in Revision 03 of the service bulletin, which was referenced in the existing AD for accomplishment of the optional terminating action. However, Revision 04 adds an allowable time for the optional terminating action specified in the Revision 03, and contains editorial changes.

We have determined that accomplishment of the actions specified in the revised service information will adequately address the unsafe condition. The DGAC mandated the service information and issued French airworthiness directive 2002-260(B), dated May 15, 2002, to ensure the continued airworthiness of these airplanes in France.

#### FAA's Determination and Requirements of the Proposed AD

This airplane model is manufactured in France 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 DGAC has kept us informed of the situation described above. We have examined the DGAC's findings, evaluated all pertinent information, and determined that AD action is necessary for airplanes of this type design that are certificated for operation in the United States.

Therefore, we are proposing this AD, to supersede AD 99-01-17 to continue to require repetitive inspections to detect fatigue cracking in certain areas of the fuselage, and corrective action if necessary. This proposed AD would also continue to provide for an optional terminating action for the repetitive inspections. This proposed AD would reduce the compliance threshold and repetitive intervals for the inspections required by the existing AD, and would add an allowable time for the optional terminating action. The proposed AD would require using the revised service information described previously to do these actions.

#### Change to Existing AD

The number of affected airplanes has changed since we issued the existing AD; therefore, we have changed the Cost Impact section in this proposed AD to reflect the correct number of airplanes.

#### Revised Labor Rate

We have reviewed the figures we have used over the past several years to calculate AD costs to operators. To account for various inflationary costs in the airline industry, we find it necessary to increase the labor rate used in these calculations from \$60 per work hour to \$65 per work hour. The cost information, below, reflects this increase in the hourly labor rate.

#### Costs of Compliance

This proposed AD would affect about 269 airplanes of U.S. registry.

The ultrasonic inspection that is required by AD 99-01-17 and retained in this proposed AD takes about 6 work hours per airplane, at an average labor rate of \$65 per work hour. Based on these figures, the estimated cost of the currently required ultrasonic inspection is \$390 per airplane, per inspection cycle.

The optional terminating action specified in Airbus Service Bulletin A320-53-1033, if done, would take about 5 work hours to do, at an average labor rate of \$65 per work hour. The cost of required parts would be about

\$75 per airplane. Based on these figures, the cost impact of the optional terminating action would be \$400 per airplane.

### 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. 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.

We prepared a regulatory evaluation of the estimated costs to comply with this proposed AD. See the **ADDRESSES** section for a location to examine the regulatory evaluation.

### 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 FAA 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 39-10985 (64 FR 1118, January 11, 1999), and adding the following new airworthiness directive (AD):

**Airbus:** Docket No. FAA-2004-18771; Directorate Identifier 2002-NM-313-AD.

#### Comments Due Date

(a) The Federal Aviation Administration must receive comments on this AD action by September 7, 2004.

#### Affected ADs

(b) This AD supersedes AD 99-01-17, amendment 39-10985.

### Applicability

(c) This AD applies to Airbus Model A320-111, -211, -212, and -231 series airplanes on which Airbus Modification 21202 has not been done, certificated in any category.

### Unsafe Condition

(d) This AD was prompted by a full-scale fatigue survey on the Model A320 fleet. We are issuing this AD to detect and correct fatigue cracking of the fuselage, which could result in reduced structural integrity of the airplane.

### 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.

### Repetitive Inspections

(f) At the applicable time specified in paragraph (f)(1) or (f)(2) of this AD: Do an ultrasonic inspection to detect cracking in the bottom panels of the keel beam (both left and right), in the area of the frame 46 and stringer 37 intersection at the pressure bulkhead, using Airbus Service Bulletin A320-53-1034, Revision 02, dated December 4, 2001. Thereafter, repeat the ultrasonic inspection at intervals not to exceed 5,200 flight cycles or 10,400 flight hours, whichever is first. Accomplishment of the inspection required by this paragraph ends the requirements of AD 99-01-17.

(1) For airplanes on which the inspection specified in Airbus Service Bulletin A320-53-1034, dated March 30, 1992; or Revision 02, dated December 4, 2001; has been done as of the effective date of this AD: Do the next inspection within 5,200 flight cycles after accomplishment of the last inspection, or within 800 flight cycles after the effective date of this AD, whichever is later.

(2) For airplanes on which no inspection specified in Airbus Service Bulletin A320-53-1034, dated March 30, 1992; or Revision 02, dated December 4, 2001; has been done as of the effective date of this AD: Do the inspection at the later of the times specified in paragraphs (f)(1)(i) and (f)(1)(ii) of this AD.

(i) Before the accumulation of 24,200 total flight cycles or 48,400 total flight hours, whichever is first.

(ii) Before the accumulation of 30,000 total flight cycles, or within 3,500 flight cycles after the effective date of this AD, whichever is first.

### Corrective Action

(g) If any crack is found during any inspection required by paragraph (f) of this AD, before further flight, repair using Airbus Service Bulletin A320-53-1034, dated March 30, 1992; or Revision 02, dated December 4, 2001. Accomplishment of a repair using the service bulletin ends the repetitive inspection requirements for the area repaired. If any crack is found during any inspection required by this AD, and the service bulletin specifies to contact Airbus for appropriate action: Before further flight, repair using a method approved by the Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate.

### Optional Terminating Action

(h) Accomplishment of Airbus Modification 21202 using Airbus Service Bulletin A320-53-1033, Revision 03, dated July 4, 1994; or Revision 04, dated December 4, 2001, constitutes terminating action for the repetitive inspection requirements of this AD.

(i) Accomplishment of the optional terminating action specified in AD 99-01-17 before the effective date of this AD, using Airbus Service Bulletin A320-53-1033, Revision 03, dated July 4, 1994; or Revision 04, dated December 4, 2001, is considered acceptable for compliance with paragraph (h) of this AD.

### Alternative Methods of Compliance (AMOCs)

(j) The Manager, International Branch, ANM-116, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

### Related Information

(k) French airworthiness directive 2002-260(B), dated May 15, 2002, also addresses the subject of this AD.

Issued in Renton, Washington, on July 29, 2004.

**Ali Bahrami,**

*Manager, Transport Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 04-17858 Filed 8-4-04; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-171386-03]

RIN 1545-BD16

#### Time and Manner of Making Section 163(d)(B) Election to Treat Qualified Dividend Income as Investment Income

**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 temporary regulations relating to an election that may be made by noncorporate taxpayers to treat qualified dividend income as investment income for purposes of calculating the deduction for investment interest. The text of those temporary regulations also serves as the text of these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be received by November 3, 2004.