

page at <http://www.faa.gov>, or the **Federal Register**'s Web page at <http://www.gpoaccess.gov/fr/index.html>.

You may review the public docket containing the proposal, any comments received, and any final disposition in person in the Dockets Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. An informal docket may also be examined during normal business hours at the office of the Regional Air Traffic Division, Federal Aviation Administration, 222 West 7th Avenue, #14, Anchorage, AK 99533.

Persons interested in being placed on a mailing list for future NPRM's should contact the FAA's Office of Rulemaking, (202) 267-9677, to request a copy of Advisory Circular No. 11-2A, Notice of Proposed Rulemaking Distribution System, which describes the application procedure.

## History

Presently there is an uncharted non-regulatory part 95 route that uses the same routing as the proposed colored Federal airway. The uncharted non-regulatory route is used daily by commercial and general aviation aircraft. However, the air traffic control (ATC) management of aircraft operations is limited on this route. The FAA is proposing to convert this uncharted non-regulatory route to a colored Federal airway. This action would add to the IFR airway and route structure in Alaska. The route conversion would provide an airway structure to support existing commercial services in Alaska.

## The Proposal

The FAA is proposing an amendment to Title 14 Code of Federal Regulations (CFR) part 71 (part 71) to extend G-16 from the Put River, NDB, to the Barter Island, NDB in Alaska. This action would add to the IFR airway and route structure in Alaska. The FAA is taking this action to enhance the safety and management of aircraft operations in Alaska.

Adoption of this Federal airway would: (1) Provide pilots with minimum en route altitudes and minimum obstruction clearance altitudes information; (2) establish controlled airspace thus eliminating some of the commercial IFR operations in uncontrolled airspace; and (3) improve the management of air traffic operations and thereby enhance safety.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to

keep them operationally current. Therefore, this proposed regulation: (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

## List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

## The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

### PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p.389.

#### § 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the FAA Order 7400.9L, Airspace Designations and Reporting Points, dated September 2, 2003, and effective September 16, 2003, is amended as follows:

#### Paragraph 6009(a)—Green Federal Airways

\* \* \* \* \*

#### G-16 [Revised]

From Point Lay, AK, NDB; Wainwright Village, AK, NDB; Browerville, AK, NDB; Nuiqsut Village, AK, NDB; Put River, AK, NDB; to Barter Island, AK, NDB.

\* \* \* \* \*

Issued in Washington, DC, on August 27, 2004.

**Reginald C. Matthews,**

*Manager, Airspace and Rules Division.*

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Docket No. FAA-2003-15529; Airspace Docket No. 03-ANM-03]

**RIN 2120-AA66**

### Proposed Establishment of VOR Federal Airway 584; MT

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

**ACTION:** Proposed rule; withdrawal.

**SUMMARY:** This action withdraws a notice proposing to establish Federal Airway 584 (V-584) between the Helena, MT, Very High Frequency Omnidirectional Radio Range and Tactical Air Navigation Aid (VORTAC), and the Missoula, MT, VORTAC (68 FR 51737, August 28, 2003). With the decommissioning of the Drummond Very High Frequency Omnidirectional Range (VOR) in January 2004 there is no longer a requirement for the proposed V-584. Several airways in the state of Montana will be revised in a subsequent NPRM.

**FOR FURTHER INFORMATION CONTACT:** Ken McElroy, Airspace and Rules, Office of System Operations and Safety, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267-8783.

**SUPPLEMENTARY INFORMATION:** On August 28, 2003, a notice was published in the **Federal Register** proposing to amend 14 Code of Federal Regulations (14 CFR) part 71 (part 71) to establish V-584 between the Helena, MT, VORTAC, and the Missoula, MT, VORTAC. With the decommissioning of the Drummond VOR in January 2004 there is no longer a requirement for the proposed V-584. Several airways in the state of Montana will be revised in a subsequent NPRM.

## List of Subjects in 14 CFR part 71

Airspace, Incorporation by reference, Navigation (air).

## The Withdrawal

In consideration of the foregoing, the Notice of Proposed Rulemaking, FAA Docket No. FAA-2003-15529/Airspace Docket No. 03-ANM-03, as published in the **Federal Register** on August 28, 2003 (68 FR 51737), is hereby withdrawn.

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854; 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

Issued in Washington, DC, on August 27, 2004.  
**Reginald C. Matthews,**  
*Manager, Airspace and Rules.*  
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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 26

[REG-145988-03]

RIN 1545-BC60

#### Predeceased Parent Rule

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains proposed regulations relating to the predeceased parent rule, which provides an exception to the general rules of section 2651 of the Internal Revenue Code (Code) for determining the generation assignment of a transferee of property for generation-skipping transfer (GST) tax purposes. These proposed regulations also provide rules regarding a transferee assigned to more than one generation. The proposed regulations reflect changes to the law made by the Taxpayer Relief Act of 1997 and generally apply to individuals, trusts, and estates. This document also provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by December 2, 2004. Requests to speak and outlines of topics to be discussed at the public hearing scheduled for December 14, 2004, at 10 a.m., must be received by November 23, 2004.

**ADDRESSES:** Send submissions to CC:PA:LPD:PR (REG-145988-03), room 5203, Internal Revenue Service, P.O.B. 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-145988-03), 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 and REG-145988-03). The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Lian A. Mito at (202) 622-7830; concerning submissions of comments, the hearing and/or to be placed on the building access list to attend the hearing, Guy R. Traynor, (202) 622-7180 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

This document contains proposed regulations under sections 2651(e) and (f)(1) of the Internal Revenue Code (Code). Section 2651(e) was added to the Code by section 511(a) of the Taxpayer Relief Act of 1997 (Public Law 105-34; 111 Stat. 778; 1997-4 C.B. 1, vol. 1) (the 1997 Act) and expands the predeceased parent exception from GST tax previously contained in former section 2612(c)(2).

Under chapter 13 of the Code, a GST tax is imposed on all transfers, whether made directly or indirectly, to skip persons. Generally, a skip person is a person who is two or more generations below the generation of the transferor, or a trust if all of the interests are held by skip persons. The transferor is the individual who transferred property in a transaction subject to the gift or estate tax. Transfers that are subject to the GST tax are direct skips, taxable terminations, and taxable distributions. A direct skip is a transfer subject to gift or estate tax of an interest in property to a skip person. A taxable termination is the termination by death, lapse of time, release of power, or otherwise, of an interest in property held in a trust unless, immediately after the termination, a non-skip person has an interest in the property or at no time after the termination may a distribution be made from the trust to a skip person. A taxable distribution is any distribution (other than a direct skip or taxable termination) from a trust to a skip person.

For transfers before 1998, former section 2612(c)(2) provided an exception to the general rule that a transfer, either outright or in trust, to a grandchild of the transferor was a direct skip. Under former section 2612(c)(2), if a parent of the transferor's grandchild was a lineal descendant of the transferor and that parent was deceased at the time of the transfer, the grandchild was treated as the child of the transferor for purposes of determining whether a transfer was a direct skip. This rule also applied to a transfer made to a grandchild of the transferor's spouse or former spouse if a parent of the grandchild was a lineal descendant of the transferor's spouse or former spouse

and that parent was deceased at the time of the transfer.

Former section 2612(c)(2) further provided that, if a transferor's grandchild was treated as the transferor's child, the lineal descendants of that grandchild also moved up one generation level. Furthermore, if any transfer of property to a trust would be a direct skip but for the application of the exception, any generation assignment determined under this exception also applied for purposes of applying chapter 13 of the Code to transfers from the portion of the trust attributable to the property. Therefore, a subsequent distribution of property from a trust to a grandchild treated as a child of the transferor was not treated as a taxable distribution.

Section 511(a) of the 1997 Act repealed former section 2612(c)(2) and replaced it with new subsection (e) of section 2651, which contains the rules for assigning individuals to generations for purposes of the GST tax. Section 2651(e) broadens the predeceased parent rule by expanding its application to: (1) Transfers that would be taxable distributions or taxable terminations; and (2) transfers to collateral heirs (lineal descendants of the transferor's parents, or the parents of the transferor's spouse or former spouse), provided that the transferor (or the transferor's spouse or former spouse) has no living lineal descendants at the time of the transfer. Section 2651(e) applies to terminations, distributions, and transfers occurring after December 31, 1997.

Section 2651(e) applies if an individual is a descendant of a parent of the transferor (or the transferor's spouse or former spouse) and if the individual's parent, who also is a lineal descendant of the parent of the transferor (or the transferor's spouse or former spouse), died prior to the time the transferor is subject to estate or gift tax on the transfer from which an interest of that individual is established or derived. If these criteria are satisfied, then the individual is treated under section 2651(e) as if the individual is a member of the generation that is one generation below the lower of either the transferor's generation or the generation of the individual's youngest living lineal ancestor who is also a descendant of the parent of the transferor (or the transferor's spouse or former spouse). Section 2651(e) does not apply, however, to a transfer to an individual who is not a lineal descendant of the transferor (or the transferor's spouse or former spouse) if, at the time of the transfer, the transferor (or the transferor's spouse or former spouse, if