

services to collect and forward employee contributions to a trade association's SSF on the one hand, and providing incidental services to collect and forward employee contributions to a labor organization's SSF on the other hand, is in the area of reimbursement. The proposed rule would not require a trade association or its SSF to reimburse the corporation for any actual expenses that the corporation incurs in providing the incidental services. As the Commission has stated previously, "incidental services by corporate members would not require reimbursement by the trade association since, in any event, reimbursement if required would come from membership dues paid to the trade association by its corporate members." Advisory Opinion 1979-8 at 2, *citing to Federal Election Regulations, Explanation and Justification, House Document No. 95-44, page 114. See also Advisory Opinion 1978-13.*

A labor organization or its SSF that receives incidental services from a corporate employer of members of the labor organization, by contrast, would be required to reimburse the corporation for the cost of providing those services. The Commission has previously found that a prohibited corporate contribution would result from a failure by a labor organization to reimburse a corporation for actual expenses incurred by the corporation in providing a payroll deduction or check-off system for contributions to the labor organization's SSF. *See Advisory Opinions 1981-39 and 1979-21.* The Commission invites public comments on this issue.

2. Proposed Changes to 11 CFR 114.2(f)

The Commission proposes making a conforming change to the regulation that currently prohibits a corporation from facilitating the making of contributions to political committees, other than to the corporation's own SSF. *See* 11 CFR 114.2(f)(1). The term "facilitation" means using corporate resources or facilities to engage in fundraising activities in connection with any federal election. *Id.* Facilitation does not include, however, enrollment by a corporation or labor organization of members of the corporation's or labor organization's restricted class in a payroll deduction plan or check-off system to make contributions to the corporation's or labor organization's SSF. *See* 11 CFR 114.2(f)(4)(i).

The Commission proposes adding a new paragraph (5) to 11 CFR 114.2(f), to specify that facilitation also would not include the provision of incidental services by a corporation to collect and forward voluntary contributions from its

restricted class employees to the SSF of a trade association of which the corporation is a member, pursuant to 11 CFR 114.8(e)(4), as revised. The new paragraph would state that a corporation could collect the contributions through a payroll deduction or check-off system. The Commission invites public comments on this proposal.

Certification of No Effect Pursuant to 5 U.S.C. 605(b) (Regulatory Flexibility Act)

The attached proposed rules, if promulgated, would not have a significant economic impact on a substantial number of small entities. The basis for this certification is that the proposed rules permit, but do not require, a corporation to provide incidental services to collect and forward contributions from its restricted class employees to the separate segregated fund of a trade association of which the corporation is a member, including the use of a payroll deduction or check-off system. Under current law, a corporation is permitted to collect and transmit contributions manually to the SSF of a trade association to which the corporation belongs. If promulgated, the proposed rule should enable those corporations that wish to transmit employee contributions to trade association SSFs to do so more efficiently and using fewer resources.

List of Subjects in 11 CFR Part 114

Business and industry, elections, labor.

For the reasons set out in the preamble, the Federal Election Commission proposes to amend subchapter A of chapter 1 of title 11 of the *Code of Federal Regulations* as follows:

PART 114—CORPORATE AND LABOR ORGANIZATION ACTIVITY

1. The authority citation for part 114 continues to read as follows:

Authority: 2 U.S.C. 431(8)(B), 431(9)(B), 432, 434, 437d(a)(8), 441b.

2. Amend § 114.2 by adding new paragraph (f)(5), to read as follows:

§ 114.2 Prohibitions on contributions and expenditures.

* * * * *

(f) * * *

(5) Facilitating the making of contributions also does not include the provision of incidental services by a corporation to collect and forward contributions from its employee stockholders and executive and administrative personnel to the separate segregated fund of a trade association of

which the corporation is a member, including collection through a payroll deduction or check-off system, pursuant to 11 CFR 114.8(e)(4).

3. Amend § 114.8 by revising paragraph (e)(3), by redesignating paragraph (e)(4) as new paragraph (e)(5), and by adding a new paragraph (e)(4) to read as follows:

§ 114.8 Trade associations.

* * * * *

(e) * * *

(3) There is no limitation on the method of soliciting voluntary contributions or the method of facilitating the making of voluntary contributions which a trade association may use.

(4) A corporation may provide incidental services to collect and forward contributions from its employee stockholders and executive and administrative personnel to the separate segregated fund of a trade association of which the corporation is a member, including a payroll deduction or check-off system, upon written request of the trade association. Any corporation that provides such services shall make those services available to a labor organization representing any members working for the corporation, upon written request of the labor organization and at a cost sufficient only to reimburse the corporation for the expenses incurred thereby.

* * * * *

Dated: December 17, 2004.

Bradley A. Smith,

Chairman, Federal Election Commission.

[FR Doc. 04-27971 Filed 12-21-04; 8:45 am]

BILLING CODE 6715-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 93-ANE-07-AD]

RIN 2120-AA64

Airworthiness Directives; Teledyne Continental Motors (Formerly Bendix) S-20, S-1200, D-2000, and D-3000 Series Magnetos

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede an existing airworthiness directive (AD) for Teledyne Continental

Motors (TCM) (formerly Bendix) S-20, S-1200, D-2000, and D-3000 series magnetos equipped with impulse couplings. That AD currently requires replacing riveted-impulse coupling assemblies, which are worn beyond limits, with serviceable riveted-impulse couplings or snap-ring impulse couplings. This proposed AD would require a reduced inspection interval for magnetos with riveted-impulse couplings installed on certain Lycoming engine models. The proposed AD would not lower the inspection interval for magnetos with snap-ring impulse couplings. This proposed AD would also limit the Applicability to certain Lycoming engine models. This proposed AD results from data provided by the manufacturer that shows a need to reduce the inspection intervals for riveted-impulse couplings used on certain Lycoming engine models. We are proposing this AD to prevent failure of the magneto impulse coupling and possible engine failure.

DATES: We must receive any comments on this proposed AD by February 22, 2005.

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

- By mail: Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 93-ANE-07-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

- By fax: (781) 238-7055.

- By e-mail: 9-ane-adcomment@faa.gov

You can get the service information identified in this proposed AD from Teledyne Continental Motors, P.O. Box 90, Mobile, AL 36601; telephone (334) 438-3411.

You may examine the AD docket, by appointment, at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

FOR FURTHER INFORMATION CONTACT: Jerry Robinette, Senior Aerospace Engineer, Propulsion, Atlanta Certification Office, FAA, Small Airplane Directorate, 1 Crown Center, 1895 Phoenix Blvd., Suite 450, Atlanta, GA, 30349; telephone (770) 703-6096, fax (770) 703-6097.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to provide any written relevant data, views, or arguments on this proposal. Send your comments to an address listed under **ADDRESSES**. Include "AD Docket No. 93-ANE-07-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 substantive part of 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.

Examining the AD Docket

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

Discussion

On May 29, 1996, the FAA issued AD 96-12-07, Amendment 39-9649 (61 FR 29934, June 13, 1996). That AD requires:

- An initial inspection of riveted and snap-ring impulse couplings before accumulating 500 hours time-since-new or overhauled (TSN) or time-since-last inspection (TSLI) on impulse couplings that have fewer than 450 hours TSN or TSLI on the effective date of that AD.

- An initial inspection of riveted and snap-ring impulse couplings before accumulating 50 hours time-in-service (TIS) after the effective date of that AD on impulse couplings that have 450 or more hours TSN or TSLI on the effective date of that AD.

- Repetitive inspections within 500 hours TSLI.

- Replacing impulse couplings that fail the inspection.

That AD was the result of redesigning the impulse coupling assembly to include snap-ring fastening technology, which strengthens the cam axle and reduces wear and reports of impulse couplings with the snap-ring design that were worn beyond limits. That condition, if not corrected, could result in failure of the magneto impulse coupling and possible engine failure.

Actions Since AD 96-12-07 Was Issued

Since we issued that AD, the manufacturer has added procedures and requirements for inspecting impulse couplings that have snap rings to the applicable Service Support Documents.

Relevant Service Information

We have reviewed and approved the technical contents of TCM Mandatory Service Bulletin (MSB) MSB645, dated April 4, 1994, that describes procedures for:

- Inspecting the impulse coupling assemblies for wear and, if necessary, replacing the riveted assembly with a snap-ring impulse coupling, and
- Marking the magneto data plate with a letter "A" after installing a snap-ring impulse coupling.

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 products of this same type design. Therefore, we are proposing this AD, which would require:

- An initial visual inspection of riveted-impulse couplings that have 100 or more hours TSN or TSLI on the effective date of the proposed AD, within 10 hours TIS after the effective date of this AD, or

- An initial visual inspection of riveted-impulse couplings that have fewer than 100 hours TSN or TSLI on the effective date of the proposed AD, before accumulating 100 hours TSN or TSLI, and

- Repetitive inspections of riveted-impulse couplings within intervals of 100 hours TSLI.

- An initial visual inspection of snap-ring impulse couplings that have 450 or more hours TSN or TSLI on the effective date of the proposed AD, within 50 hours TIS after the effective date of the AD, or

- An initial visual inspection of snap-ring impulse couplings that have fewer than 450 hours TSN or TSLI before accumulating 500 hours TSN or TSLI, and

- Repetitive inspections of snap-ring impulse couplings within intervals of 500 hours TSLI.

- Replacing impulse couplings that fail the inspection.

The proposed AD would require that you do these actions using the service information described previously.

Costs of Compliance

We estimate that this proposed AD would affect about 4,200 magnetos installed on airplanes of U.S. registry. We also estimate that it would take about 1 work hour per magneto to perform the proposed actions, and that the average labor rate is \$65 per work hour. The reduced inspection interval would require doing the inspections

about four times more often. Based on these figures, we estimate the total cost of the proposed AD to U.S. operators to be \$1,092,000.

Authority for this Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, "General requirements." Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

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. 93-ANE-07-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 39-9649 (61 FR 29934, June 13, 1996) and by adding a new airworthiness directive to read as follows:

Teledyne Continental Motors: Docket No. 93-ANE-07-AD. Supersedes AD 96-12-07, Amendment 39-9649.

Comments Due Date

(a) The Federal Aviation Administration (FAA) must receive comments on this

airworthiness directive (AD) action by February 22, 2005.

Affected ADs

(b) This AD supersedes AD 96-12-07, Amendment 39-9649.

Applicability

(c) This AD applies to Teledyne Continental Motors (TCM) (formerly Bendix) magnetos that have a magneto part number (P/N) listed in Table 1 of TCM Mandatory Service Bulletin (MSB) No. MSB645, dated April 4, 1994, installed on Lycoming AEIO-540, HIO-540, IO-540, O-540, and TIO-540 series engines. These engines are installed on, but not limited to, airplanes manufactured by the Cessna Aircraft Company, Maule Aerospace Technology Corporation, Mooney Aircraft Corporation, The New Piper Aircraft Inc., and Raytheon Aircraft Company (Formerly Beech Aircraft Company).

Unsafe Condition

(d) This AD results from data provided by the manufacturer that indicates a need to reduce the inspection intervals for riveted-impulse couplings used on certain Lycoming engine models. We are issuing this AD to prevent failure of the magneto impulse coupling and possible engine failure.

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 Inspections of Impulse Couplings

(f) For all magnetos that have a P/N listed in Table 1 of TCM MSB No. MSB645, dated April 4, 1994, that have never been inspected, perform an initial inspection of the impulse coupling for wear using paragraphs 1.2 through 1.4.5 of the Detailed Instructions of TCM MSB No. MSB645, dated April 4, 1994. Use the following Table 1 for the compliance times. Snap-ring impulse couplings will have an "A" stamped in the lower-right quarter of the magneto data plate.

TABLE 1.—INITIAL INSPECTION COMPLIANCE TIMES

Engine model	Type of impulse coupling assembly	Time on coupling on the effective date of this AD	Inspect
Lycoming AEIO-540, HIO-540, IO-540, O-540, and TIO-540 series engines..	(1) Riveted	(i) 100 or more hours time-since-new or overhaul (TSN) or if the TSN is unknown.	Within 10 hours time-in-service (TIS) after the effective date of this AD. Before accumulating 100 hours TSN.
		(ii) Fewer than 100 hours TSN	
	(2) Snap ring	(i) 450 or more hours TSN	Within 50 hours TIS after the effective date of this AD. Before accumulating 500 hours.
		(ii) Fewer than 450 hours TSN	

(g) Replace any impulse coupling that fails the inspection with a serviceable riveted or snap-ring impulse coupling. Paragraphs 2 through 2.6 of the Detailed Instructions of TCM MSB No. MSB645, dated April 4, 1994 contain information on replacing the impulse coupling.

(h) If you replace a snap-ring impulse coupling with a riveted-impulse coupling, strike out the "A" on the magneto data plate.

Repetitive Inspections of Impulse Couplings

(i) For all magnetos that have a P/N listed in Table 1 of TCM MSB No. MSB645, dated April 4, 1994, that have had an initial inspection as specified in paragraph (f) of

this AD, perform a repetitive inspection of the impulse coupling for wear using paragraphs 1.2 through 1.4.5 of the Detailed Instructions of TCM MSB No. MSB645, dated April 4, 1994. Use the following Table 2 for the compliance times. Snap-ring impulse couplings will have an "A" stamped in the lower-right quarter of the magneto data plate.

TABLE 2.—REPETITIVE INSPECTION COMPLIANCE TIMES

Engine model	Type of impulse coupling assembly	Inspect
Lycoming AEIO-540, HIO-540, 1o-540, 0-540, and TIO-540 series engines.	(1) Riveted	Within 100 hours time-since-last inspection (TSLI).
	(2) Snap ring	Within 500 hours TSLI.

(j) Replace any impulse coupling that fails the inspection with a serviceable riveted or snap-ring impulse coupling. Paragraphs 2 through 2.6 of the Detailed Instructions of TCM MSB No. MSB645, dated April 4, 1994 contain information on replacing the impulse coupling.

(k) If you replace a snap-ring impulse coupling with a riveted-impulse coupling, strike out the "A" on the magneto data plate.

Optional Terminating Action

(1) Installing a "Shower-of-Sparks" ignition system in place of a magneto system that has a riveted-impulse coupling or a snap-ring impulse coupling ends the repetitive inspection requirements specified in paragraph (i) of this AD. You can find more information on installing a "Shower-of-Sparks" ignition system in TCM Service Information Letter No. SIL648, dated October 18, 1994.

Alternative Methods of Compliance

(m) The Manager, Atlanta 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.

Related Information

(n) TCM SB No. 639, dated March 1993, contains additional information for replacing impulse couplings on a TCM magneto. TCM Service Information Letter No. SIL648, dated October 18, 1994, contains information for converting an engine to a "Shower-of-Sparks" ignition system.

Issued in Burlington, Massachusetts, on December 15, 2004.

Francis A. Favara,

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

[FR Doc. 04-27955 Filed 12-21-04; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-139683-04]

RIN 1545-BD95

Section 1374 Effective Dates

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 that provide guidance concerning the applicability of section 1374 to S corporations that acquire assets in carryover basis transactions from C corporations on or after December 27, 1994, and to certain corporations that terminate S corporation status and later elect again to become S corporations. The text of these regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments, and a request for a public hearing, must be received by March 22, 2005.

ADDRESSES: Send submissions to: CC:PA:LPD:sPR (REG-139683-04), 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-139683-04), 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> (indicate IRS and REG-139683-04).

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Stephen R. Cleary; (202) 622-7750, concerning submissions of comments, Sonya Cruse, (202) 622-4693 (not toll-free numbers).

SUPPLEMENTARY INFORMATION

Background and Explanation of Provisions

Temporary Regulations in the Rules and Regulations section of this issue of the **Federal Register** amend 26 CFR part 1 relating to section 1374. The temporary regulations provide that (a) section 1374(d)(8) applies to any transaction described in that section that occurs on or after December 27, 1994, regardless of the date of the S corporation's election under section 1362, and (b) for purposes of section 633(d)(8) of the Tax Reform Act of 1986, as amended by the Technical and Miscellaneous Revenue Act of 1988, a corporation's most recent S election, not

an earlier election that has been revoked or terminated, determines whether or not it is subject to current section 1374. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

Special Analysis

It has been determined that this proposed regulation is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to § 1.1374-8(a)(2) of these regulations. Because § 1.1374-8(a)(2) does not impose a collection of information on small entities, it is not subject to the provisions of the Regulatory Flexibility Act (5 U.S.C. chapter 6). It is hereby certified that § 1.1374-10(c) of this regulation will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that § 1.1374-10(c) of this regulation addresses an uncommon fact situation not likely to affect a significant number of small entities. Therefore, a regulatory flexibility analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these proposed regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department specifically request comments on the clarity of the proposed rules and how they may be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date,