DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2007–28375; Directorate Identifier 2007–NM–015–AD]

RIN 2120–AA64

Airworthiness Directives; Boeing Model 767–200 and 767–300 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain Boeing Model 767–200 and 767–300 series airplanes. This proposed AD would require reworking certain duct assemblies in the environmental control system (ECS). This proposed AD results from reports of duct assemblies in the ECS with burned Boeing Material Specification (BMS) 8–39 polyurethane foam insulation. This proposed AD also results from a report from the airplane manufacturer that airplanes were assembled with duct assemblies in the ECS wrapped with BMS 8–39 polyurethane foam insulation, which is a material for which the fire retardant properties deteriorate with age. We are proposing this AD to prevent a potential electrical arc from igniting the BMS 8–39 polyurethane foam insulation on the duct assemblies of the ECS, which could propagate a small fire and lead to a larger fire that might spread throughout the airplane through the ECS.

DATES: We must receive comments on this proposed AD by August 3, 2007.

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.

Contact Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124–2207, for the service information identified in this proposed AD.

FOR FURTHER INFORMATION CONTACT: Patrick Gillespie, Aerospace Engineer, Cabin Safety and Environmental Systems Branch, ANM–150S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 917–6429; fax (425) 917–6590.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to submit any relevant written data, views, or arguments regarding this proposed AD. Send your comments to an address listed in the **ADDRESSES** section. Include the docket number ''FAA–2007–28375; Directorate Identifier 2007–NM–015–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 that 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 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.*

Examining the Docket

You may examine the AD docket on the Internet at *http://dms.dot.gov*, or 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 Docket Management System receives them.

Discussion

We have received reports of duct assemblies in the environmental control system (ECS) with burned Boeing Material Specification (BMS) 8–39 polyurethane foam insulation on two Boeing Model 767–200 series airplanes. The airplane manufacturer has also notified us that certain Boeing Model 767–200 and 767–300 series airplanes were assembled with duct assemblies in the ECS wrapped with BMS 8–39 polyurethane foam insulation. The fire-retardant properties of the BMS 8–39 polyurethane foam insulation deteriorate with age. This, along with dust, dirt, and other carbon particulate contamination of the insulation on the ducts, adds an available fuel source for a potential fire. Once ignited, the foam insulation emits noxious smoke, does not self-extinguish, and drips droplets of liquefied polyurethane, which can further propagate a fire. Because the insulation is wrapped around the duct assemblies, which are located throughout the airplane, if the insulation is ignited a fire could potentially travel along the ducts and spread throughout the airplane. This condition, if not corrected, could result in a potential electrical arc igniting the BMS 8–39 polyurethane foam insulation on the duct assemblies of the ECS, which could propagate a small fire and lead to a larger fire that might spread throughout the airplane through the ECS.

Other Relevant Rulemaking

We are considering additional rulemaking for Boeing Model 737–100, –200, –200C, and –300 series airplanes that have been determined to be subject to the same unsafe condition.

Additionally, on December 14, 2001, we issued AD 2001–26–09, amendment 39–12573 (66 FR 66734, December 27, 2001), applicable to certain Boeing Model 767–200 series airplanes. That AD requires a one-time inspection for damage of the water line heater tape where it passes close to the duct assemblies of the air distribution system for the flight compartment. That AD also requires eventual replacement of certain duct assemblies or foam insulation on those duct assemblies with new assemblies or improved foam insulation. That AD was prompted by a report of burned BMS 8–39 polyurethane foam insulation on an air distribution system duct located in the electronics and electrical (E/E) compartment. The actions required by that AD are intended to prevent ignition of foam insulation on the air distribution ducts, which could result in a fire in the airplane.

Relevant Service Information

We have reviewed Boeing Service Bulletin 767–21A0167, Revision 1, dated December 19, 2006. The service

bulletin describes procedures for reworking the affected duct assemblies in the air distribution system (sections 41, 45, and 46), the Gasper air system (sections 41, 43, 45, and 46), the forward E/E compartment air supply, and the instrument panel cooling supply. The rework includes removing the BMS 8–39 polyurethane foam insulation and replacing it with BMS 8–300 polyimide foam insulation that meets flammability criteria of Section 25.856 (''Fire Protection: Thermal/Acoustic Insulation Materials'') of the Federal Aviation Regulations (14 CFR 25.856(a)). The service bulletin also describes procedures for part-marking the duct assemblies with new part numbers once the rework has been accomplished. Accomplishing the actions specified in the service information is intended to adequately address the unsafe condition.

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 airplanes of this same type design. For this reason, we are proposing this AD, which would require accomplishing the actions specified in the service information described previously, except as discussed under ''Difference Between the Proposed AD and the Service Bulletin.''

Difference Between the Proposed AD and the Service Bulletin

Boeing Service Bulletin 767–21A0167, Revision 1, dated December 19, 2006, recommends accomplishing the duct assembly rework ''during the next heavy maintenance visit, not to exceed 24,000 flight-hours from the date on this service bulletin.'' This proposed AD would require operators to accomplish the rework within 72 months after the effective date of this AD. In developing the compliance time for this action, we considered the degree of urgency associated with addressing the subject unsafe condition, the availability of required parts and the practical aspect of reworking the duct assemblies within an interval of time that parallels normal scheduled maintenance for most affected operators, and the manufacturer's recommendations. We have determined that 72 months represents an appropriate interval of time in which to modify the affected fleet without adversely affecting the safety of these airplanes. Based on the average Model 767 fleet utilization rate of approximately 4,000 flight hours per year, we have determined that the proposed compliance time of 72 months is equivalent to the manufacturer's recommended compliance time of 24,000 flight hours. We have coordinated this difference with Boeing.

Costs of Compliance

There are about 130 airplanes of the affected design in the worldwide fleet. The following table provides the estimated costs for U.S. operators to comply with this proposed AD.

ESTIMATED COSTS

Action	Work hours	Average labor rate per hour	Parts cost per airplane	Average cost per airplane	Number of U.S.-registered airplanes	Average fleet cost
Duct assembly rework	7, per duct (average 50 ducts per airplane).	$80	$4,955	$32,955	96	$3,163,680

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. 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 and placed it in the AD docket. 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 Federal Aviation Administration (FAA) amends § 39.13 by adding the following new airworthiness directive (AD):

Boeing: Docket No. FAA–2007–28375; Directorate Identifier 2007–NM–015–AD.

Comments Due Date

(a) The FAA must receive comments on this AD action by August 3, 2007.

Affected ADs

(b) None.

Applicability

(c) This AD applies to Model 767–200 and 767–300 series airplanes, certificated in any category; as identified in Boeing Service

Bulletin 767–21A0167, Revision 1, dated December 19, 2006.

Unsafe Condition

(d) This AD results from reports of duct assemblies in the environmental control system (ECS) with burned Boeing Material Specification (BMS) 8–39 polyurethane foam insulation. This AD also results from a report from the airplane manufacturer that airplanes were assembled with duct assemblies in the ECS wrapped with BMS 8–39 polyurethane foam insulation, a material of which the fire retardant properties deteriorate with age. We are issuing this AD to prevent a potential electrical arc from igniting the BMS 8–39 polyurethane foam insulation on the duct assemblies or the ECS, which could propagate a small fire and lead to a larger fire that might spread throughout the airplane through the ECS.

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.

ECS Duct Assembly Rework

(f) Except as provided by paragraph (g) of this AD, within 72 months after the effective date of this AD, rework the duct assemblies in the ECS for the air distribution system at sections 41, 45, and 46; the Gasper air system at sections 41, 43, 45, and 46; the forward electronic and electrical (E/E) compartment air supply; and the instrument panel cooling supply; in accordance with the Accomplishment Instructions and Appendices A and B of Boeing Service Bulletin 767–21A0167, Revision 1, dated December 19, 2006.

Optional Part Installed

(g) If an affected duct assembly having a part number other than part number 217T2109–12, or a part number other than any part number specified in the applicable figure of Boeing Service Bulletin 767–21A0167, Revision 1, dated December 19, 2006, is found installed, and that part number is listed as an optional part number in the table in paragraph B.2., ''Optional Part Table,'' of the Accomplishment Instructions of the service bulletin: No rework is required for that duct assembly only.

Parts Installation

(h) As of the effective date of this AD, no person may install an air distribution system, Gasper air system, forward E/E compartment air supply, or instrument panel cooling supply duct assembly with BMS 8–39 polyurethane foam insulation on any airplane.

Alternative Methods of Compliance (AMOCs)

(i)(1) The Manager, Seattle Aircraft Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

(2) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

Issued in Renton, Washington, on June 8, 2007.

Ali Bahrami,

Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E7–11781 Filed 6–18–07; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–128274–03]

RIN 1545–BC22

Section 42 Utility Allowance Regulations Update

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: This document contains proposed regulations that amend the utility allowances regulations concerning the low-income housing tax credit. The proposed regulations update the utility allowances regulations to provide new options for estimating tenant utility costs. The proposed regulations affect owners of low-income housing projects who claim the credit, the tenants in those low-income housing projects, and the state and local housing credit agencies who administer the credit. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by **September 17, 2007.** Outlines of topics to be discussed at the public hearing scheduled for October 9, 2007, must be received by September 18, 2007.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG–128274–03), room 5203, Internal Revenue Service, P.O. 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–128274–03), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically, via the Federal eRulemaking Portal at *www.regulations.gov* (IRS REG–128274–03). The public hearing will be held in the auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, David Selig, at (202) 622–3040; concerning submissions of comments, the hearing, or to be placed on the building access list to attend the hearing, Richard Hurst, at *Richard.A.Hurst@irscounsel.treas.gov* or (202) 622–7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information contained in this notice of proposed rulemaking in § 1.42–10(b)(4)(ii) have previously been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545–1102.

Background

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) relating to the low-income housing credit under section 42 of the Internal Revenue Code. Section 42(a) provides that, for purposes of section 38, the amount of the low-income housing credit determined under section 42 for any taxable year in the credit period is an amount equal to the applicable percentage of the qualified basis of each qualified low-income building. A qualified low-income building is defined in section 42(c)(2) as any building that is part of a qualified low-income housing project.

A qualified low-income housing project is defined in section 42(g)(1) as any project for residential rental housing if the project meets one of the following tests elected by the taxpayer: (1) At least 20 percent of the residential units in the project are rent-restricted and occupied by individuals whose income is 50 percent or less of area median gross income; or (2) at least 40 percent of the residential units in the project are rent-restricted and occupied by individuals whose income is 60 percent or less of area median gross income. If a taxpayer does not meet the elected test, the project is not eligible for the section 42 credit.

In order to qualify as a rent-restricted unit within the meaning of section 42(g), the gross rent for the unit must not exceed 30 percent of the applicable income limitation. If any utilities are paid directly by the tenant, section 42(g)(2)(B)(ii) requires the inclusion in gross rent of a utility allowance determined by the Secretary, after taking into account the procedures under section 8 of the United States Housing Act of 1937.