

## Costs of Compliance

Based on the service information, we estimate that this proposed AD would affect about 13 products of U.S. registry. We also estimate that it would take about 6 work-hours per product to comply with this proposed AD. The average labor rate is \$80 per work-hour. Required parts would cost about \$1,272 per product. Based on these figures, we estimate the cost of the proposed AD on U.S. operators to be \$22,776. Our cost estimate is exclusive of possible warranty coverage.

## 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 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 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. 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.

## List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, 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 adding the following new AD:

**Turbomeca S.A.:** Docket No. FAA-2009-0503; Directorate Identifier 2009-NE-12-AD.

#### Comments Due Date

(a) We must receive comments by July 13, 2009.

#### Affected Airworthiness Directives (ADs)

(b) None.

#### Applicability

(c) This AD applies to Turbomeca Arriel 1B, 1D, and 1D1 turboshaft engines. These engines are installed on, but not limited to, Eurocopter France AS350B, AS350BA, AS350B1, and AS350B2 helicopters.

#### Reason

(d) This AD results from several events of rupture of the Arriel 1 reduction gear box intermediate pinions. We are issuing this AD to prevent the rupture of the reduction gear box intermediate pinion, which could result in an overspeed of the power turbine, an uncommanded in-flight shutdown of the engine, and an emergency autorotation landing.

#### Actions and Compliance

(e) Unless already done, do the following actions.

(f) No later than 28 February 2011, replace the Reduction Gear Box Intermediate Pinions (P/N 0 292 70 779 0) with Pinions incorporating Turboméca modification TU 232 in accordance with Turboméca Mandatory Service Bulletin 292 72 0276 Version B dated 06 November 2008.

#### FAA AD Differences

(g) None.

(h) *Alternative Methods of Compliance (AMOCs):* The Manager, Engine Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

#### Related Information

(i) Refer to MCAI EASA Airworthiness Directive 2009-0002, dated January 7, 2009, and Turbomeca Mandatory Service Bulletin No. 292 72 0276, Version B, dated November

6, 2008, for related information. Contact Turbomeca, 40220 Tarnos, France; telephone 33 05 59 74 40 00; fax 33 05 59 74 45 15, for a copy of this service information.

(j) Contact James Lawrence, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803; e-mail: [james.lawrence@faa.gov](mailto:james.lawrence@faa.gov); telephone (781) 238-7176; fax (781) 238-7199, for more information about this AD.

Issued in Burlington, Massachusetts, on June 8, 2009.

**Robert G. Mann,**

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

[FR Doc. E9-13850 Filed 6-11-09; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-112994-06]

RIN 1545-BF47

### Guidance Under Section 7874 Regarding Surrogate Foreign Corporations

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

**ACTION:** Withdrawal of notice of proposed rulemaking and 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 and the Treasury Department are issuing temporary regulations concerning the treatment of a foreign corporation as a surrogate foreign corporation under section 7874(a)(2)(B) of the Internal Revenue Code (Code). The temporary regulations primarily affect domestic corporations and partnerships (and certain parties related thereto), and certain foreign corporations that acquire substantially all of the properties of such domestic corporations or partnerships. The text of the temporary regulations serves as the text of these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be received by September 10, 2009.

**ADDRESSES:** Send submissions to CC:PA:LPD:PR (REG-112994-06), 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-112994-06), Courier's Desk, Internal Revenue

Service, 1111 Constitution Avenue, NW., Washington, DC 20224, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-112994-06).

**FOR FURTHER INFORMATION CONTACT:**

Concerning the proposed regulations, S. James Hawes at (202) 622-3860; concerning submissions of comments and a request for a public hearing, contact Funmi Taylor at (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Background and Explanation of Provisions**

The temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR part 1) relating to section 7874 of the Code. The temporary regulations address certain issues relating to the treatment of a foreign corporation as a surrogate foreign corporation under section 7874(a)(2)(B). The text of the temporary regulations serves as the text of these proposed regulations, and the preamble to the temporary regulations explains these proposed regulations.

**Special Analyses**

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. Chapter 5) does not apply to these regulations. These regulations do not impose a collection of information. Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that this regulation will not have a significant economic impact on a substantial number of small entities. The complexity and cost of a transaction to which section 7874 may apply make it unlikely that a substantial number of small entities will engage in such a transaction. In addition, any economic impact to entities affected by section 7874, large or small, is derived from the operation of the statute or its intended application, not the regulations in this notice of proposed rulemaking. Pursuant to section 7805(f) of the Code, these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

**Comments and Request for a Public Hearing**

Before these proposed regulations are adopted as final regulations,

consideration will be given to any written (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and the Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested by any person who timely submits comments. If a public hearing is scheduled, notice of the date, time and place for the public hearing will be published in the **Federal Register**.

**Drafting Information**

The principal author of these proposed regulations is S. James Hawes of the Office of Associate Chief Counsel (International). However, other personnel from the IRS and the Treasury Department participated in their development.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Withdrawal of Notice of Proposed Rulemaking**

Accordingly, under the authority of 26 USC 7805, the notice of proposed rulemaking (E6-8698) that was published in the **Federal Register** on June 6, 2006 (71 FR 32495) is withdrawn.

**Proposed Amendments to the Regulations**

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

**PART 1—INCOME TAXES**

**Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*  
Section 1.7874-2 is also issued under 26 U.S.C. 7874(c)(6) and (g). \* \* \*

**Par. 2.** Section 1.7874-1 is amended by revising paragraphs (e) and (g) to read as follows:

**§ 1.7874-1 Disregard of affiliate-owned stock.**

\* \* \* \* \*  
(e) [The text of the proposed amendments to § 1.7874-1(e) is the same as the text of § 1.7874-1T(e) published elsewhere in this issue of the **Federal Register**.]  
\* \* \* \* \*

(g) [The text of the proposed amendment to § 1.7874-1(g) is the same as the text of § 1.7874-1T(g) published elsewhere in this issue of the **Federal Register**.]

**Par. 3.** Section 1.7874-2 is added to read as follows:

**§ 1.7874-2 Surrogate foreign corporation.**

[The text of proposed § 1.7874-2 is the same as the text of § 1.7874-2T(a) through (o) published elsewhere in this issue of the **Federal Register**.]

**Linda E. Stiff,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. E9-13769 Filed 6-9-09; 11:15 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 110**

[Docket No. USCG-2008-0171]

RIN 1625-AA01

**Anchorage Regulations; Long Island Sound**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to establish seven anchorage grounds in Long Island Sound. These anchorages would be located within Connecticut or New York State waters. This action is necessary to aid in facilitating the safe and secure anchorage of vessels, particularly deep draft vessels, transiting Long Island Sound or awaiting entry to a port or facility in New York and Connecticut.

**DATES:** Comments and related material must be received by the Coast Guard on or before August 11, 2009. Requests for public meetings must be received by the Coast Guard on or before July 13, 2009.

**ADDRESSES:** You may submit comments identified by docket number USCG-2008-0171 using any one of the following methods:

(1) *Federal eRulemaking Portal:*  
<http://www.regulations.gov>.

(2) *Fax:* 202-493-2251.

(3) *Mail:* Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590-0001.

(4) *Hand delivery:* Same as mail address above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-366-9329.

To avoid duplication, please use only one of these four methods. See the "Public Participation and Request for