

the change, the applicant must comply with certain regulations in effect on the date of application for the change. The FAA has determined that the Model MBB-BK117 D-2 must also comply with the noise certification requirements of 14 CFR part 36; and the FAA must issue a finding of regulatory adequacy under § 611 of Public Law 92-574, the "Noise Control Act of 1972."

#### Regulatory Basis for Special Conditions

The Administrator has determined that the applicable airworthiness regulations (that is, 14 CFR part 29) do not contain adequate or appropriate safety standards for the MBB-BK117 D22 model helicopter because of a novel or unusual design feature. Therefore, special conditions are prescribed under the provisions of 14 CFR 21.16.

The FAA issues special conditions, as defined in § 11.19, in accordance with § 11.38, and they become part of the type certification basis under § 21.101.

Special conditions are initially applicable to the model for which they are issued. Should the type certificate for that model be amended later to include any other model that incorporates the same novel or unusual design feature, or should any other model already included on the same type certificate be modified to incorporate the same novel or unusual design feature, the special conditions would also apply to the other model.

#### Novel or Unusual Design Features

The MBB-BK117 D-2 model helicopter will incorporate the following novel or unusual design feature:

- A 30-minute power rating.

#### Applicability

These special conditions are applicable to the Airbus Helicopters Deutschland GmbH Model MBB-BK117 D2 helicopter. Should Airbus Helicopters Deutschland GmbH apply at a later date for an amendment to the type certificate to include another model incorporating the same novel or unusual design feature, the special conditions would apply to that model as well.

#### Conclusion

This action affects only certain novel or unusual design features on the Airbus Helicopters Deutschland GmbH Model MBB-BK117 D-2 helicopter. It is not a rule of general applicability.

#### List of Subjects in 14 CFR Part 29

Aircraft, Aviation safety, Reporting and recordkeeping requirements.

The authority citation for these special conditions is as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701-44702, 44704.

#### The Special Conditions

Accordingly, pursuant to the authority delegated to me by the Administrator, the following special conditions are issued as part of the type certification basis for Airbus Helicopters Deutschland GmbH Model MBB-BK117 D-2 helicopters. Unless stated otherwise, all requirements in §§ 29.1049, 29.1305 and 29.1521 remain unchanged.

*Section 29.1049 Hover cooling test procedures.* In addition to the requirements of this section, for rotorcraft with a 30-minute power rating, the hovering cooling provisions at the 30-minute power rating must be shown—

(a) At maximum weight or at the greatest weight at which the rotorcraft can hover (if less), at sea level, with the power required to hover but not more than the 30-minute power, in the ground effect in still air, until at least 5 minutes after the occurrence of the highest temperature recorded, or until the continuous time limit of the 30-minute power rating if the highest temperature recorded is not stabilized before.

(b) At maximum weight and at the altitude resulting in zero rate of climb for this configuration, until at least 5 minutes after the occurrence of the highest temperature recorded, or until the continuous time limit of the 30-minute power rating if the highest temperature recorded is not stabilized before.

*Section 29.1305 Powerplant instruments, at Amendment 29-40.* In addition to the requirements of this section, a means must be provided to indicate to the pilot when the engine is at the 30-minute power level, when the event begins, and when the time interval expires.

*Section 29.1521 Powerplant limitations, at Amendment 29-41.* In addition to the requirements of this section, use of the 30-minute power must be limited to no more than 30 minutes per use. The use of the 30-minute power must also be limited by:

- (1) The maximum rotational speed, which may not be greater than—
  - (i) The maximum value determined by the rotor design; or
  - (ii) The maximum value demonstrated during the type tests;
- (2) The maximum allowable turbine inlet or turbine outlet gas temperature (for turbine engines);

(3) The maximum allowable power or torque for each engine, considering the power input limitations of the transmission with all engines operating;

(4) The maximum allowable power or torque for each engine considering the power input limitations of the transmission with one engine inoperative;

(5) The time limit for the use of the power corresponding to the limitations established in paragraphs (1) through (4) above; and

(6) The maximum allowable engine and transmission oil temperatures, if the time limit established in paragraph (5) above exceeds 2 minutes.

Issued in Fort Worth, Texas, on December 19, 2014.

**Lance T. Gant**

*Acting Directorate Manager, Rotorcraft Directorate, Aircraft Certification Service.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9689]

RIN 1545-BL52

#### Guidance Regarding Dispositions of Tangible Depreciable Property; Correction

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

**ACTION:** Correcting amendment.

**SUMMARY:** This document contains corrections to final regulations (TD 9689) that were published in the **Federal Register** on Monday, August 18, 2014 (79 FR 48661). The final regulations are regarding dispositions of property subject to depreciation under section 168 of the Internal Revenue Code.

**DATES:** This correction is effective on December 31, 2014 and applicable beginning August 18, 2014.

**FOR FURTHER INFORMATION CONTACT:** Kathleen Reed, at (202) 317-7005 (not a toll free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The final regulations (TD 9689) that are the subject of this correction are under section 168 of the Internal Revenue Code.

##### Need for Correction

As published, the final regulations (TD 9689) contain errors that may prove

to be misleading and are in need of clarification.

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

Income taxes, Reporting and recordkeeping requirements.

**Correction of Publication**

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

**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 1.168(i)-1 also issued under 26 U.S.C. 168(i)(4).

■ **Par. 2.** Section 1.168(i)-1 is amended as follows:

- 1. Paragraph (c)(2)(ii)(D) is revised.
- 2. The third sentences of paragraphs (e)(3)(ii)(B), *Example 2.* (ii) and (e)(3)(iii)(A) are revised.
- 3. Paragraph (e)(3)(iii)(C)(3) is revised.
- 4. The second sentence of paragraph (e)(3)(v)(B)(1) is revised.
- 5. In paragraph (f)(3) remove the phrase “Allowed Depreciation Deductions Allocated and Apportioned to a Separate Category Total/Allowed Depreciation Deductions and Apportioned to Foreign Source Income.” and add in its place “Allowed Depreciation Deductions Allocated and Apportioned to a Separate Category/ Total Allowed Depreciation Deductions and Apportioned to Foreign Source Income.”
- 6. In the first line of paragraph (j)(3)(ii), remove the phrase “allowed or”.
- 7. Paragraph (m)(4) is revised.

The revisions read as follows:

**§ 1.168(i)-1 General asset accounts.**

\* \* \* \* \*

- (c) \* \* \*
- (2) \* \* \*
- (ii) \* \* \*

(D) Assets not eligible for any additional first year depreciation deduction, including assets for which the taxpayer elected not to deduct the additional first year depreciation, provided by, for example, section 168(k), section 168(l), section 168(m), section 168(n), section 1400L(b), or section 1400N(d), must be grouped into a separate general asset account;

\* \* \* \* \*

- (e) \* \* \*
- (3) \* \* \*
- (ii) \* \* \*
- (B) \* \* \*

*Example 2.* \* \* \*

(ii) \* \* \* The gain of \$232 is subject to section 1245 to the extent of the depreciation allowed or allowable for the account, plus the expensed cost for assets in the account, less the amounts previously recognized as ordinary income (\$1,232 + \$0 - \$0 = \$1,232). \* \* \*

(iii) \* \* \*

(A) \* \* \* The adjusted depreciable basis of the asset at the time of the disposition, as determined under the applicable convention for the general asset account in which the asset was included, equals the unadjusted depreciable basis of the asset less the greater of the depreciation allowed or allowable for the asset. The allowable depreciation is computed by using the depreciation method, recovery period, and convention applicable to the general asset account in which the asset was included and by including the portion of the additional first year depreciation deduction claimed for the general asset account that is attributable to the asset disposed of. \* \* \*

\* \* \* \* \*

(C) \* \* \*

(3) The depreciation reserve of the general asset account is reduced by the greater of the depreciation allowed or allowable for the asset as of the end of the taxable year immediately preceding the year of disposition. The allowable depreciation is computed by using the depreciation method, recovery period, and convention applicable to the general asset account in which the asset was included and by including the portion of the additional first year depreciation deduction claimed for the general asset account that is attributable to the asset disposed of; and

\* \* \* \* \*

(v) \* \* \*

(B) \* \* \*

(1) The adjusted depreciable basis of the asset at the time of disposition equals the unadjusted depreciable basis of the asset less the greater of the depreciation allowed or allowable for the asset. The allowable depreciation is computed by using the depreciation method, recovery period, and convention applicable to the general asset account in which the asset was included and by including the portion of the additional first year depreciation deduction claimed for the general asset account that is attributable to the relinquished asset. \* \* \* \* \*

(m) \* \* \*

(4) *Optional application of TD 9564.* A taxpayer may choose to apply § 1.168(i)-1T as contained in 26 CFR part 1 edition revised as of April 1, 2014, to taxable years beginning on or after January 1, 2012. However, a taxpayer may not apply § 1.168(i)-1T as

contained in 26 CFR part 1 edition revised as of April 1, 2014, to taxable years beginning on or after January 1, 2014.

\* \* \* \* \*

■ **Par. 3.** Section 1.168(i)-7 is amended by revising paragraph (e)(4) to read as follows:

**§ 1.168(i)-7 Accounting for MACRS property.**

\* \* \* \* \*

(e) \* \* \*

(4) *Optional application of TD 9564.*

A taxpayer may choose to apply § 1.168(i)-7T as contained in 26 CFR part 1 edition revised as of April 1, 2013, to taxable years beginning on or after January 1, 2012. However, a taxpayer may not apply § 1.168(i)-7T as contained in 26 CFR part 1 edition revised as of April 1, 2013, to taxable years beginning on or after January 1, 2014.

\* \* \* \* \*

■ **Par. 4.** Section 1.168(i)-8 is amended as follows:

- 1. Remove the phrase “allowed or” wherever it appears in paragraphs (f)(2)(ii), (f)(3)(ii), (h)(2)(iv), and (h)(3)(iv).
- 2. Revise paragraphs (h)(2)(iii) and (h)(3)(iii).

The revisions read as follows:

**§ 1.168(i)-8 Dispositions of MACRS property.**

\* \* \* \* \*

(h) \* \* \*

(2) \* \* \*

(iii) The depreciation reserve of the multiple asset account or pool must be reduced by the greater of the depreciation allowed or allowable for the asset disposed of as of the end of the taxable year immediately preceding the year of disposition. The allowable depreciation is computed by using the depreciation method, recovery period, and convention applicable to the multiple asset account or pool in which the asset disposed of was included and by including the additional first year depreciation deduction claimed for the asset disposed of; and

\* \* \* \* \*

(3) \* \* \*

(iii) The depreciation reserve of the asset must be reduced by the greater of the depreciation allowed or allowable for the disposed portion as of the end of the taxable year immediately preceding the year of disposition. The allowable depreciation is computed by using the depreciation method, recovery period, and convention applicable to the asset in which the disposed portion was included and by including the portion

of the additional first year depreciation deduction claimed for the asset that is attributable to the disposed portion; and

\* \* \* \* \*

**Martin V. Franks,**

*Chief, Publications and Regulations Branch,  
Legal Processing Division, Associate Chief  
Counsel (Procedure and Administration).*

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### 32 CFR Part 199

[DoD-2010-HA-0068]

RIN 0720-AB39

#### Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); TRICARE Retired Reserve

**AGENCY:** Office of the Secretary,  
Department of Defense.

**ACTION:** Final rule.

**SUMMARY:** TRICARE Retired Reserve (TRR) is a premium-based TRICARE health plan available for purchase worldwide by qualified members of the Retired Reserve and by qualified survivors of TRR members. This final rule responds to public comments received to an interim final rule that was published in the **Federal Register** on August 6, 2010 (75 FR 47452-47457). That rule established requirements and procedures to implement the TRR program in fulfillment of section 705 of the National Defense Authorization Act for Fiscal Year 2010 (NDAA-10) (Pub. L. 111-84). This final rule also revises requirements and procedures as indicated.

**DATES:** This rule is effective January 30, 2015.

**FOR FURTHER INFORMATION CONTACT:** Jody Donehoo, Defense Health Agency, TRICARE Health Plan, telephone (703) 681-0039. Questions regarding payment of specific claims under the TRICARE allowable charge method should be addressed to the appropriate TRICARE contractor.

#### SUPPLEMENTARY INFORMATION:

##### I. Introduction and Background

###### A. Overview

An interim final rule was published in the **Federal Register** on August 6, 2010 (75 FR 47452-47457), that established requirements and procedures to implement the TRICARE Retired Reserve program in fulfillment

of section 705 of the National Defense Authorization Act for Fiscal Year 2010 (NDAA-10) (Pub. L. 111-84). Section 705 added new section 1076e to Title 10, United States Code. Section 1076e allows members of the Retired Reserve who are qualified for non-regular retirement, but are not yet 60 years of age, as well as certain survivors to qualify to purchase medical coverage equivalent to the TRICARE Standard (and Extra) benefit unless that member is either enrolled in, or eligible to enroll in, a health benefits plan under Chapter 89 of Title 5, United States Code.

###### B. Public Comments

The interim final rule was published in the **Federal Register** on August 6, 2010. We received 92 online comments. We thank those who provided comments. Specific matters raised by those who submitted comments are summarized below.

##### II. Provisions of the Rule Regarding the TRICARE Retired Reserve Program

###### A. Establishment of the TRICARE Retired Reserve Program (§ 199.25(a))

1. *Provisions of Interim Final Rule.* This paragraph describes the nature, purpose, statutory basis, scope, and major features of TRICARE Retired Reserve, a premium-based medical coverage program that was made available for purchase worldwide by certain members of the Retired Reserve, their family members and their surviving family members. TRICARE Retired Reserve is authorized by 10 U.S.C. 1076e.

The major features of the program include making coverage available for purchase by any Retired Reserve member who is qualified for non-regular retirement, but is not yet 60 years of age, unless that member is either enrolled in, or eligible to enroll in, a health benefit plan under Chapter 89 of Title 5, United States Code, as well as certain survivors of Retired Reserve members as specified below. The amount of the premium that qualified members and qualified survivors pay is prescribed by the Assistant Secretary of Defense for Health Affairs (ASD(HA)) and determined using an appropriate actuarial basis. There is one premium for member-only coverage and a second premium for member and family coverage. Additionally, TRICARE rules outlined in Part 199 of Title 32 of the CFR relating to the TRICARE Standard and Extra programs apply unless otherwise specified.

Under TRICARE Retired Reserve, qualified members (or their qualified survivors) may purchase either the

member-only type of coverage or the member and family type of coverage by submitting a completed request in the appropriate format along with an initial payment of the applicable premium at the time of enrollment. When their coverage becomes effective, TRICARE Retired Reserve beneficiaries receive the TRICARE Standard (and Extra) benefit. TRICARE Retired Reserve features the deductible and cost sharing provisions of the TRICARE Standard (and Extra) plan for retired members and dependents of retired members. Both the member and the member's covered family members are provided access priority for care in military treatment facilities on the same basis as retired members and their family members who are not enrolled in TRICARE Prime.

2. *Analysis of Major Public Comments.* Three commenters suggested alternative plans to include a Preferred Provider Organization (PPO) with group discount until age 60; eligibility for Reserve Retirees to use the Department of Veterans Affairs health care benefits and services; and a tier system that would allow a member to reduce premiums by choosing higher deductibles. Another commenter suggested a tier system with higher deductibles or different options for cost shares and deductibles.

Three commenters requested the implementation/passing of the TRR benefit. One commenter inquired how TRR fits into "Health Care Reform" making health care affordable for every citizen.

*Response.* In regards to the comments suggesting alternative plans, we observed that the specific provisions of the law governing TRR does not allow implementation of alternative plans as suggested. In fulfillment of law, TRR is a premium-based TRICARE health plan that features the cost sharing, deductible, and catastrophic cap provisions of TRICARE Standard (and Extra) as they pertain to retirees and their family members.

TRICARE Extra is similar to a PPO. TRICARE Standard beneficiaries, including TRR members and their covered family members, are using TRICARE Extra when they receive care from a provider in the TRICARE Network. TRICARE Extra features cost shares that are five percent lower than TRICARE Standard cost shares. All Department of Veterans Affairs hospitals and clinics nationwide currently are in the TRICARE Network through active agreements with TRICARE contractors.

Multiple premium tiers with various levels of deductibles would not be allowed by the statutory provisions that require TRR to be offered under one