look to ICAO for standards, recommended practices, and guidance on issues related to aviation.

A significant number of the foreign governments for foreign air carriers that responded to the NPRM expressed support for deferring to ICAO to take action on substance abuse prevention. Their comments also reiterated the concerns expressed following publication of the ANPRM, with further discussion of the possible adverse consequences and costs that would likely follow any imposition of mandatory testing programs. Several commenters noted that the laws of the jurisdiction in which their employees are hired could prohibit employers from complying with mandatory testing regulations imposed by the United States.

The commenters that favored imposition of regulations requiring drug and alcohol testing on foreign air carriers primarily raised two issues: first, that safety demands imposition of the regulations; and second, that U.S. carriers would be placed at a competitive disadvantage by being required to incur costs not faced by foreign air carriers.

With respect to the first concern, the FAA remains committed to ensuring aviation safety. However, in light of recent ICAO action, as well as the significant practical and legal concerns that have been raised by the commenters, it does not appear that this rulemaking at this time is the best way to ensure that safety is not compromised. Because of the ICAO action, the FAA has determined that unilateral imposition of testing regulations on foreign air carriers is not warranted.

Several factors were weighed in making this determination. The FAA has an active program to assess whether foreign air carriers are held to international standards by their countries of registry—standards that include medical requirements for flight crewmembers and a prohibition on the operation of aircraft by impaired pilots.

Also, on February 24, 1998, the 153rd Session of the ICAO Council met and adopted amendments to the Standards and Recommended Practices contained in Appendix A of the Chicago Convention. Specifically, a Standard was adopted which applies to individuals, and prohibits them from performing safety-critical functions while under the influence of any psychoactive substance. A psychoactive substance is defined as ''alcohol, opioids, cannabinoids, sedatives and hypnotics, cocaine, other psychostimulents, hallucinogens, and volatile solvents, whereas coffee and tobacco are excluded.'' The Standards are required to appear within the domestic regulations of each Contracting State, unless the Contracting State has filed a difference with ICAO to disavow the Standard. The ICAO Council also adopted a Recommended Practice which encourages the Contracting States to identify and remove personnel who engage in problematic use of substances. The Recommended Practice incorporates the ''Manual on Prevention of Problematic Use of Substances in the Aviation Workplace,'' ICAO Document 9654–AN/945 (''Manual''), the English version of which was published in September 1995. The FAA has reviewed this document and has determined that it clearly supports a safe aviation environment.

As set forth in the first paragraph of the Manual, ICAO recognizes that ''[a]viation workers have a special obligation to ensure that they are capable of performing their duties to the best of their abilities. Similarly, aviation regulatory authorities and industry employers have a special obligation to ensure that aviation safety is maintained at a high level and that precautions necessary to achieve this are implemented.'' *Id.* at ¶1.1 The Manual further establishes ICAO's concurrence with the position of the FAA that ''[e]specially in international aviation, it is fair to say that the responsibility for hundreds of human lives and vast quantities of valuable property resting with safety-sensitive personnel in civil aviation make it imperative that these workers perform their duties in a professional manner and without any impairment in performance due to substance use.'' *Id.* at ¶ 1.15 Finally, ICAO also recognizes that far from being simply a U.S. problem, as some commenters to this rulemaking have asserted, ''[i]t is necessary that aviation regulators and employers recognize that substance use is a pandemic affecting most if not all parts of the world.'' They must also realize that ''any employee may be susceptible to the pressures and influences of the professional and social environment or certain life events, and it would be dangerous to assume that aviation is not vulnerable to t he consequences of these pressures and influences. *Prevention efforts should not be delayed until a significant problem has been identified. Responding only after an accident has occurred or public trust has been broken defeats the purpose of prevention.'' Id* at ¶ 1.20 (emphasis added).

The other issue raised by commenters is that of competitive disadvantage. While the FAA is cognizant of the costs of the antidrug rules to domestic carriers, those costs alone do not warrant imposition of similar regulations on foreign air carriers when compared to recent multilateral actions as well as the legal and practical difficulties in imposing such rules. The FAA has also determined that the antidrug rules provide significant benefits to U.S. air carriers in terms of increased worker productivity, reduced absenteeism and medical costs, and other benefits associated with workplace substance abuse prevention programs. Further, companies with active prevention programs could be perceived by travelers (especially those in the United States) as safer than companies without such programs providing another benefit to domestic carriers.

Withdrawal of Proposed Rule

For the foregoing reasons, the FAA is withdrawing the rulemaking proposed on February 15, 1994, and is leaving within the purview of each government the method chosen to respond to the ICAO initiatives. We will continue to view a multilateral response as the best approach to evolving issues in the substance abuse arena. Should the FAA subsequently determine, however,that the scope of the threat of substance abuse is not being adequately addressed by the international community, the FAA will take appropriate action, including the possible reinitiation of this rulemaking.

Issued in Washington, DC, on January 10, 2000.

Robert Poole,

Acting Federal Air Surgeon.

[FR Doc. 00–862 Filed 1–12–00; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF LABOR

Employment and Training Administration

20 CFR Part 604

RIN 1205–AB21

Birth and Adoption Unemployment Compensation; Extension of Comment Period

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice of proposed rulemaking; extension of comment period.

SUMMARY: This document extends by 15 days the period for filing comments regarding a notice of proposed

rulemaking intended to implement the Birth and Adoption Unemployment Compensation program. This action is taken to permit additional comment from interested persons.

DATES: Comments must be received on or before February 2, 2000.

ADDRESSES: Send written comments to Grace A. Kilbane, Director, Unemployment Insurance Service, Employment and Training Administration (ETA), U.S. Department of Labor, 200 Constitution Avenue, NW, Room S–4231, Washington, DC 20210, or by e-mail to the following address: *commentonbaauc@doleta.gov.*

FOR FURTHER INFORMATION CONTACT: Gerard Hildebrand, Unemployment Insurance Service, ETA, U.S. Department of Labor, 200 Constitution Avenue, N.W., Room S–4231, Washington, DC 20210. Telephone: (202) 219–5200 (this is not a toll-free number); facsimile: (202) 219–8506.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of December 3, 1999 (64 FR 67971), the Department of Labor published a notice of proposed rulemaking intended to add 20 CFR Part 604, which concerns the establishment of a Birth and Adoption Unemployment Compensation program. Interested persons were requested to submit comments on or before January 18, 2000.

The Department has received a number of requests for extensions of the comment period. The Department believes that it is reasonable to extend the comment period an additional 15 days for all interested persons. Therefore, the comment period for the notice of proposed rulemaking, adding 20 CFR Part 604 (Regulations for Birth and Adoption Unemployment Compensation), is extended to February 2, 2000.

Signed at Washington, DC, on January 10, 2000.

Raymond L. Bramucci,

Assistant Secretary of Labor.

[FR Doc. 00–844 Filed 1–12–00; 8:45 am]

BILLING CODE 4510–30–M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–103831–99]

RIN 1545–AX09

Allocation of Partnership Debt

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 allocation of nonrecourse liabilities by a partnership. The proposed regulations revise tier three of the three-tiered allocation structure contained in the current nonrecourse liability regulations, and also provide guidance regarding the allocation of a single nonrecourse liability secured by multiple properties. This document also contains a notice of public hearing on these proposed regulations.

DATES: Written comments must be received by April 12, 2000. Requests to speak (with outlines of oral comments) at a public hearing scheduled for May 3, 2000, at 10 a.m., must be received by April 12, 2000.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG–103831–99), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG–103831–99), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the ''Tax Regs'' option of the IRS Home Page, or by submitting comments directly to the IRS Internet site at: http://www.irs.ustreas.gov/prod/tax__regs/comments.html. The public hearing will be held in Room 2615, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Christopher Kelley, (202) 622–3070; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Guy Traynor, (202) 622–7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Introduction

This document proposes to revise §§ 1.752–3 and 1.752–5 of the Income Tax Regulations (26 CFR part 1) relating to the allocation by a partnership of nonrecourse liabilities.

Background

Treasury regulation § 1.752–3 currently provides a three-tiered system for allocating nonrecourse liabilities. The three-tiered system applies sequentially. Thus, as a portion of a liability is allocated to a partner under the first tier, that portion is not available to be allocated under the second tier. Similarly, as a portion of a liability is allocated to a partner under the second tier, that portion is not available to be allocated in the third tier.

Under the first tier, a partner is allocated an amount of the liability equal to that partner's share of partnership minimum gain under section 704(b). See § 1.704–2(g)(1).

Under the second tier, to the extent the entire liability has not been allocated under the first tier, a partner will be allocated an amount of liability equal to the gain that partner would be allocated under section 704(c) if the partnership disposed of all partnership property subject to one or more nonrecourse liabilities in full satisfaction of the liabilities (section 704(c) minimum gain). Under the third tier, a partner is allocated any excess nonrecourse liabilities under one of several methods that the partnership may choose. One allocation method is based on the partner's share of partnership profits. The partnership may specify in its partnership agreement the partners' interests in partnership profits for purposes of allocating excess nonrecourse liabilities provided the specified interests are reasonably consistent with allocations of some other significant item of partnership income or gain. The partnership also may allocate excess nonrecourse liabilities in accordance with the manner in which it is reasonably expected that the deductions attributable to those nonrecourse liabilities will be allocated. The partnership may change its allocation method under the third tier from year to year.

In Rev. Rul. 95–41, 1995–1 C.B. 132, the IRS and Treasury addressed the effect of the three section 704(c) allocation methods under § 1.704–3 upon the three tiers of § 1.752–3(a). Rev. Rul. 95–41 also stated that in determining the partners' interests in partnership profits, solely for purposes of the third tier, section 704(c) built-in gain (i.e., the excess of a property's book value over the contributing partner's adjusted tax basis in the property upon contribution) that was not taken into account under § 1.752–3(a)(2) (the second tier) is one factor, but not the only factor, to be considered. This gain (excess section 704(c) gain) is equal to the excess of the amount of section 704(c) built-in gain attributable to an item of property over the amount of section 704(c) minimum gain on that property.