

**What Other ADs Are Affected by This Action?**

(b) None.

**What Sailplanes Are Affected by This AD?**

(c) This AD affects the following model and serial number sailplanes that are certificated in any category:

Models	Serial Numbers
(1) G103 Twin ASTIR	3000 through 3291.

Models	Serial Numbers
(2) G103 TWIN II .....	3501 through 3720.
(3) G103 TWIN III ACRO.	All serial numbers beginning with 34101.
(4) G103 C Twin III SL.	35002 through 35051.

**What Is the Unsafe Condition Presented in This AD?**

(d) This AD is the result of mandatory continuing airworthiness information (MCAI)

issued by the airworthiness authority for Germany. The actions of this AD are intended to prevent abnormal or uncontrolled sailplane release due to cracked center of gravity (CG) release hook attachment brackets. This condition could result in reduced or loss of sailplane control.

**What Must I Do To Address This Problem?**

(e) To address this problem, you must do the following:

Actions	Compliance	Procedures
(1) Replace the CG release hook attachment brackets with improved design brackets, as follows: (i) <i>For the Models G103 Twin ASTIR, G103 TWIN II, and G103 TWIN III ACRO sailplanes:</i> part number (P/N) 103B-2360.01/1 and P/N 103B-2360.02/1; and (ii) <i>For the Model G103 C Twin III SL sailplane:</i> P/N 103B-2360.01/2 and P/N 103B-2360.02/2. (2) Do not install any CG release hook attachment bracket that is not a part number referenced in paragraphs (e)(1)(i) and (e)(1)(ii) of this AD, as applicable.	Within the next 25 hours time-in-service (TIS) after June 4, 2004 (the effective date of this AD), unless already done.  As of June 4, 2004 (the effective date of this AD).	Follow Grob Service Bulletin No. MSB869-22, dated January 22, 2002; and Grob Service Bulletin No. MSB315-62, dated January 21, 2002.  Not Applicable.

**May I Request an Alternative Method of Compliance?**

(f) You may request a different method of compliance or a different compliance time for this AD by following the procedures in 14 CFR 39.19. Unless FAA authorizes otherwise, send your request to your principal inspector. The principal inspector may add comments and will send your request to the Manager, Standards Office, Small Airplane Directorate, FAA. For information on any already approved alternative methods of compliance, contact Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; facsimile: (816) 329-4090.

**Does This AD Incorporate Any Material by Reference?**

(g) You must do the actions required by this AD following the instructions in Grob Service Bulletin No. MSB869-22, dated January 22, 2002; and Grob Service Bulletin No. MSB315-62, dated January 21, 2002. The Director of the Federal Register approved the incorporation by reference of this service bulletin in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. You may get a copy from BURKHARDT GROB LUFT-UND RAUMFAHRT GmbH & CO KG, Letenbachstrasse 9, D-86874 Tussenhausen-Mattsies, Germany; telephone: 011 49 8268 998139; facsimile: 011 49 8268 998200. You may review copies at FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**Is There Other Information That Relates to This Subject?**

(h) German AD No. 2002-066, effective date: March 21, 2002; and German AD No. 2002-067, effective date: March 21, 2002, also address the subject of this AD.

Issued in Kansas City, Missouri, on April 13, 2004.

**James E. Jackson,**

*Acting Manager, Small Airplane Directorate, Aircraft Certification Service.*

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**BILLING CODE 4910-13-P**

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 71**

**[Docket No. FAA-2003-16059; Airspace Docket No. 03-AGL-16]**

**Modification of Class E Airspace; Mount Comfort, IN; Revocation of Class E Airspace; Indianapolis-Brookside, IN; Modification of Legal Description; Indianapolis-Terry, IN**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action modifies Class E airspace at Mount Comfort, IN, revokes Class E airspace at Indianapolis-Brookside, IN, and modifies the legal description at Indianapolis-Terry, IN. The Indianapolis Brookside Airpark has been abandoned, and the Standard

Instrument Approach Procedures (SIAPS) decommissioned. The Class E airspace area extending upward from 700 feet above the surface of the earth is no longer needed. Additionally, the airport name at Indianapolis-Terry, IN, has been changed. This action revokes the existing Class E airspace area for Indianapolis Brookside Airpark, IN, modifies the area of the existing Class E airspace for Mount Comfort Airport, IN, and modifies the legal description for Indianapolis Terry Airport.

**EFFECTIVE DATE:** 0901 UTC, August 5, 2004.

**FOR FURTHER INFORMATION CONTACT:** Patricia A. Graham, Air Traffic Division, Airspace Branch, AGL-520, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294-7568.

**SUPPLEMENTARY INFORMATION:****History**

On Wednesday, January 14, 2004, the FAA proposed to amend 14 CFR part 71 to modify Class E airspace at Mount Comfort, IN, revoke Class E airspace at Indianapolis-Brookside, IN, and modify the legal description at Indianapolis-Terry, IN, (69 FR 2088). The proposal was to modify the existing Class E airspace area at Mount Comfort, IN, revoke the existing Class E airspace area at Indianapolis-Brookside, IN, and modify the legal description at Indianapolis-Terry, IN. The Indianapolis Brookside Airpark has been abandoned, and the existing area of Class E airspace

is no longer needed. Additionally, the name of the Indianapolis Terry Airport has changed.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received. Class E airspace areas extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005, of FAA Order 7400.9L dated September 2, 2003, and effective September 16, 2003, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in the order.

### The Rule

This amendment to 14 CFR part 71 modifies Class E airspace at Mount Comfort, IN, revokes Class E airspace at Indianapolis-Brookside, IN, and modifies the legal description at Indianapolis-Terry, IN. The area will be depicted on appropriate aeronautical charts.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore this, proposed regulation—(1) is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

### List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

### Adoption of the Amendment

■ In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

### PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

■ 1. The authority citation for part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

### § 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9L, Airspace Designations and Reporting Points, dated September 2, 2003, and effective September 16, 2003, is amended as follows:

\* \* \* \* \*

*Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.*

\* \* \* \* \*

**AGL IN E5 Indianapolis Brookside Airport, IN [Revoked]**

**AGL IN E5 Mount Comfort, IN [Revised]**

Mount Comfort Airport, IN  
(Lat. 39°50'37" N., long. 85°53'49" W.)  
Indianapolis Metropolitan Airport, IN  
(Lat. 39°56'07" N., long. 86°02'42" W.)  
Indianapolis Executive Airport, IN  
(Lat. 40°01'50" N., long. 86°15'05" W.)

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of Mount Comfort Airport, and within a 6.3-mile radius of Indianapolis Metropolitan Airport, excluding that airspace within the Indianapolis Executive Airport, IN, Class E airspace area.

**AGL IN E5 Indianapolis Executive Airport, IN [Revised]**

Indianapolis Executive Airport, IN  
(Lat. 40°01'50" N., long. 86°15'05" W.)

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of Indianapolis Executive Airport.

\* \* \* \* \*

Issued in Des Plaines, Illinois on April 7, 2004.

**Nancy B. Shelton,**

*Manager, Air Traffic Division, Great Lakes Region.*

[FR Doc. 04–9074 Filed 4–20–04; 8:45 am]

**BILLING CODE 4910–13–M**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

### 26 CFR Part 1

[TD 9121]

RIN 1545–BD11

### Partner's Distributive Share: Foreign Tax Expenditures

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

**ACTION:** Final and temporary regulations.

**SUMMARY:** The temporary regulations provide rules for the proper allocation of partnership expenditures for foreign taxes. The temporary regulations affect partnerships and their partners. The text of the temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section of this issue of the **Federal Register**. The final regulations consist of technical revisions to reflect the issuance of the temporary regulations.

**DATES:** *Effective Date:* These regulations are effective April 21, 2004.

*Applicability Date:* For dates of applicability, see § 1.704–1(b)(1)(ii).

**FOR FURTHER INFORMATION CONTACT:** Beverly Katz at 202–622–3050 (not a toll-free number).

### SUPPLEMENTARY INFORMATION:

### Background

Subchapter K is intended to permit taxpayers to conduct joint business activities through a flexible economic arrangement without incurring an entity-level tax. To achieve this goal of a flexible economic arrangement, partners are generally permitted to decide among themselves how a partnership's items will be allocated. Section 704(a) of the Internal Revenue Code (Code) provides that a partner's distributive share of income, gain, loss, deduction, or credit shall, except as otherwise provided, be determined by the partnership agreement.

Section 704(b) places a significant limitation on the general flexibility of section 704(a). Specifically, section 704(b) provides that a partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined in accordance with the partner's interest in the partnership (determined by taking into account all facts and circumstances) if the allocation to a partner under the partnership agreement of income, gain, loss, deduction, or credit (or item thereof) does not have substantial economic effect. Thus, the statute provides that partnership allocations either must have substantial economic effect or must be in accordance with the partners' interests in the partnership.

Section 1.704–1(b)(2)(i) provides that the determination of whether an allocation of income, gain, loss, or deduction to a partner has substantial economic effect involves a two-part analysis that is made as of the end of the partnership taxable year to which the allocation relates. First, the allocation must have economic effect within the meaning of § 1.704–1(b)(2)(ii). Second,