

a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, 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. A copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption ADDRESSES.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (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. Section 39.13 is amended by adding the following new airworthiness directive:

British Aerospace Regional Aircraft

(Formerly British Aerospace Regional Aircraft Limited, Avro International Aerospace Division; British Aerospace, PLC; British Aerospace Commercial Aircraft Limited): Docket 98—NM—235—AD.

Applicability: Model Avro 146—RJ85A and RJ100A series airplanes, as listed in British Aerospace Service Bulletin SB.57—55, dated April 27, 1998, certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (b) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent reduced wing strength and stiffness, and the onset of premature fatigue cracking, which could result in reduced

structural integrity of the airplane, accomplish the following:

(a) Within 6 months after the effective date of this AD, perform a one-time detailed visual inspection for evidence of machining (undercutting) into the web of the integral stringers of the bottom skin of the wings, in accordance with British Aerospace Service Bulletin SB.57—55, dated April 27, 1998.

(1) If no machining into the web is detected, no further action is required by this AD.

(2) If any machining into the web is detected, prior to further flight, measure the thickness of the web of the integral stringer in accordance with the service bulletin.

(i) If the web thickness is 0.099 inch or more, no further action is required by this AD.

(ii) If the web thickness is less than 0.099 inch, prior to further flight, repair in accordance with a method approved by either the Manager, International Branch, ANM—116, FAA, Transport Directorate, or the Civil Aviation Authority (or its delegated agent).

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, International Branch, ANM—116. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM—116.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM—116.

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on August 7, 1998.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 98—21714 Filed 8—12—98; 8:45 am]

BILLING CODE CODE 4910—13—U

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG—251698—96]

RIN 1545—AU77

S Corporation Subsidiaries; Hearing

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of public hearing on proposed regulations.

SUMMARY: This document provides notice of a public hearing on proposed

regulations relating to the treatment of corporate subsidiaries of S corporations. In addition, this document announces that persons wishing to testify who are outside the Washington, DC area, will be able to make their presentations from one of two Internal Revenue Service remote teleconference sites.

DATES: The public hearing will be held on Wednesday, September 9, 1998, beginning at 1:00 p.m. (EDT). Requests to speak and outlines of oral comments must be received by Wednesday, August 20, 1998.

ADDRESSES: The public hearing will be held in room 3411, Internal Revenue Building, 1111 Constitution Avenue, NW, Washington, DC. The addresses of the remote teleconference sites are listed below under Supplementary Information.

FOR FURTHER INFORMATION CONTACT: Mike Slaughter of the Regulations Unit, Assistant Chief Counsel (Corporate), (202) 622—7180 (not a toll-free number).

SUPPLEMENTARY INFORMATION: The subject of the public hearing is proposed regulations under section 1308 of the Internal Revenue Code. These proposed regulations appeared in the **Federal Register** (63 FR 19864) on Wednesday, April 22, 1998.

The hearing will be held in room 3411 of the Internal Revenue Building, 1111 Constitution Avenue, NW, Washington, DC, and in two teleconference sites listed below:

Federal Building, 5th Floor, Room 5003,
300 N. Los Angeles Street, Los Angeles, California
Robert A. Young Building, 2nd Floor,
Conference Room, 1222 Spruce Street,
St. Louis, MO 63103

The rules of § 601.601 (a)(3) of the "Statement of Procedural Rules" (26 CFR part 601) shall apply with respect to the public hearing. Persons who have submitted written comments within the time prescribed in the notice of proposed rulemaking and who also desire to present oral comments at the hearing on the proposed regulations should submit not later than Wednesday, August 20, 1998, an outline of the oral comments/testimony to be presented at the hearing and the time they wish to devote to each subject.

Each speaker (or group of speakers representing a single entity) will be limited to 10 minutes for an oral presentation exclusive of the time consumed by the question from the panel for the government and answers to these questions.

Because of controlled access restriction, attendees cannot be admitted beyond the lobby of the

Internal Revenue building until 12:30 p.m. Hearing times at the remote teleconference sites will be concurrent with the hearing in Washington, DC. (i.e., 10 a.m. PDT and 12 noon CDT)

Due to limited seating capacity at the remote teleconference sites, no more than 12 people may be accommodated at any one time in each teleconference room. Seating in the teleconference rooms will be made available based on the order of presentations. IRS personnel will be available at the remote teleconference sites to assist speakers in using the teleconference equipment.

The Service will prepare an agenda showing the scheduling of speakers and will make copies of the agenda available free of charge at the hearing. Testimony will begin with the speakers at the remote teleconference sites in the following order: Los Angeles, St. Louis, and will conclude with presentations by the speakers in Washington, DC.

Cynthia E. Grigsby,

Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

[FR Doc. 98-21638 Filed 8-12-98; 8:45 am]

BILLING CODE CODE 8430-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 301

[REG-209813-96]

RIN 1545-AU15

Reporting Requirements for Widely Held Fixed Investment Trusts

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: This document contains proposed regulations that define widely held fixed investment trusts, clarify the reporting obligations of the trustees of these trusts and the middlemen connected with these trusts, and provide for the communication of necessary tax information to beneficial owners of trust interests. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written comments must be received by November 12, 1998. Requests to speak (with outlines of oral comments) at a public hearing scheduled for Thursday, November 5, 1998 at 10 a.m. must be submitted by October 15, 1998.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-209813-96), 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-209813-96), Courier's Desk, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on 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, Faith Colson, (202) 622-3060; concerning submissions and the hearing, LaNita Van Dyke, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, OP:FS:FP, Washington, DC 20224. Comments on the collection of information should be received by October 13, 1998. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance,

and purchase of service to provide information.

The collection of information in these proposed regulations is in § 1.671-4 of the Income Tax Regulations. This information is required to enable holders of trust interests to report items of income, deduction, and credit of a widely held fixed investment trust under section 671. This information will be used by the IRS to ensure that those items are reported accurately by beneficial owners of trust interests. The collection of information is mandatory. The likely respondents are businesses and other for-profit institutions.

Estimated total annual reporting burden: 2,400 hours.

Estimated average annual burden hours per respondent: 2 hours.

Estimated number of respondents: 1,200.

Estimated annual frequency of responses: Annually (but more often for a trust providing information to certain persons on request).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to the collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) under section 671. The proposed amendments are to be issued under the authority of sections 671, 6034A, 6049(d)(7), and 7805.

A fixed investment trust is an arrangement classified as a trust under § 301.7701-4(c). Beneficial interests in these trusts are divided into units. The Service treats these trusts as grantor trusts under section 671 and the owners of the beneficial interests, or units, as the grantors. See Rev. Rul. 84-10 (1984-1 C.B. 155); Rev. Rul. 70-545 (1970-2 C.B. 7); Rev. Rul. 70-544 (1970-2 C.B. 6); Rev. Rul. 61-175 (1961-2 C.B. 128). Under the proposed regulations, a *widely held fixed investment trust* is a fixed investment trust in which any interest is held by a middleman. For this purpose, the term *middleman* includes, but is not limited to, a custodian of a person's account, a nominee, and a broker holding an interest for a customer in street name. The IRS and