

airplane to accomplish the proposed action, and that the average labor rate is approximately \$60 an hour. Parts to accomplish the replacements cost approximately \$46,636. (Overhauled or repaired parts are available from the agencies of equipment manufacturers or from the aircraft manufacturer's agency). Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$437,544, or \$48,616 per airplane.

#### Compliance Time of the Proposed AD

The compliance time of the proposed AD is presented in both calendar time and hours time-in-service (TIS). Corrosion could occur on the hydraulic system components and then either continue to deteriorate the part over time regardless of airplane operation or develop into stress cracks over time based on airplane operation. In order to assure that this condition does not go undetected, a compliance time of specific hours TIS and calendar time is proposed.

#### Regulatory Impact

The regulations proposed herein would not have substantial direct effects 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. Therefore, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (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) 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 has been placed 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 a new airworthiness directive (AD) to read as follows:

**British Aerospace:** Docket No. 98-CE-91-AD.

**Applicability:** Jetstream Model 3201 airplanes, constructor numbers 841, 842, 844 through 848, 851, 853 through 855, 857, 859 through 862, and 864; 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 (c) 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 at whichever of the following occurs later, unless already accomplished:

1. Upon accumulating 8,000 landings on the airplane or within 5 years since the last time the hydraulic system components were replaced (see paragraph (a) of this AD for listing of components), whichever occurs first; or

2. Within the next 12 calendar months after the effective date of this AD.

**Note 2:** If the number of landings is unknown, hours time-in-service (TIS) may be used by dividing 8,000 by 0.75. If hours TIS are utilized to calculate the number of landings, this would calculate the 8,000 landings compliance time to 10,667 hours TIS.

To prevent internal corrosion of the hydraulic components on airplanes where these components were exposed to water contamination, which could result in reduced or loss of control of the airplane, accomplish the following:

(a) Replace the following critical components of the hydraulic system, in accordance with the applicable maintenance manual, as specified in Jetstream Alert Service Bulletin 29-A-JA 970940, Original Issue: February 4, 1998:

- (1) the nose landing gear downlock actuator;
- (2) the flap actuator;
- (3) the steering selector valve;
- (4) the hydraulic reservoir; and
- (5) the emergency selector valve.

**Note 3:** The FAA highly recommends replacing the hydraulic fluid while these system components are being replaced, as specified in Jetstream Alert Service Bulletin 29-A-JA 970940, Original Issue: February 4, 1998.

(b) 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.

(c) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Small Airplane Directorate, Aircraft Certification Service, 1201 Walnut, suite 900, Kansas City, Missouri 64106. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

**Note 4:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Small Airplane Directorate.

(d) Questions or technical information related to British Aerospace Jetstream Alert Service Bulletin 29-A-JA 970940, Original Issue: February 4, 1998, should be directed to British Aerospace Regional Aircraft, Prestwick International Airport, Ayrshire, KA9 2RW, Scotland; telephone: (01292) 479888; facsimile: (01292) 479703. This service information may be examined at the FAA, Central Region, Office of the Regional Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

**Note 5:** The subject of this AD is addressed in British AD 001-02-98, not dated.

Issued in Kansas City, Missouri, on December 1, 1998.

**James E. Jackson,**

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

[FR Doc. 98-32471 Filed 12-7-98; 8:45 am]

BILLING CODE 4910-13-U

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-209446-82]

RIN 1545-AT52

#### Pass Through of Items of an S Corporation to its Shareholders; Hearing Cancellation

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

**ACTION:** Cancellation of notice of public hearing on proposed rulemaking.

**SUMMARY:** This document provides notice of cancellation of a public hearing on proposed regulations relating to the pass through of items of an S

corporation to its shareholders, the adjustments to the basis of stock of the shareholders, and the treatment of distributions by an S corporation.

**DATES:** The public hearing originally scheduled for Tuesday, December 15, 1998, at 10 a.m., is cancelled.

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

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking and notice of public hearing that appeared in the **Federal Register** on Tuesday, August 18, 1998 (63 FR 44181), announced that a public hearing was scheduled for Tuesday, December 15, 1998, at 10 a.m., in room 2615, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. The subject of the public hearing is proposed regulations under section 1366, 1367 and 1368 of the Internal Revenue Code. The public comment period for these proposed regulations expired on Monday, November 16, 1998.

The notice of proposed rulemaking and notice of public hearing, instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed. As of December 2, 1998, no one has requested to speak. Therefore, the public hearing scheduled for Tuesday, December 15, 1998, is cancelled.

**Cynthia E. Grigsby,**  
*Chief, Regulations Unit, Assistant Chief Counsel (Corporate).*

[FR Doc. 98-32467 Filed 12-7-98; 8:45 am]

BILLING CODE 4830-01-U

## DEPARTMENT OF THE INTERIOR

### National Park Service

#### 36 CFR Part 59

RIN 1024-AC68

#### Land and Water Conservation Fund Program of Assistance to States: Post Completion Compliance Responsibilities

**AGENCY:** National Park Service, Interior.  
**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would modify Land and Water Conservation Fund (L&WCF) post-completion requirements by clarifying the state planning prerequisite for conversion approval, allowing the recipients of a L&WCF grant to use non-recreation land they currently own, or non-recreation

land that is transferred from one public agency to another without payment, to satisfy the replacement requirement when land acquired with L&WCF assistance is proposed for conversion to other than public outdoor recreation uses, assuming all other eligibility criteria are met, eliminating the requirement that the National Park Service be notified of all instances of obsolescence and facility use changes, and establishing standards for resolving premature conversions to ensure their timely resolution. These changes are necessary to implement the recommendations of the park protection and stewardship task force which was established by the NPS to reengineer the post-completion compliance functions of the program and to address the recommendations of the Department of the Interior's Office of Inspector General.

**DATES:** Written comments will be accepted until February 8, 1999.

**ADDRESSES:** Comments should be sent to the Chief, Recreation Programs Division, National Park Service, Department of the Interior, 1849 "C" St., NW., Room 3624, Washington, DC 20240.

**FOR FURTHER INFORMATION CONTACT:** Mr. Wayne Strum (202-565-1129) or Mr. Kenneth R. Compton (202-565-1140).

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 6(f)(3) of the L&WCF Act of 1965 stipulates that changes in use to other than public outdoor recreation at assisted sites may only be made with the approval of the Secretary of the Interior if such a conversion is in accord with the Statewide Comprehensive Outdoor Recreation Plan (SCORP) and only if a converted property is replaced by substitute property of at least equal fair market value and of reasonably equivalent location and usefulness. On September 25, 1986, NPS published a final rule describing the post-completion compliance responsibilities for recipients of grants under the L&WCF grant-in-aid program. The regulations were subsequently amended on June 15, 1987 (52 FR 22747), to implement section 303 of the Emergency Wetlands Resources Act of 1986 which clarifies the equivalent usefulness criterion. The conversion requirements are codified at 36 CFR 59.3.

As part of the Vice President's National Performance Review, NPS established a park protection and stewardship task force to examine how local, State, and Federal governments could work together to better protect the public recreation estate created by

L&WCF grant-in-aid program from the twin challenges of increasing development and shrinking manpower and financial resources at all levels of government. The goal of the task force members was to simplify and streamline the conversion review and approval process in 36 CFR part 59 without compromising the integrity of the recreation estate established through the L&WCF State grant program. The task force report, "Protecting the Legacy," issued in November 1996, included several recommendations which will lighten the burden of the 56 States and Territories, the primary recipients of L&WCF grant assistance, as well as thousands of pass-through recipients at the local level. Some recommendations can be implemented administratively. However, three of the recommendations require revisions or amendments to the published regulations. This rulemaking is also being used to clarify language in the preamble to the 1986 rulemaking regarding the role of the SCORP in the conversion review and approval process.

Every State must have a SCORP which has been reviewed and accepted by NPS before it can apply for and receive grants under the L&WCF program. In addition, the prerequisites for conversion approval found in § 59.3(b) include the requirement that a conversion and substitution must be in accord with the then-existing SCORP or equivalent recreation plans. In the discussion of public comments found in the preamble to the 1986 final rule (51 FR 34182), equivalent recreation plans are described as whatever planning effort exists after program funding ends which most closely compares with that of the SCORP and which the State would maintain at the impetus of State law or for some other appropriate reason. It is possible that this language could be misinterpreted to preclude any conversion request unless justified by a single plan, statewide in scope and maintained by the State. The intent of the equivalent recreation plans language was to give the States and local project sponsors the flexibility to pursue legitimate conversion requests in the absence of a formal SCORP as long as a suitable planning alternative was available—whether a recreation plan developed by a State as part of its own comprehensive planning efforts or any local or regional plan(s) acceptable to the State for the purpose of complying with section 6(f)(3). Such a plan may be considered as equivalent and could serve in lieu of an official SCORP to support (or reject) a conversion request but only if it has been formulated with