conditions, including temperature, electromagnetic interference (EMI), high intensity radiated fields (HIRF) and lightning. The environmental limits to which the system has been satisfactorily validated must be documented in the appropriate propeller manuals.

(iii) A method is provided to indicate that an operating mode change has occurred if flight crew action is required. In such an event, operating instructions must be provided in the appropriate manuals.

(2) The propeller control system must be designed and constructed so that, in addition to compliance with paragraph (b), Safety analysis:

(i) A level of integrity consistent with the intended aircraft is achieved.

(ii) A single failure or malfunction of electrical or electronic components in the control system does not cause a hazardous propeller effect.

(iii) Failures or malfunctions directly affecting the propeller control system in typical aircraft, such as structural failures of attachments to the control, fire, or overheat, do not lead to a hazardous propeller effect.

(iv) The loss of normal propeller pitch control does not cause a hazardous propeller effect under the intended operating conditions.

(v) The failure or corruption of data or signals shared across propellers does not cause a major or hazardous propeller effect.

(3) Electronic propeller control system imbedded software must be designed and implemented by a method approved by the Administrator that is consistent with the criticality of the performed functions and minimizes the existence of software errors.

(4) The propeller control system must be designed and constructed so that the failure or corruption of aircraft-supplied data does not result in hazardous propeller effects.

(5) The propeller control system must be designed and constructed so that the loss, interruption or abnormal characteristic of aircraft-supplied electrical power does not result in hazardous propeller effects. The power quality requirements must be described in the appropriate manuals.

(6) The propeller control system description, characteristics and authority, in both normal operation and failure conditions, and the range of control of other controlled functions must be specified in the appropriate propeller manuals.

(d) *Centrifugal load test.* It must be demonstrated that a propeller, accounting for environmental degradation expected in service, complies with paragraphs (d)(1), (d)(2) and (d)(3) of these special conditions without evidence of failure, malfunction, or permanent deformation that would result in a major or hazardous propeller effect. Environmental degradation may be accounted for by adjustment of the loads during the tests.

(1) The hub, blade retention system, and counterweights must be tested for a period of one hour to a load equivalent to twice the maximum centrifugal load to which the propeller would be subjected during operation at the maximum rated rotational speed.

(2) If appropriate, blade features associated with transitions to the retention system (e.g., a composite blade bonded to a metallic retention) may be tested either during the test required by paragraph (d)(1) or in a separate component test.

(3) Components used with or attached to the propeller (e.g., spinners, de-icing equipment, and blade erosion shields) must be subjected to a load equivalent to 159 percent of the maximum centrifugal load to which the component would be subjected during operation at the maximum rated rotational speed. This must be performed by either:

(i) Testing at the required load for a period of 30 minutes; or

(ii) Analysis based on test.

(e) *Fatigue limits and evaluation.*

(1) Fatigue limits must be established by tests or analysis based on tests, for propeller:

(i) Hubs;

(ii) Blades;

(iii) Blade retention components; and

(iv) Other components that are affected by fatigue loads and that are shown under paragraph (b), Safety analysis, as having a fatigue failure mode leading to hazardous propeller effects.

(2) The fatigue limits must take the following into account:

(i) All known and reasonable foreseeable vibration and cyclic load patterns that are expected in service; and

(ii) Expected service deterioration, variations in material properties, manufacturing variations, and environmental effects.

(3) A fatigue evaluation of the propeller must be conducted to show that hazardous propeller effects due to fatigue will be avoided throughout the intended operational life of the propeller on either:

(i) The intended aircraft, by complying with §§ 23.907 or 25.907 as applicable; or

(ii) A typical aircraft.

(f) *Bird impact.* It must be demonstrated, by tests or analysis based on tests or experience on similar designs, that the propeller is capable of withstanding the impact of a four pound bird at the critical location(s) and critical flight condition(s) of the intended aircraft without causing a major or hazardous propeller effect.

(g) *Lightning strike.* It must be demonstrated, by tests or analysis based on tests or experience on similar designs, that the propeller is capable of withstanding a lightning strike without causing a major or hazardous propeller effect.

Issued in Burlington, Massachusetts on March 20, 2000.

David A. Downey,

Assistant Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 00–7634 Filed 3–28–00; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–113572–99]

RIN 1545–AX33

Qualified Transportation Fringe Benefits; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to the notice of proposed rulemaking.

SUMMARY: This document contains corrections to a notice of proposed rulemaking which was published in the **Federal Register** on Thursday, January 27, 2000 (65 FR 4388), relating to qualified transportation fringe benefits.

FOR FURTHER INFORMATION CONTACT: John Richards at (202) 622–6040 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The proposed regulations that are the subject of these corrections reflect the changes to the law made by the Energy Policy Act of 1992, the Taxpayer Relief Act of 1997, and the Transportation Equity Act for the 21st Century.

Need for Correction

As published, this notice of proposed rulemaking contains errors in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking (REG–113572l–99), which was the subject of

FR Doc. 00–1859, is corrected as follows:

§ 1.132–9 [Corrected]

1. On page 4392, column 2, § 1.132–9(b), A–7, paragraph (d), line 3, the language ''Q/A7'' is corrected to read ''Q/A–7''.

2. On page 4293, column 1, § 1.132–9(b), Q–11, line 2, the language ''fringes be provided pursuant to a'' is corrected to read '' fringes be provided to employees pursuant to a''.

3. On page 4393, column 3, § 1.132–9(b), A–14, paragraph (d), line 4, the language ''paragraph (a)(3) of the Q/A–14, an'' is corrected to read ''paragraph (c) of this Q/A–14, an''.

4. On page 4395, column 1, § 1.132–9(b), A–16, paragraph (d)(2), line 8, the language '' that it will be used it during the month.'' is corrected to read ''that it will be used during the month.''.

5. On page 4395, column 2, § 1.1320–9(b), A–21, paragraph (a), line 2, the language ''Employer-and'' is corrected to read ''Employer and''.

6. On page 4395, column 2, § 1.132–9(b), A–21, paragraph (b), line 8, the language ''132(f)(5)(B) and Q/A–2 of this section.'' is corrected to read '' 132(f)(5)(B) and Q/A–2 of this section.''.

7. On page 4396, column 1, § 1.132–9(b), A–22, paragraph (b), line 7, the language ''monthly limit under section 132(f) are'' is corrected to read ''monthly limit under section 132(f) is''.

8. On page 4396, column 3, the title of the official signing the document, ''Commissioner of Internal Revenue'' is corrected to read ''Deputy Commissioner of Internal Revenue Service''.

Dale D. Goode,

Federal Register Liaison, Assistant Chief Counsel (Corporate).

[FR Doc. 00–5238 Filed 3–28–00; 8:45 am]

BILLING CODE 4830–01–U

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–109101–98]

Special Rules Regarding Optional Forms of Benefit Under Qualified Retirement Plans

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: This document contains proposed regulations that would permit qualified defined contribution plans to be amended to eliminate some alternative forms in which an account balance can be paid under certain circumstances, and would permit certain transfers between defined contribution plans that are not permitted under regulations now in effect. These proposed regulations affect qualified retirement plan sponsors, administrators, and participants. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written comments must be received by June 27, 2000. Requests to speak and outlines of oral comments to be discussed at the public hearing scheduled for June 27, 2000, at 10 a.m., must be received by June 6, 2000.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG–109101–98), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG–109101–98), 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.gov/tax—regs/reglist.html. The public hearing will be held in room 6718, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Linda S.F. Marshall, 202–622–6030; concerning submissions and the hearing, and/or to be placed on the building access list to attend the hearing, LaNita VanDyke, 202–622–7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to 26 CFR part 1 under section 411(d)(6) of the Internal Revenue Code of 1986 (Code).

Section 411(d)(6) generally provides that a plan will not be treated as satisfying the requirements of section 411 if the accrued benefit of a participant is decreased by a plan amendment. Section 411(d)(6)(B), which was added by the Retirement Equity Act of 1984 (REA), Public Law 98–397 (98 Stat. 1426), provides that a plan amendment that eliminates an optional form of benefit is treated as reducing accrued benefits to the extent that the amendment applies to benefits accrued as of the later of the adoption date or the effective date of the amendment. However, section 411(d)(6)(B) authorizes the Secretary of the Treasury to provide exceptions to this requirement. This authority does not extend to a plan amendment that would have the effect of eliminating or reducing an early retirement benefit or a retirement-type subsidy.

Final regulations regarding section 411(d)(6)(B) were published in the **Federal Register** on July 8, 1988. Those final regulations, and subsequent amendments to the regulations, define the optional forms of benefit that are protected under section 411(d)(6)(B) and provide for certain exceptions to the general rule of section 411(d)(6)(B). In general, existing regulatory exceptions to the application of section 411(d)(6)(B) to optional forms of benefit have been developed to address certain specific practical problems. For example, § 1.411(d)–4, Q&A–3(b) permits a transfer between plans of a participant's entire nonforfeitable benefit to be made at the election of the participant, without a requirement that the transferee plan preserve all section 411(d)(6) protected benefits, but only if the participant is eligible to receive an immediate distribution and certain other conditions are satisfied. In addition, some regulatory exceptions to the application of section 411(d)(6)(B) to optional forms of benefit address plan amendments that are related to statutory changes. See Q&A–2(b) and Q&A–10 of § 1.411(d)–4.

The IRS and Treasury recognize that the accumulation of a variety of payment choices in a plan may increase the cost and complexity of plan operations. For example, an employer that initially adopted a plan for which the plan document was prepared by a prototype sponsor may now be using a different prototype plan that offers a different array of distribution forms. The requirement to preserve virtually all preexisting optional forms for benefits accrued up to the date of change in the prototype plan may present significant practical problems in certain cases.

Similar issues arise where employers merge with or acquire other businesses. These employers often face issues of whether to maintain separate plans, terminate one or more of the plans, or merge the plans. If the employer chooses to merge the plans, the resulting plan may accumulate a wide variety of optional forms, some of which may differ in insignificant ways or may entail special administrative costs. Because the existing elective transfer rule of § 1.411(d)–4, Q&A–3(b) applies only to situations in which a