

of the transcript of the public meeting once it is available, or comments received, go to the U.S. Department of Energy, Resource Room of the Building Technologies Program, Sixth Floor, 950 L'Enfant Plaza, SW., Washington, DC 20024, (202) 586-2945, between 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays. Please call Ms. Brenda Edwards first at the above telephone number for additional information regarding visiting the Resource Room.

**FOR FURTHER INFORMATION CONTACT:** Mr. Wes Anderson, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Building Technologies, EE-2J, 1000 Independence Avenue, SW., Washington, DC 20585-0121. Telephone: (202) 586-7335.

*E-mail:* [Wes.Anderson@ee.doe.gov](mailto:Wes.Anderson@ee.doe.gov).

Mr. Eric Stas or Mr. Michael Kido, U.S. Department of Energy, Office of the General Counsel, GC-72, 1000 Independence Avenue, SW., Washington, DC 20585-0121. Telephone: (202) 586-9507. *E-mail:* [Eric.Stas@hq.doe.gov](mailto:Eric.Stas@hq.doe.gov) or [Michael.Kido@hq.doe.gov](mailto:Michael.Kido@hq.doe.gov).

Issued in Washington, DC, on June 23, 2008.

**Alexander A. Karsner,**

*Assistant Secretary, Energy Efficiency and Renewable Energy.*

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**BILLING CODE 6450-01-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2008-0685; Directorate Identifier 2008-CE-039-AD]

RIN 2120-AA64

#### Airworthiness Directives; Stemme GmbH & Co. KG Model S10-VT Powered Sailplanes

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

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for the products listed above that would supersede an existing AD. This proposed AD results from mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an

aviation product. The MCAI describes the unsafe condition as:

AD 2007-0315-E was issued to address a possible fuel leakage in the gear compartment in front of the engine and mandated inspections and replacement of fuel plastic-made connectors by connectors made of metal. Since its publication, another fuel leakage has been reported on a S10-VT which had implemented the STEMME Service Bulletin (SB) A31-10-082 as required by AD 2007-0315-E.

It has been determined that the fuel leak may have been caused by the deformation that the originally installed clamps created on the fuel hoses and thus preventing the new clamps from being sufficiently pinched to perform a correct tightening.

The proposed AD would require actions that are intended to address the unsafe condition described in the MCAI.

**DATES:** We must receive comments on this proposed AD by August 4, 2008.

**ADDRESSES:** You may send comments by any of the following methods:

- **Federal eRulemaking Portal:** Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
- **Fax:** (202) 493-2251.
- **Mail:** U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.
- **Hand Delivery:** U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

#### Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (telephone (800) 647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; fax: (816) 329-4090.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments

to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2008-0685; Directorate Identifier 2008-CE-039-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed AD because of those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this proposed AD.

#### Discussion

On May 23, 2008, we issued AD 2008-11-20, Amendment 39-15543 (73 FR 31355; June 2, 2008). That AD required actions intended to address an unsafe condition on the products listed above.

AD 2008-11-20 was issued as an interim action in order to address the need for the immediate prevention of leaks in the area of the fuel line.

The European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Community, has issued Emergency AD No. 2008-0053-E, dated March 5, 2008 (referred to after this as "the MCAI"), to correct an unsafe condition for the specified products.

The EASA AD requires mandatory replacement of STEMME part number (P/N) M476 single-ear clamps in the fuel system with P/N 10M-181 single-ear clamps on all affected sailplanes within 12 months after the effective date of the AD.

The Administrative Procedure Act does not permit the FAA to "bootstrap" a long-term requirement into an urgent safety of flight action where the rule becomes effective at the same time the public has the opportunity to comment. The short-term action and the long-term action are analyzed separately for justification to bypass prior public notice.

We are issuing this AD to address the mandatory replacement of all P/Ns M476 in the fuel system with P/Ns 10M-181.

#### Relevant Service Information

STEMME F & D has issued Service Bulletin A31-10-083, Am-Index: 01.a, dated February 26, 2008. The actions described in this service information are intended to correct the unsafe condition identified in the MCAI.

## FAA's Determination and Requirements of the Proposed AD

This product has been approved by the aviation authority of another country, and is approved for operation in the United States. Pursuant to our bilateral agreement with this State of Design Authority, they have notified us of the unsafe condition described in the MCAI and service information referenced above. We are proposing this AD because we evaluated all information and determined the unsafe condition exists and is likely to exist or develop on other products of the same type design.

## Differences Between This Proposed AD and the MCAI or Service Information

We have reviewed the MCAI and related service information and, in general, agree with their substance. But we might have found it necessary to use different words from those in the MCAI to ensure the AD is clear for U.S. operators and is enforceable. In making these changes, we do not intend to differ substantively from the information provided in the MCAI and related service information.

We might also have proposed different actions in this AD from those in the MCAI in order to follow FAA policies. Any such differences are highlighted in a NOTE within the proposed AD.

## Costs of Compliance

Based on the service information, we estimate that this proposed AD will affect 46 products of U.S. registry. We also estimate that it would take about 3 work-hours per product to comply with the basic requirements of this proposed AD. The average labor rate is \$80 per work-hour.

Based on these figures, we estimate the cost of the proposed AD on U.S. operators to be \$11,040, or \$240 per product.

## Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. "Subtitle VII: Aviation Programs," describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in "Subtitle VII, Part A, Subpart III, Section 44701: General requirements." Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for

safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

## Regulatory Findings

We determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect 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.

For the reasons discussed above, I certify this proposed regulation:

1. Is not a "significant regulatory action" under Executive Order 12866;
2. Is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and
3. 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.

We prepared a regulatory evaluation of the estimated costs to comply with this proposed AD and placed it in the AD docket.

## List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

## The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 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. The FAA amends § 39.13 by removing Amendment 39-15543 (73 FR 31355; June 2, 2008), and adding the following new AD:

**Stemme GmbH & Co. KG:** Docket No. FAA-2008-0685; Directorate Identifier 2008-CE-039-AD.

### Comments Due Date

- (a) We must receive comments by August 4, 2008.

### Affected ADs

- (b) This AD supersedes AD 2008-11-20, Amendment 39-15543.

## Applicability

- (c) This AD applies to Model S10-VT powered sailplanes, serial numbers 11-001 through 11-112, certificated in any category.

## Subject

- (d) Air Transport Association of America (ATA) Code 28: Fuel.

## Reason

- (e) The mandatory continuing airworthiness information (MCAI) states:

AD 2007-0315-E was issued to address a possible fuel leakage in the gear compartment in front of the engine and mandated inspections and replacement of fuel plastic-made connectors by connectors made of metal. Since its publication, another fuel leakage has been reported on a S10-VT which had implemented the STEMME Service Bulletin (SB) A31-10-082 as required by AD 2007-0315-E.

It has been determined that the fuel leak may have been caused by the deformation that the originally installed clamps created on the fuel hoses and thus preventing the new clamps from being sufficiently pinched to perform a correct tightening.

The present Airworthiness Directive (AD) supersedes AD 2007-0315-E and requires you to check the fuel system according to the STEMME SB A31-10-083 as well as to replace single-ear clamps and plastic connectors.

The actions specified by this AD are intended to reduce the potential for a fire to ignite and which could lead to loss of control of the sailplane.

## Actions and Compliance

- (f) Unless already done, do the following actions:

(1) *For all sailplanes affected by this AD, except for serial numbers 11-036, 11-067, 11-068, and 11-090:* Before further flight after March 21, 2008 (the compliance date retained from AD 2008-03-06, which was superseded by AD 2008-11-20), replace all plastic T- and Y-connectors in the fuel system with metal connectors. Do the replacements following STEMME F & D Service Bulletin A31-10-082, AM-Index: 01.a, dated November 30, 2007.

**Note:** Serial numbers 11-036, 11-067, 11-068, and 11-090 had the plastic T- and Y-connectors in the fuel system replaced with metal connectors by the manufacturer.

(2) *For all sailplanes affected by this AD:* Before further flight after June 23, 2008 (the compliance date retained from AD 2008-11-20), inspect the fuel system for possible leakage. Do the inspection following STEMME F & D Service Bulletin A31-10-083, Am-Index: 01.a, dated February 26, 2008.

(3) *For all sailplanes affected by this AD:* If any leak is found during the inspection required in paragraph (f)(2) of this AD, before further flight, repair the leak following an FAA-approved procedure (the appropriate maintenance manual contains these procedures) and replace all STEMME part number (P/N) M476 single-ear clamps in the fuel system with P/N 10M-181 single-ear clamps. Do the replacements following STEMME F & D Service Bulletin A31-10-

083, Am-Index: 01.a, dated February 26, 2008.

(4) *For sailplanes that had P/Ns M476 replaced with P/Ns 10M-181 in compliance with AD 2008-11-20:* Before further flight after the effective date of this AD, do a leak test as specified in STEMME F & D Service Bulletin A31-10-083, Am-Index: 01.a, dated February 26, 2008.

(5) If a leak is found during the leak test required in paragraph (f)(4) of this AD, before further flight, repair the leak following an FAA-approved procedure. The appropriate maintenance manual contains these procedures.

(6) *For all sailplanes affected by this AD:* If no leak is found during the inspection required in paragraph (f)(2) of this AD, within the next 12 months after the effective date of this AD, replace all P/Ns M476 in the fuel system with P/Ns 10M-181. Do the replacements following STEMME F & D Service Bulletin A31-10-083, Am-Index: 01.a, dated February 26, 2008.

(7) Before further flight after doing the replacement required in paragraph (f)(6) of this AD, do a leak test as specified in STEMME F & D Service Bulletin A31-10-083, Am-Index: 01.a, dated February 26, 2008.

(8) If a leak is found during the leak test required in paragraph (f)(7) of this AD, before further flight, repair the leak following an FAA-approved procedure. The appropriate maintenance manual contains these procedures.

(9) *For all sailplanes affected by this AD:* After June 23, 2008 (the compliance date retained from AD 2008-11-20), do not install plastic "T" and "Y" shape connectors and P/N M476 single-ear clamps in the fuel system.

#### FAA AD Differences

**Note:** This AD differs from the MCAI and/or service information as follows: No differences.

#### Other FAA AD Provisions

(g) The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, Standards Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; fax: (816) 329-409. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) *Airworthy Product:* For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(3) *Reporting Requirements:* For any reporting requirement in this AD, under the

provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120-0056.

#### Related Information

(h) Refer to MCAI European Aviation Safety Agency (EASA) Emergency AD No. 2008-0053-E, dated March 5, 2008; STEMME F & D Service Bulletin A31-10-082, AM-Index: 01.a, dated November 30, 2007; and STEMME F & D Service Bulletin A31-10-083, Am-Index: 01.a, dated February 26, 2008, for related information.

Issued in Kansas City, Missouri, on June 27, 2008.

**John Colomy,**

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

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**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-138355-07]

RIN 1545-BG98

#### Modifications to Subpart F Treatment of Aircraft and Vessel Leasing Income

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

**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations and notice of proposed rulemaking.

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations relating to the subpart F treatment of aircraft and vessel leasing income under sections 954 and 956 of the Internal Revenue Code (Code) and the transfer of tangible property incorporated in aircraft and vessels that are used predominantly outside the United States under section 367 of the Code. The regulations reflect statutory changes made by section 415 of the American Jobs Creation Act of 2004 (AJCA). In general, the regulations will affect United States shareholders of controlled foreign corporations that derive income from the leasing of aircraft or vessels in foreign commerce and that transfer property subject to these leases to a foreign corporation. The text of those temporary regulations also serves as the text of these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be received by October 1, 2008.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-138355-07), Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-138355-07), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC., or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS-REG-138355-07).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations under section 367, John H. Seibert, at (202) 622-3860; concerning the proposed regulations under section 954 or 956, Paul J. Carlino at (202) 622-3840; concerning submissions of comments or a public hearing, Richard Hurst, at (202) 622-7180 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

#### Background and Explanation of Provisions

Temporary regulations in this issue of the **Federal Register** provide guidance under section 367 of the Code, relating to the nonrecognition of gain on certain property transferred to a foreign corporation if the property is used by the foreign corporation in the active conduct of a trade or business outside of the United States. The regulations also provide guidance under section 954 relating to the determination of whether rents derived from leasing an aircraft or vessel in foreign commerce will be treated as derived in the active conduct of a trade or business under section 954(c)(2)(A), and section 956, relating to whether an aircraft or vessel used in the transportation of persons or property in foreign commerce is excluded from U.S. property. The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations.

#### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the proposed regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. Ch. 6) does not apply.