

support for damage and cracking, and the associated corrective actions as necessary with more restrictive actions than defined in Airbus Service Bulletin (SB) A320–25A1555 at its original issue.

The new requirements defined in this AD will be introduced in revision 1 of SB A320–25A1555.

The associated corrective actions include repair or replacement of the lower lateral fittings and/or central support. Replacing the 80VU support fittings eliminates the need for the repetitive inspection of the lower lateral fittings, and extends the repetitive interval for the lower central support.

Actions and Compliance

(f) Unless already done, do the following actions.

(1) Prior to the accumulation of 24,000 total flight cycles, or within 500 flight cycles after the effective date of this AD, whichever occurs later: Do a special detailed inspection of the 80VU rack lower lateral fittings for damage (e.g., broken fitting, missing bolts, migrated bushings, material burr, or rack in contact with the fitting) of the 80VU rack lower lateral fittings in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007. Except as provided by paragraph (f)(2) of this AD, repeat the inspection thereafter at the interval specified in paragraph (f)(1)(i) or (f)(1)(ii) of this AD, as applicable. Replacing the 80VU lower lateral fittings in accordance with Airbus Service Bulletin A320–25–1557, dated June 14, 2007, terminates the inspection requirements of this paragraph.

(i) If the 80VU rack lower lateral fittings have not been repaired in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007, repeat the inspection thereafter at intervals not to exceed 4,500 flight cycles.

(ii) If the 80VU rack lower lateral fittings have been repaired in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007, repeat the inspection thereafter at intervals not to exceed 24,000 flight cycles.

(2) If any damage is found during any inspection required by paragraph (f)(1) of this AD, do all applicable corrective actions (inspection and/or repair) in accordance with the Accomplishment Instructions and timeframes given in Airbus Service Bulletin A320–25A1555, dated June 14, 2007.

(3) Prior to the accumulation of 24,000 total flight cycles, or within 500 flight cycles after the effective date of this AD, whichever occurs later: Do a special detailed inspection of the 80VU rack lower central support for cracking in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007. Except as provided by paragraph (f)(4) of this AD, repeat the inspection thereafter at the interval specified in paragraph (f)(3)(i) or (f)(3)(ii) of this AD, as applicable.

(i) If the 80VU rack lower central support has not been repaired or replaced in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007; or Airbus

Service Bulletin A320–25–1557, dated June 14, 2007; repeat the inspection thereafter at the interval specified in paragraph (f)(3)(i)(A) or (f)(3)(i)(B) of this AD, as applicable.

(A) For airplanes on which the lower central support has accumulated more than 30,000 total flight cycles as of the effective date of this AD: At intervals not to exceed 500 flight cycles.

(B) For airplanes on which the lower central support has accumulated 30,000 total flight cycles or fewer as of the effective date of this AD: At intervals not to exceed 4,500 flight cycles, without exceeding 30,750 total flight cycles for the first repetitive inspection.

(ii) If the 80VU rack lower central support has been repaired or replaced in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007; or Airbus Service Bulletin A320–25–1557, dated June 14, 2007; repeat the inspection thereafter at intervals not to exceed 24,000 flight cycles.

(4) If any crack is found during any inspection required by paragraph (f)(3) of this AD, do the action in paragraph (f)(4)(i) or (f)(4)(ii) of this AD, as applicable.

(i) If the crack length is more than 40 mm on the front or the rear sheet of the lower central support, as shown in Figure 3, Sheet 2 of Airbus Service Bulletin A320–25A1555, dated June 14, 2007, or if any crack is found on the upper sheet of the lower central support as shown in Figure 3, Sheet 3 of Airbus Service Bulletin A320–25A1555, dated June 14, 2007: Before further flight, repair or replace the lower central support in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007; or Airbus Service Bulletin A320–25–1557, dated June 14, 2007; as applicable.

(ii) If the crack length is 40 mm or less on the front or the rear sheet, as specified in Figure 3, Sheet 2 of Service Bulletin A320–25A1555, dated June 14, 2007: Within 20 months or 4,500 flight cycles after the crack finding, whichever occurs first, repair or replace the lower central support in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–25A1555, dated June 14, 2007; or A320–25–1557, dated June 14, 2007, as applicable. Until the repair or replacement of the lower central support is accomplished, repeat the inspection required by paragraph (f)(3) of this AD thereafter at intervals not to exceed 500 flight cycles.

FAA AD Differences

Note 1: 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, ANM–116, International Branch, Transport Airplane Directorate, 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: Tim Dulin, Aerospace Engineer, International Branch, ANM–116, Transport Airplane Directorate,

FAA, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 227–2141; fax (425) 227–1149. 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, 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) Airworthiness Directive 2007–0276, dated October 26, 2007; Airbus Service Bulletin A320–25A1555, dated June 14, 2007; and Airbus Service Bulletin A320–25–1557, dated June 14, 2007, for related information.

Issued in Renton, Washington, on June 8, 2008.

Michael Kaszycki,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E8–14184 Filed 6–23–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2008–0667; Directorate Identifier 2008–NM–009–AD]

RIN 2120–AA64

Airworthiness Directives; Airbus Model A330–200, A330–300, and A340–300 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to adopt a new airworthiness directive (AD) for the products listed above. 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:

During fatigue tests (EF3) on the A340–600, damages were found in longitudinal doubler

at VTP (vertical tail plane) attachment cutout between Frame (FR) 80 and FR86. This damage occurred between 58341 and 72891 simulated flight cycles (FC).

Due to the higher Design Service Goal and different design (e.g. doubler thickness) [of the] A330-200/-300 and A340-300 aircraft series, the damage assessment concluded [there was] potential impact on [the airplanes specified in the] applicability.

* * * * *

The unsafe condition is crack propagation in the VTP attachment cutout, which could reduce airplane structural integrity in the tail section. 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 July 24, 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 W12-40, 1200 New Jersey Avenue, SE., Washington, DC, 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 Operations office 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 Operations 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:

Vladimir Ulyanov, Aerospace Engineer, International Branch, ANM-116, Transport Airplane Directorate, FAA, 1601 Lind Avenue, SW., Renton, Washington 98057-3356; telephone (425) 227-1138; fax (425) 227-1149.

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-2008-0667; Directorate Identifier 2008-NM-009-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 based on 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

The European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Community, has issued EASA Airworthiness Directive 2007-0284, dated November 12, 2007 (referred to after this as "the MCAI"), to correct an unsafe condition for the specified products. The MCAI states:

During fatigue tests (EF3) on the A340-600, damages were found in longitudinal doubler at VTP (vertical tail plane) attachment cutout between Frame (FR) 80 and FR86. This damage occurred between 58341 and 72891 simulated Flight Cycles (FC).

Due to the higher Design Service Goal and different design (e.g. doubler thickness) [of the] A330-200/-300 and A340-300 aircraft series, the damage assessment concluded [there was] potential impact on [the airplanes specified in the] applicability.

[T]o allow early detection of cracks, which could [prevent] possible crack propagation and consequently maintain the structural integrity of the upper shell structure between FR80 and FR86, this Airworthiness Directive (AD) mandates an inspection program [for cracking] of this area using a high frequency eddy current (HFEC) method, and a modification to improve the upper shell structure.

The unsafe condition is crack propagation in the VTP attachment cutout, which could reduce airplane structural integrity in the tail section. Corrective actions include doing eddy current inspections for cracking of certain fastener rows, and contacting Airbus for repair instructions and repairing. You may obtain further information by examining the MCAI in the AD docket.

Relevant Service Information

Airbus has issued the service bulletins specified in the following table. The compliance times in paragraph 1.E.(2) of the service bulletins range from 14,200 total flight cycles through 27,900 total flight cycles (for the initial inspection); from 1,700 flight cycles or 11,900 flight hours, whichever

occurs first, through 4,600 flight cycles or 14,000 flight hours, whichever occurs first (for the repetitive inspection intervals); and from 10,700 total flight cycles through 14,200 total flight cycles (for the modification); depending upon airplane model and weight variant. The actions described in this service information are intended to correct the unsafe condition identified in the MCAI.

AIRBUS SERVICE INFORMATION

Service Bulletin	Date
A330-53-3159	September 19, 2007.
A330-53-3160	July 9, 2007.
A330-53-3168	September 19, 2007.
A340-53-4165	September 19, 2007.
A340-53-4172	July 10, 2007.
A340-53-4174	September 19, 2007.

FAA's Determination and Requirements of This 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 the State of Design Authority, we have been notified of the unsafe condition described in the MCAI and service information referenced above. We are proposing this AD because we evaluated all pertinent information and determined an unsafe condition exists and is likely to exist or develop on other products of the same type design.

Differences Between This 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 would affect about 26 products of U.S. registry. We also estimate that it would take about 202 work-hours per product to comply with the basic requirements of this proposed AD. The average labor rate is \$80 per work-hour. Required

parts would cost about \$19,020 per product. Where the service information lists required parts costs that are covered under warranty, we have assumed that there will be no charge for these costs. As we do not control warranty coverage for affected parties, some parties may incur costs higher than estimated here. Based on these figures, we estimate the cost of the proposed AD on U.S. operators to be \$914,680, or \$35,180 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 adding the following new AD:

Airbus: Docket No. FAA-2008-0667; Directorate Identifier 2008-NM-009-AD.

Comments Due Date

(a) We must receive comments by July 24, 2008.

Affected ADs

(b) None.

Applicability

(c) This AD applies to Airbus Model A330-200, A330-300, and A340-300 series airplanes; certificated in any category; all certified models, all serial numbers; on which Airbus modification 44205 has been embodied in production, except those on which Airbus modification 52974 or 53223 has been embodied in production.

Subject

(d) Air Transport Association (ATA) of America Code 53: Fuselage.

Reason

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

During fatigue tests (EF3) on the A340-600, damages were found in longitudinal doubler at VTP (vertical tail plane) attachment cutout between Frame (FR) 80 and FR86. This damage occurred between 58341 and 72891 simulated Flight Cycles (FC).

Due to the higher Design Service Goal and different design (e.g. doubler thickness) [of the] A330-200/-300 and A340-300 aircraft series, the damage assessment concluded [there was] potential impact on [the airplanes specified in the] applicability.

[T]o allow early detection of cracks, which could [prevent] possible crack propagation and consequently maintain the structural integrity of the upper shell structure between FR80 and FR86, this Airworthiness Directive (AD) mandates an inspection program [for cracking] of this area using a high frequency eddy current (HFEC) method, and a modification to improve the upper shell structure.

The unsafe condition is crack propagation in the VTP attachment cutout, which could reduce airplane structural integrity in the tail section. Corrective actions include doing eddy current inspections for cracking of certain fastener rows, and contacting Airbus for repair instructions and repairing.

Actions and Compliance

(f) Unless already done, do the following actions.

(1) For Airbus Model A330-300 and A340-300 series airplanes, except Model A340-300 weight variant (WV) 027 airplanes: At the applicable compliance time specified in paragraph (f)(2) of this AD, perform a HFEC inspection of the upper shell structure between FR80 and FR86, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A330-53-3168 or A340-53-4174, both dated September 19, 2007, as applicable.

(i) If no crack is detected, repeat the inspection thereafter within the intervals specified in paragraph 1.E.(2) of Airbus Service Bulletin A330-57-3168 or A340-53-4174, as applicable.

(ii) If any crack is detected during any inspection required by this AD: Before next flight, contact Airbus for repair instructions and do applicable repairs.

(iii) Doing the modification of the upper shell structure in accordance with Airbus Service Bulletin A330-53-3159 or Airbus Service Bulletin A340-53-4165, both dated September 19, 2007, as applicable, ends the inspections required by paragraph (f)(1) of this AD.

(2) Do the actions required by paragraph (f)(1) of this AD at the later of the compliance times specified in paragraph (f)(2)(i) and (f)(2)(ii) of this AD.

(i) Within the compliance times specified in paragraph 1.E.(2) of Airbus Service Bulletin A330-53-3168 or A340-53-4174, both dated September 19, 2007, as applicable.

(ii) Within 3 months after the effective date of this AD.

(3) At the applicable time specified in paragraphs (f)(3)(i), (f)(3)(ii), and (f)(3)(iii) of this AD or within 3 months after the effective date of this AD, whichever occurs later, modify the upper shell structure between FR80 and FR86 (including doing eddy current inspections for cracking of certain fastener rows and applicable corrective actions) in accordance with the Accomplishment Instructions of Airbus Service Bulletin A330-53-3160, dated July 9, 2007, or Airbus Service Bulletin A340-53-4172, dated July 10, 2007, as applicable. Do all applicable corrective actions before further flight.

(i) For Model A330-200 airplanes, WV 020 through WV 027: Prior to the accumulation of 13,500 total flight cycles.

(ii) For Model A330-200 airplanes, WV 050 through WV 055: Prior to the accumulation of 10,700 total flight cycles or 59,300 total flight hours, whichever occurs first.

(iii) For Model A340-300 airplanes, WV 027: Prior to the accumulation of 14,200 total flight cycles.

FAA AD Differences

Note: This AD differs from the MCAI and/or service information as follows: Although the MCAI allows further flight after cracks are found during compliance with the required action, this AD requires that you repair the crack(s) before further flight.

Other FAA AD Provisions

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

(1) Alternative Methods of Compliance (AMOCs): The Manager, International Branch, ANM-116, Transport Airplane Directorate, 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: Vladimir Ulyanov, Aerospace Engineer, International Branch, ANM-116, Transport Airplane Directorate, FAA, 1601 Lind Avenue, SW., Renton, Washington 98057-3356; telephone (425) 227-1138; fax (425) 227-1149. 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, 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) Airworthiness Directive 2007-0284, dated November 12, 2007, and the service bulletins specified in Table 1 of this AD, for related information.

TABLE 1.—SERVICE INFORMATION

Airbus Service Bulletin	Date
A330-53-3159	September 19, 2007.
A330-53-3160	July 9, 2007.
A330-53-3168	September 19, 2007.
A340-53-4165	September 19, 2007.
A340-53-4172	July 10, 2007.
A340-53-4174	September 19, 2007.

Issued in Renton, Washington, on June 9, 2008.

Ali Bahrami,

*Manager, Transport Airplane Directorate,
Aircraft Certification Service.*

[FR Doc. E8-14192 Filed 6-23-08; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-102122-08]

RIN 1545-BH56

**Guidance Under Section 956 for
Determining the Basis of Property
Acquired in Certain Nonrecognition
Transactions**

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS and the Treasury Department are issuing temporary regulations under section 956 of the Internal Revenue Code (Code) relating to the determination of basis in property acquired by a controlled foreign corporation in certain nonrecognition transactions that are intended to avoid United States income tax. Those regulations affect United States shareholders of a controlled foreign corporation that acquires United States property in certain nonrecognition transactions. The text of those 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 September 22, 2008.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-102122-08), room 5203, 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-102122-08), 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-102122-08).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, John H. Seibert, (202) 622-3860; concerning submissions of comments and/or requests for a hearing, Regina Johnson, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

**Background and Explanation of
Provisions**

Temporary regulations in the Rules and Regulations section of this issue of

the **Federal Register** provide guidance regarding the determination of basis for property acquired in certain nonrecognition transactions that repatriate earnings and profits of a controlled foreign corporation but are structured with the intent to avoid an income inclusion by the United States shareholders of the controlled foreign corporation under section 951(a)(1)(B). This avoidance is achieved by the use of the basis rules under section 362(a) for the acquisition by the controlled foreign corporation of certain stock or obligations that constitute United States property within the meaning of section 956(c).

The text of those 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. Pursuant to the Regulatory Flexibility Act (RFA) (5 U.S.C. chapter 6), it is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that these regulations will affect primarily large multi-national United States corporations that own a significant interest in foreign corporations that acquire certain United States property in a transaction subject to the regulations. Accordingly, a regulatory flexibility analysis is not required. Pursuant to section 7805(f) of the Code, this regulation has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small entities.

**Comments and Requests for a Public
Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and the Treasury Department continue to consider, outside the context of section 956, the appropriate basis of stock or obligations issued by a transferor in the hands of the transferee as determined under section 362. The IRS and the Treasury Department are also considering whether any additional rules are necessary or appropriate to coordinate the section 956 basis