

Actions	Compliance	Procedures
(4) 14 CFR 21.303 allows for replacement parts through parts manufacturer approval (PMA). The phrase "or FAA-approved equivalent part number" in this AD is intended to signify those parts that are PMA parts approved through identity to the design of the part under the type certificate and replacement parts to correct the unsafe condition under PMA (other than identity). If parts are installed that are identical to the unsafe parts, then the corrective actions of the AD affect these parts also. In addition, equivalent replacement parts to correct the unsafe condition under PMA (other than identity) may also be installed provided they meet current airworthiness standards, which include those actions cited in this AD.	Not Applicable	Not Applicable.

#### Alternative Methods of Compliance (AMOCs)

(f) The Manager, Standards Office, Small Airplane Directorate, FAA, ATTN: Gregory A. Davison, Aerospace Engineer, ACE-112, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; facsimile: (816) 329-4090, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

#### Related Information

(g) German AD Number D-2004-443, dated September 27, 2004, and Stemme Service Bulletin Document Number: A31-10-069, Am.-Index 01.a, dated September 10, 2004, also address the subject of this AD. To get copies of the service information referenced in this AD, contact STEMME AG, Flugplatzstraße F 2, Nr. 7, D-15344 Strausberg, Germany; telephone: + 49.33.41/36 12-0; facsimile: + 49.33.41/36 12-30. To view the AD docket, go to the Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, S.W., Nassif Building, Room PL-401, Washington, DC, or on the Internet at <http://dms.dot.gov>. The docket number is Docket No. FAA-2006-24641; Directorate Identifier 2006-CE-27-AD.

Issued in Kansas City, Missouri, on May 24, 2006.

#### David R. Showers,

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

[FR Doc. E6-8609 Filed 6-1-06; 8:45 am]

BILLING CODE 4910-13-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Docket No. FAA-2006-24003; Airspace Docket No. 06-AAL-12]

#### Proposed Revision of Class E Airspace; Adak, AK

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This action proposes to revise Class E airspace at Adak, AK. A Special Standard Instrument Approach Procedure (SIAP) is being amended and a special departure procedure is being developed for the Adak Airport. Adoption of this proposal would result in revision of Class E airspace upward from 700 feet (ft.) and 1,200 ft. above the surface at Adak, AK.

**DATES:** Comments must be received on or before July 17, 2006.

**ADDRESSES:** Send comments on the proposal to the Docket Management System, U.S. Department of Transportation, Room Plaza 401, 400 Seventh Street, SW., Washington, DC 20590-0001. You must identify the docket number FAA-2006-24003/ Airspace Docket No. 06-AAL-12, at the beginning of your comments. You may also submit comments on the Internet at

<http://dms.dot.gov>. You may review the public docket containing the proposal, any comments received, and any final disposition in person in the Dockets Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Office (telephone 1-800-647-5527) is on the plaza level of the Department of Transportation NASSIF Building at the above address.

An informal docket may also be examined during normal business hours at the office of the Manager, Safety, Alaska Flight Service Operations, Federal Aviation Administration, 222 West 7th Avenue, Box 14, Anchorage, AK 99513-7587.

**FOR FURTHER INFORMATION CONTACT:** Gary Rolf, Federal Aviation Administration, 222 West 7th Avenue, Box 14, Anchorage, AK 99513-7587; telephone number (907) 271-5898; fax: (907) 271-2850; e-mail: [gary.ctr.rolf@faa.gov](mailto:gary.ctr.rolf@faa.gov). Internet address: <http://www.alaska.faa.gov/at>.

#### SUPPLEMENTARY INFORMATION:

#### Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments

are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. Communications should identify both docket numbers and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. FAA-2006-24003/Airspace Docket No. 06-AAL-12." The postcard will be date/time stamped and returned to the commenter.

All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of comments received. All comments submitted will be available for examination in the public docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

#### Availability of Notice of Proposed Rulemaking's (NPRM's)

An electronic copy of this document may be downloaded through the Internet at <http://dms.dot.gov>. Recently published rulemaking documents can also be accessed through the FAA's Web page at <http://www.faa.gov> or the Superintendent of Document's Web page at <http://www.access.gpo.gov/nara>.

Additionally, any person may obtain a copy of this notice by submitting a request to the Federal Aviation Administration, Office of Air Traffic Airspace Management, ATA-400, 800 Independence Avenue, SW., Washington, DC 20591 or by calling (202) 267-8783. Communications must identify both docket numbers for this notice. Persons interested in being placed on a mailing list for future NPRM's should contact the FAA's Office of Rulemaking, (202) 267-9677, to request a copy of Advisory Circular No. 11-2A, Notice of Proposed Rulemaking Distribution System, which describes the application procedure.

#### The Proposal

The FAA is considering an amendment to the Code of Federal Regulations (14 CFR Part 71), which would revise the Class E airspace at Adak, AK. The intended effect of this proposal is to revise Class E airspace upward from 700 ft. and 1,200 ft. above

the surface to contain Instrument Flight Rules (IFR) operations at Adak, AK.

The FAA Instrument Flight Procedures Production and Maintenance Branch has amended one Special SIAP and developed a Special departure procedure for the Adak Airport. The Special SIAP is the Instrument Landing System (ILS) or Localizer (LOC)/Distance Measuring Equipment (DME) Runway (RWY) 23, Amdt 2. The Special Departure Procedure is unnamed. This action would modify the Class E controlled extending upward from 700 ft. and 1,200 ft. above the surface near the Adak Airport. The proposed airspace is sufficient in size to contain aircraft executing instrument procedures at the Adak Airport.

The area would be depicted on aeronautical charts for pilot reference. The coordinates for this airspace docket are based on North American Datum 83. The Class E airspace areas designated as 700/1200 foot transition areas are published in paragraph 6005 in FAA Order 7400.9N, *Airspace Designations and Reporting Points*, dated September 1, 2005, and effective September 15, 2005, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document would be published subsequently in the Order.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(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) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle 1, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority.

This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart 1, Section 40103, Sovereignty and use of airspace.

Under that section, the FAA is charged with prescribing regulations to ensure the safe and efficient use of the navigable airspace. This regulation is within the scope of that authority because it proposes to create Class E airspace sufficient in size to contain aircraft executing instrument procedures at Adak Airport and represents the FAA's continuing effort to safely and efficiently use the navigable airspace.

#### List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

#### The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

#### PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for 14 CFR part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

#### § 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9N, *Airspace Designations and Reporting Points*, dated September 1, 2005, and effective September 15, 2005, is to be amended as follows:

\* \* \* \* \*

*Paragraph 6005 Class E airspace extending upward from 700 feet or more above the surface of the earth.*

\* \* \* \* \*

#### AAL AK E5 Adak, AK [Revised]

Adak Airport, AK

(Lat. 51°52'41" N., long. 176°38'46" W.)

Mount Moffett NDB

(Lat. 51°52'19" N., long. 176°40'34" W.)

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Adak Airport and within 5.2 miles northwest and 4.2 miles southeast of the 060°(T)/053°(M) bearing of the Mount Moffett NDB extending from the 7-mile radius to 11.5 miles northeast of the Adak Airport; and that airspace extending upward from 1,200 feet above the surface within an 11-mile radius of the Adak Airport, and within 16 miles of the Adak Airport extending clockwise from the 033°(T)/026°(M) bearing of the Mount Moffett NDB.

\* \* \* \* \*

Issued in Anchorage, AK, on May 19, 2006.

**Anthony M. Wylie,**

*Area Director, Flight Service Information  
Office (AK).*

[FR Doc. 06-5027 Filed 6-1-06; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-135866-02]

RIN 1545-BA93

#### Section 1248 Attribution Principles

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations under section 1248 of the Internal Revenue Code (Code) that provide guidance for determining the earnings and profits attributable to stock of controlled foreign corporations (or former controlled foreign corporations) that are (were) involved in certain nonrecognition transactions. The proposed regulations are necessary in order to supplement and clarify existing guidance in the regulations under section 1248. The proposed regulations affect persons subject to the regulations under section 1248, as well as persons to which regulations under other Code provisions, such as section 367(b), apply to the extent that those regulations incorporate the principles of the proposed regulations. In addition, the proposed regulations provide that with respect to the sale by a foreign partnership of the stock of a corporation, the partners in such foreign partnership shall be treated as selling or exchanging their proportionate share of the stock of such corporation for purposes of section 1248.

**DATES:** Written or electronic comments and requests for a public hearing must be received by August 31, 2006.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-135866-02), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-135866-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington DC or sent electronically, via the IRS Internet site at [www.irs.gov/regs](http://www.irs.gov/regs) or via the Federal eRulemaking Portal at <http://www.regulations.gov>

([www.regulations.gov](http://www.regulations.gov)) (IRS-REG-135866-02).

#### FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Michael Gilman at (202) 622-3850 (not a toll-free number); concerning the submissions of comments and request for hearing, Richard Hurst at [Richard.A.Hurst@irs.counsel.treas.gov](mailto:Richard.A.Hurst@irs.counsel.treas.gov) (preferred) or at (202) 622-7180 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 1248(a) of the Code provides that certain gain recognized on the sale or exchange of stock of a foreign corporation by a United States person will be included in the gross income of that person as a dividend if: (1) The foreign corporation was a controlled foreign corporation at any time during the five-year period ending on the date of the sale or exchange; and (2) the United States person owned or is considered to have owned, within the meaning of section 958, 10 percent or more of the total combined voting power of the foreign corporation at any time during that five-year period (section 1248 shareholder). The amount of gain included in income as a dividend under section 1248(a) is limited to the earnings and profits attributable to the stock that is sold or exchanged which were accumulated in taxable years of the foreign corporation beginning after December 31, 1962, and during the period or periods the stock was held by the United States person while the foreign corporation was a controlled foreign corporation. A distribution treated as an exchange of stock is also included. See § 1.1248-1(b). In addition, section 1248 may also apply to certain distributions of the stock of a foreign corporation as provided under section 1248(f).

The section 1248 regulations provide for both a simple case method and a complex case method for computing a controlled foreign corporation's earnings and profits attributable to stock disposed of in a transaction to which section 1248 applies. See §§ 1.1248-2 and 1.1248-3. A taxpayer may use the simple case method under § 1.1248-2, which requires few adjustments in the earnings and profits calculation under section 1248, if it meets several criteria (e.g., the foreign corporation has only one class of stock and a constant number of shares outstanding on each day of each post-1962 taxable year which falls within the relevant holding period). If these criteria are not satisfied, a taxpayer must use the complex case method under § 1.1248-3. The complex

case method provides additional rules to address situations involving multiple classes of stock, changes in a shareholder's ratable share of a corporation's earnings and profits, and other complicating factors.

Under § 1.1248-1(a), the period of ownership of stock of a United States person for purposes of attributing earnings and profits to that stock includes the period that the United States person actually held the stock or is considered to have held such stock pursuant to section 1223. Section 1223(1) provides that the period for which the taxpayer has held property received in an exchange, shall include the period for which the taxpayer held the property exchanged if the property received in the exchange has the same basis in whole or in part in the taxpayer's hands as the property exchanged. Section 1223(2) provides that the period for which the taxpayer is considered to have held property acquired shall include the period for which that property was held by any other person if the property acquired has the same basis in whole or in part in the taxpayer's hands as it would have in the hands of that other person.

Section 1248(c)(2) generally provides that, if the United States person selling, exchanging, or distributing stock in a foreign corporation has the required ownership interest in lower-tier foreign corporations, certain earnings and profits of those lower-tier foreign corporations will be attributed to stock of the foreign corporation that the U.S. person sells, exchanges, or distributes. For this provision to apply, the United States person must have owned or be considered to have owned, within the meaning of section 958, 10 percent or more of the total combined voting power of the lower-tier foreign corporation at any time during the five-year period preceding the sale.

Although section 1248(a) applies only to sales or exchanges of stock in a foreign corporation by a United States person, section 964(e) applies section 1248 principles to certain dispositions of stock in a foreign corporation by a controlled foreign corporation. Section 964(e)(1) provides that if a controlled foreign corporation that owns stock in a foreign corporation sells or exchanges such stock, gain recognized on such sale or exchange shall be included in the gross income of such controlled foreign corporation as a dividend to the same extent that it would have been included under section 1248(a) if the controlled foreign corporation were a United States person.