

Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

Special Flight Permit

(e) Special flight permits may be issued per 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 done.

Issued in Renton, Washington, on February 9, 2001.

Vi L. Lipski,

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

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-NM-317-AD]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the superseding of an existing airworthiness directive (AD), which applies to all Boeing Model 747 series airplanes. The existing AD currently requires, for certain airplanes, revising the Airplane Flight Manual, and, for all airplanes, performing repetitive inspections for wear or damage of the inlet check valves and inlet adapters of the override/jettison pumps, and corrective actions, if necessary. This action would apply to fewer airplanes than the existing AD and require rework of certain components, which would end the repetitive inspection requirement. These actions are necessary to ensure that the flight crew is advised of the hazards of dry operation of the override/jettison pumps of the center wing fuel tank, and to prevent wear or damage to the inlet check valves and inlet adapters of the override/jettison pumps, which could result in a fire or explosion in the fuel tank during dry (no fuel) operation. This action is intended to address the identified unsafe condition.

DATES: Comments must be received by April 2, 2001.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2000-NM-317-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9 a.m. and 3 p.m., Monday through Friday, except Federal holidays. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: 9-anm-nprmcomment@faa.gov. Comments sent via fax or the Internet must contain "Docket No. 2000-NM-317-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 for Windows or ASCII text.

The service information referenced in the proposed rule may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Sulmo Mariano, Aerospace Engineer, Propulsion Branch, ANM-140S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2686; fax (425) 227-1181.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this action may be changed in light of the comments received.

Submit comments using the following format:

- Organize comments issue-by-issue. For example, discuss a request to change the compliance time and a request to change the service bulletin reference as two separate issues.
- For each issue, state what specific change to the proposed AD is being requested.
- Include justification (e.g., reasons or data) for each request.

Comments are specifically invited on the overall regulatory, economic,

environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this action must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2000-NM-317-AD." The postcard will be date-stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2000-NM-317-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

On July 30, 1998, the FAA issued AD 98-16-19, amendment 39-10695 (63 FR 42210, August 7, 1998), applicable to all Boeing Model 747 series airplanes. That AD requires, for certain airplanes, revising the Airplane Flight Manual (AFM) to advise the flightcrew of limitations on dry (no fuel) operation of the override/jettison pumps of the center wing fuel tank. That AD also requires repetitive inspections for wear or damage of the inlet check valves and inlet adapters of the override/jettison pumps, and replacement of the check valves and pumps with new or serviceable parts, if necessary. For affected airplanes, such replacement allows the AFM revision to be removed. That AD was prompted by a report that inlet adapters of override/jettison pumps were found to be worn excessively, which allowed contact to occur between the inlet check valve and the inducer. The requirements of that AD are intended to ensure that the flightcrew is advised of the hazards of dry operation of the override/jettison pumps of the center wing fuel tank, and to detect and correct wear or damage to the inlet check valves and inlet adapters of the override/jettison pumps. Such conditions, if not corrected, could result in a fire or explosion in the fuel tank during dry operation.

Actions Since Issuance of Previous Rule

The preamble to AD 98-16-19 stated that the FAA considered the requirements of that AD to be "interim action" and that the manufacturer was

developing a modification to positively address the unsafe condition. The FAA indicated that it might consider further rulemaking action once the modification was developed, approved, and available. The manufacturer now has developed such a modification, and the FAA has determined that further rulemaking action is indeed necessary. This proposed AD follows from that determination.

Also, the existing AD applies to all Boeing Model 747 series airplanes. Boeing has informed the FAA that the approved modification will be installed on all Model 747 series airplanes having line number 1252 and subsequent. The FAA has determined that installation of the modification during production is adequate to address the unsafe condition. Therefore, the FAA finds that the actions required by the existing AD and the actions in this proposed AD are not necessary for airplanes modified in production, which leads the FAA to remove those airplanes from the applicability of this proposed AD.

Explanation of Relevant Service Information

The FAA has reviewed and approved Boeing Service Bulletin 747-28A2212, Revision 3, dated August 3, 2000. That service bulletin describes actions identical to those in Boeing Alert Service Bulletin 747-28A2212, Revision 2, dated May 14, 1998, which was referenced in the existing AD as the appropriate source of service information. Revision 3 of the service bulletin also describes procedures for a terminating action that entails rework of the existing pump housing and impeller motor assembly, which includes replacement of the existing inlet check valve and inlet adapter with new, improved parts, and reidentification of the pump housing and impeller motor assembly with new part numbers. This rework eliminates the need for the currently required repetitive inspections. Accomplishment of the actions specified in Revision 3 of the service bulletin is intended to adequately address the identified unsafe condition.

Revision 3 of the service bulletin refers to Crane Hydro-Aire Service Bulletins 60-703-28-33, 60-703-28-35, 60-721-28-5, and 60-723-28-5, as secondary sources of information for the rework of the pump housing and impeller motor assembly. The FAA has reviewed Revision 1 of these service bulletins, all dated November 20, 2000, and finds them acceptable secondary sources of information for the rework.

Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would supersede AD 98-16-19 to continue to require repetitive inspections for wear or damage of the inlet check valves and inlet adapters of the override/jettison pumps, and corrective actions, if necessary. This proposed AD would also continue to require, for certain airplanes, revising the Airplane Flight Manual (AFM) to advise the flightcrew of limitations on dry (no fuel) operation of the override/jettison pumps of the center wing fuel tank, until the repetitive inspections described above have been done. This action would apply to fewer airplanes than the existing AD, and would add a new requirement for rework of the existing pump housing and impeller motor assembly, which would end the repetitive inspection requirement. The actions would be required to be accomplished in accordance with the service bulletin described previously, except as discussed below.

Differences Between This Proposed AD and the Service Bulletin

As stated above, Revision 3 of the service bulletin describes procedures for rework of the existing pump housing and impeller motor assembly, which gets rid of the need for the repetitive inspections. The service bulletin provides for the rework as optional. The FAA finds it necessary to require operators to do this rework. The decision to propose the rework is based on the FAA's position that modifications or design changes to remove the source of a problem will ensure continued operational safety over the long term better than repetitive inspections. The view that repetitive inspections may be inadequate to ensure the safety of the transport airplane fleet, along with consideration of the human factors associated with repetitive inspections, has led the FAA to place less emphasis on special procedures, such as repetitive inspections, and more emphasis on design improvements.

In developing the 18-month compliance time for this action, the FAA considered these factors:

- The urgency of the subject unsafe condition,
- The amount of time it takes to do the replacement (10 work hours), and
- The amount of time needed to allow most operators to do the replacement during normal scheduled maintenance.

The FAA finds that 18 months is the optimal amount of time that will allow

the rework to be done on all affected airplanes without compromising flight safety.

Cost Impact

There are approximately 1,100 airplanes of the affected design in the worldwide fleet. The FAA estimates that 250 airplanes of U.S. registry would be affected by this proposed AD.

For affected airplanes, the AFM revision currently required by AD 98-16-19 takes approximately 1 work hour per airplane to accomplish, at an average labor rate of \$60 per work hour. Based on these figures, the FAA estimates that the cost impact of this action is \$60 per airplane.

The inspections currently required by AD 98-16-19 take approximately 12 work hours per airplane to accomplish, at an average labor rate of \$60 per work hour. Based on these figures, the FAA estimates that the cost impact of this action on U.S. operators is \$180,000, or \$720 per airplane, per inspection cycle.

The rework proposed in this AD action would take approximately 6 work hours per airplane to accomplish, at an average labor rate of \$60 per work hour. Required parts would cost approximately \$1,978 per airplane. Based on these figures, the FAA estimates that the cost impact of the proposed replacement on U.S. operators is \$584,500, or \$2,338 per airplane. The FAA has been advised that manufacturer warranty remedies may be available for labor costs and parts associated with accomplishing the proposed rework. Therefore, the future economic cost impact of this action on U.S. operators may be less than the cost impact figure indicated above.

The cost impact figures discussed above are based on assumptions that no operator has yet accomplished any of the proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this proposed AD were not adopted. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These figures typically do not include incidental costs, such as the time required to gain access and close up, planning time, or time necessitated by other administrative actions.

Regulatory Impact

The regulations proposed herein 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.

Therefore, it is determined that this proposal would not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that 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) 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 is contained 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 removing amendment 39–10695 (63 FR 42210, August 7, 1998), and by adding a new airworthiness directive (AD), to read as follows:

Boeing: Docket 2000–NM–317–AD.

Supersedes AD 98–16–19, Amendment 39–10695.

Applicability: Model 747 series airplanes, line numbers 1 through 1251 inclusive, 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 (f)(1) 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 as indicated, unless accomplished previously.

To ensure that the flightcrew is advised of the hazards of dry operation of the override/jettison pumps of the center wing fuel tank, and to prevent wear or damage to the inlet check valves and inlet adapters of the override/jettison pumps, which could result in a fire or explosion in the fuel tank during dry operation, accomplish the following:

Restatement of Requirements of AD 98–16–19

Airplane Flight Manual Revision

(a) For airplanes that have accumulated 20,000 total hours time-in-service or more as of August 24, 1998 (the effective date of AD 98–16–19, amendment 39–10695): Within 14 days after August 24, 1998, revise the Limitations section of the FAA-approved Airplane Flight Manual (AFM) to include the following procedures. This may be accomplished by inserting a copy of this AD into the AFM.

"If the center tank override/jettison fuel pumps are to be used, there must be at least 17,000 pounds (7,720 kilograms) of fuel in the center tank prior to engine start.

"Do not operate the center tank override/jettison fuel pumps with less than 7,000 pounds (3,200 kilograms) of fuel in the center tank. For airplanes with an inoperative center tank scavenge system, this 7,000 pounds of center tank fuel must be considered unusable.

"If the center tank override/jettison fuel pumps circuit breakers are tripped, do not reset."

Repetitive Inspections and Corrective Actions

(b) Prior to the accumulation of 10,000 total hours time-in-service, or within 90 days after August 24, 1998, whichever occurs later, accomplish the requirements of paragraphs (b)(1) and (b)(2) of this AD, in accordance with the Accomplishment Instructions specified in Boeing Alert Service Bulletin 747–28A2212, Revision 2, dated May 14, 1998, or Revision 3, dated August 3, 2000.

(1) Perform a detailed visual inspection for wear or damage of the inlet check valve of the left and right override/jettison pumps of the center wing fuel tank.

(i) If the inlet check valve passes all wear and damage criteria, as specified in Figure 3 of the service bulletin, accomplish the actions specified in paragraph (b)(1)(i)(A), (b)(1)(i)(B), or (b)(1)(i)(C) of this AD, as applicable.

(A) If the wear to the stainless steel disk is less than or equal to 0.70 inch, and does not penetrate the disk, repeat the inspection thereafter at intervals not to exceed 10,000 hours time-in-service after the last inspection, until paragraph (d) of this AD has been done.

(B) If the wear to the stainless steel disk is greater than 0.70 inch, and does not penetrate the disk, repeat the inspection thereafter at intervals not to exceed 1,000 hours time-in-service after the last inspection, until paragraph (d) of this AD has been done.

(C) If the wear penetrates the stainless steel disk of the inlet check valve, prior to further flight, accomplish the actions specified in paragraph (b)(1)(ii) of this AD.

(ii) If the inlet check valve fails any wear or damage criteria, as specified in Figure 3 of the service bulletin, prior to further flight, replace the existing check valve with a new or serviceable check valve, in accordance with the service bulletin. Repeat the inspection thereafter at intervals not to exceed 10,000 hours time-in-service after the last inspection, until paragraph (d) of this AD has been done.

(2) Perform a detailed visual inspection for wear or damage of the inlet adapter of the left and right override/jettison pumps of the center wing fuel tank.

(i) If the wear to the inlet adapter is less than or equal to 0.50 inch, prior to further flight, reinstall the existing override/jettison pump, in accordance with the alert service bulletin. Repeat the inspection thereafter at intervals not to exceed 10,000 hours time-in-service after the last inspection, until paragraph (d) of this AD has been done.

(ii) If the wear to the inlet adapter is greater than 0.50 inch, but less than 0.60 inch, prior to further flight, accomplish the actions required by either paragraph (b)(2)(ii)(A) or (b)(2)(ii)(B), in accordance with the service bulletin.

(A) Install a new or serviceable override/jettison pump, and repeat the inspection thereafter at intervals not to exceed 10,000 hours time-in-service after the last inspection, until paragraph (d) of this AD has been done. Or

(B) Reinstall the existing override/jettison pump, and repeat the inspection thereafter at intervals not to exceed 1,000 hours time-in-service after the last inspection, until paragraph (d) of this AD has been done.

(iii) If the wear to the inlet adapter is greater than or equal to 0.60 inch, prior to further flight, install a new or serviceable override/jettison pump, in accordance with the service bulletin. Repeat the inspection thereafter at intervals not to exceed 10,000 hours time-in-service after the last inspection, until paragraph (d) of this AD has been done.

Note 2: Boeing Alert Service Bulletin 747–28A2212, Revision 2, dated May 14, 1998, and Revision 3, dated August 3, 2000, include figures that illustrate specific areas to inspect for wear and damage.

Note 3: Accomplishment of the actions specified in paragraph (b) of this AD prior to August 24, 1998, in accordance with Revision 1 of Boeing Alert Service Bulletin 747–28A2212, dated April 23, 1998, is considered acceptable for compliance with paragraph (b) of this AD.

Terminating Action for Paragraph (a)

(c) Accomplishment of the actions specified by paragraph (b) of this AD constitutes terminating action for the requirements of paragraph (a) of this AD. Following accomplishment of those actions, the AFM revision may be removed from the AFM.

New Requirements of This AD

Replacement of Pump Housing and Impeller Motor Assembly

(d) Within 18 months after the effective date of this AD: Rework the existing pump

housing and impeller motor assembly, including replacing the existing inlet check valve and inlet adapter with new, improved parts; in accordance with Boeing Service Bulletin 747-28A2212, Revision 3, dated August 3, 2000. This replacement ends the requirements of paragraphs (a) and (b) of this AD.

Note 4: Boeing Service Bulletin 747-28A2212, Revision 3, references Crane Hydro-Aire Service Bulletins 60-703-28-33, 60-703-28-35, 60-721-28-5, and 60-723-28-5, as secondary sources of information for the rework of the pump housing and impeller motor assembly.

Spares

(e) As of the effective date of this AD, no person may install a pump housing or impeller motor assembly with a part number listed in the "Existing Part Number" column of the table in Paragraph 2.E. of Boeing Service Bulletin 747-28A2212, Revision 3, dated August 3, 2000, on any airplane.

Alternative Methods of Compliance

(f)(1) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

(2) Alternative methods of compliance, approved previously in accordance with AD 98-16-19, amendment 39-10695, are approved as alternative methods of compliance with the corresponding requirements of this AD.

Note 5: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

Special Flight Permits

(g) 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.

Issued in Renton, Washington, on February 9, 2001.

Vi L. Lipski,

Manager, Transport Airplane Directorate,
Aircraft Certification Service.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1, 20, 25, and 26

[REG-106513-00]

RIN 1545-AX96

Definition of Income for Trust Purposes

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: This document contains proposed regulations revising the definition of income under section 643(b) of the Internal Revenue Code to take into account changes in the definition of trust accounting income under state laws. The proposed regulations also clarify the situations in which capital gains are included in distributable net income under section 643(a)(3). Conforming amendments are made to regulations affecting ordinary trusts, pooled income funds, charitable remainder trusts, trusts that qualify for the gift and estate tax marital deduction, and trusts that are exempt from generation-skipping transfer taxes. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written and electronic comments must be received by May 18, 2001. Outlines of topics to be discussed at the public hearing scheduled for June 8, 2001 must be received by May 18, 2001.

ADDRESSES: Send submissions to: CC:M&SP:RU (REG-106513-00), 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:M&SP:RU (REG-106513-00), 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 on the IRS Home Page, or by submitting comments directly to the IRS Internet site at: http://www.irs.ustreas.gov/tax_regs/regslst.html. The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Bradford Poston at (202) 622-3060 (not a toll-free number); concerning

submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Guy R. Traynor, 202-622-8452 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Section 643(b) provides a definition of the term income for purposes of subparts A through D of part I of subchapter J of the Internal Revenue Code (Code). The term income, when not modified by any other term, means the amount of income of the trust or estate determined under the terms of the governing instrument and applicable local law. Section 1.643(b)-1 further provides that trust provisions that depart fundamentally from the concepts of local law in determining what constitutes income will not be recognized.

These statutory and regulatory provisions date back to a time when, under state statutes, dividends and interest were considered income and were allocated to the income beneficiary while capital gains were allocated to the principal of the trust. Changes in the types of available investments and in investment philosophies have caused states to revise, or to consider revising, these traditional concepts of income and principal.

The prudent investor standard for managing trust assets has been enacted by many states and encourages fiduciaries to adopt an investment strategy designed to maximize the total return on trust assets. Under this investment strategy, trust assets should be invested for total positive return, that is, ordinary income plus appreciation, in order to maximize the value of the trust. Thus, under certain economic circumstances, equities, rather than bonds, would constitute a greater portion of the trust assets than they would under traditional investment standards.

One of the concerns with shifting trust investments toward equities and away from bonds is the potential adverse impact on the income beneficiary. Based on the traditional concepts of income and principal, the income beneficiary is entitled only to the dividends and interest earned by the trust assets. The dividend return on equities as a percentage of their value traditionally has been substantially less than the interest return on bonds.

To ensure that the income beneficiary is not penalized if a trustee adopts a total return investment strategy, many states have made, or are considering making, revisions to the definitions of