

2. Is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and

3. Would 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 summary of the costs to comply with this proposal and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under **ADDRESSES**. Include "AD Docket No. 2000-NE-09-AD" in your request.

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 Federal Aviation Administration 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 39-11889 (65 FR 58177, September 27, 2000) and by adding a new airworthiness directive, to read as follows:

Aviointeriors S.p.A. (formerly ALVEN):
Docket No. 2000-NE-09-AD. Supersedes AD 2000-18-04, Amendment 39-11889.

Comments Due Date

(a) The Federal Aviation Administration (FAA) must receive comments on this airworthiness directive (AD) action by July 19, 2004.

Affected ADs

(b) This AD supersedes AD 2000-18-04.

Applicability

(c) This AD applies to Aviointeriors S.p.A. (formerly ALVEN), model 312 seats. These seats are installed in, but not limited to, Fokker Model F27 Mark 050, Mark 500, and Mark 600 airplanes.

Unsafe Condition

(d) This AD results from reports of 88 cracked seat central crossmembers, and 60 aisle side crossmembers, to date, and from the introduction of reinforced seat crossmembers by the manufacturer. The actions specified in this AD are intended to prevent the loss of the structural integrity of the seat due to cracks in the seat crossmembers.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified unless the actions have already been done.

Initial Visual Inspection

(f) Perform an initial visual inspection of the crossmember for cracks, within 12,000 hours time-in-service (TIS) or within 180 days after the effective date of this AD if the crossmember has more than 12,000 hours TIS, as follows:

(1) Inspect seat central crossmembers, part number (P/N) DM03437-1, using Section 2. Inspection Procedure of Aviointeriors Service Bulletin (SB) No. 312/912-01, Revision 2, dated August 1, 2000.

(2) Replace any cracked central crossmember with a new crossmember of the same P/N. Use Section 3. Crossmember Replacement Procedure, Steps 3.1 through 3.10 of Aviointeriors SB No. 312/912-01, Revision 2, dated August 1, 2000.

(3) Inspect seat aisle side crossmembers, P/Ns DM03435-1 and DM03435-2, and DM03437-1 (Disabled People seat application), using Section 2. Inspection Procedure of Aviointeriors SB No. 312/912-02, Revision 1, dated August 1, 2000.

(4) Replace any cracked aisle side crossmember with a new crossmember of the same P/N. Use Section 3. Crossmember Replacement Procedure, Steps 3.1 through 3.8 of Aviointeriors SB No. 312/912-02, Revision 1, dated August 1, 2000.

Repetitive Visual Inspections

(g) Perform repetitive visual inspections of crossmembers, P/N DM03437-1, DM03435-1, and DM03435-2, for cracks, within 650 hours TIS after the last inspection. Use paragraphs (f)(1) through (f)(4) of this AD to inspect and disposition crossmembers.

Optional Terminating Action

(h) As optional terminating actions to the repetitive inspections required by this AD, do the following:

(1) Replace seat central crossmembers, P/N DM03437-1, with reinforced crossmembers, P/N F11541300000. Use Section 2. Crossmember Replacement Procedure, Steps 2.1 through 2.11 of Aviointeriors SB No. 312/912-03, dated August 1, 2000.

(2) Replace seat aisle side crossmembers, P/N DM03435-1, DM03435-2, and DM03437-1 (Disabled People seat application), with reinforced crossmembers, P/N F11555400000, F11555500000, and F11541300000, respectively. Use Section 2. Crossmember Replacement Procedure, Steps 2.1 through 2.11 of Aviointeriors SB No. 312/912-04, dated August 1, 2000.

Alternative Methods of Compliance

(i) The Manager, Boston Aircraft Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

Material Incorporated by Reference

(j) None.

Related Information

(k) Ente Nazionale per l'Aviazione Civile airworthiness directives 2000-511 and 2000-512, both dated November 7, 2000, also address the subject of this AD.

Issued in Burlington, Massachusetts, on May 14, 2004.

Francis Favara,

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

[FR Doc. 04-11409 Filed 5-19-04; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2003-NE-53-AD]

RIN 2120-AA64

Airworthiness Directives; Hartzell Propeller, Inc., McCauley Propeller Systems, and Sensenich Propeller Manufacturing Company, Inc. Propellers

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for Hartzell Propeller, Inc., McCauley Propeller Systems, and Sensenich Propeller Manufacturing Company, Inc. propellers. This proposed AD would require maintenance actions amounting to an overhaul of the affected propellers. This proposed AD results from the investigation of a failed propeller blade and subsequent inspections of various propeller models returned to service by Southern California Propeller Service, of Inglewood, CA. We are proposing this AD to prevent blade failure that could result in separation of a propeller blade and loss of control of the airplane.

DATES: We must receive any comments on this proposed AD by July 19, 2004.

ADDRESSES: Use one of the following addresses to submit comments on this proposed AD:

- By mail: Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-NE-53-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

- By fax: (781) 238-7055.

- By e-mail: 9-ane-adcomment@faa.gov.

You may examine the AD docket at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

FOR FURTHER INFORMATION CONTACT:

Tomaso DiPaolo, Aerospace Engineer, Chicago Aircraft Certification Office, FAA, Small Airplane Directorate, 2300 East Devon Avenue, Des Plaines, IL 60018-4696; telephone (847) 294-7031, fax (847) 294-7834.

SUPPLEMENTARY INFORMATION:**Comments Invited**

We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include "AD Docket No. 2003-NE-53-AD" in the subject line of your comments. If you want us to acknowledge receipt of your mailed comments, send us a self-addressed, stamped postcard with the docket number written on it; we will date-stamp your postcard and mail it back to you. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. If a person contacts us verbally, and that contact relates to a substantive part of this proposed AD, we will summarize the contact and place the summary in the docket. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We are reviewing the writing style we currently use in regulatory documents. We are interested in your comments on whether the style of this document is clear, and your suggestions to improve the clarity of our communications that affect you. You can get more information about plain language at <http://www.faa.gov/language> and <http://www.plainlanguage.gov>.

Examining the AD Docket

You may examine the AD Docket (including any comments and service information), between 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. See **ADDRESSES** for the location.

Discussion

We received a report in March of 1998, of a failed Hartzell propeller blade, installed on a Piper PA-34-200 airplane. The propeller blade fractured and separated at about ten inches from the blade tip, causing substantial damage to the airplane. Investigation of the failed blade has revealed evidence suggesting that an improper repair procedure by welding, or hot straightening of the blade was used. The blade only had 200 hours of service accumulated since the propeller was last overhauled. The last overhaul was done by Southern California Propeller

Service, of Inglewood, CA. Subsequent inspections of various propeller models returned to service by Southern California Propeller Service have revealed other safety critical problems. The inspections uncovered the following unsafe conditions:

- Blades found below minimum dimensional limits.
- Blade serial number ground with a grinder which left deep gouges and scratches in the blade surface.
- Blade not treated with Alodine after grinding, and paint applied over the bare aluminum.
- Improperly drilled actuating pin holes and unapproved use of helicoil inserts in the actuating pin holes.
- Corrosion pitting of a blade nut.
- Blade retention clamps rusted and pitted in critical areas.
- Bearing races rusted and pitted.
- Hub arms found with corrosion pitting in the blade retention radius, and gouged, scratched, and rusted in other critical areas.

Since late in 1998, the FAA has received 43 reports of safety and airworthiness problems associated with work performed by Southern California Propeller Service, such as:

- Nicks, scratches, and cracks.
- Corrosion and pits.
- Failure of blades to meet minimum dimensions.
- Alodine or paint applied over corrosion.
- Unauthorized use of helicoil inserts.
- Incorrect parts installed.
- Parts installed incorrectly.
- Propellers returned to service after the FAA revoked Southern California Propeller Service's repair station certificate on June 16, 1998.

We are requiring certain actions in this AD to correct unsafe conditions that could result in separation of a propeller blade and loss of control of the airplane.

FAA's Determination and Requirements of the Proposed AD

We have evaluated all pertinent information and identified an unsafe condition that is likely to exist or develop on other propellers that Southern California Propeller Service, of Inglewood, CA, returned to service. Therefore, we are proposing this AD, to prevent blade failure that could result in separation of a propeller blade and loss of control of the airplane. This proposal would require maintenance actions that amount to an overhaul of Hartzell Propeller, Inc., McCauley Propeller Systems, and Sensenich Propeller Manufacturing Company, Inc. propellers returned to service by Southern California Propeller Service.

Costs of Compliance

We estimate that 1,000 propellers installed on aircraft of U.S. registry would be affected by this proposed AD and that it would cost on average about \$3,000 to overhaul each propeller. Based on these figures, the total cost of the proposed AD on U.S. operators is estimated to be \$3,000,000.

Regulatory Findings

We have 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 that the 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. Would 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 summary of the costs to comply with this proposal and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under **ADDRESSES**. Include "AD Docket No. 2003-NE-53-AD" in your request.

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 Federal Aviation Administration 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 airworthiness directive:

Hartzell Propeller, Inc., McCauley Propeller Systems, and Sensenich Propeller Manufacturing Company, Inc.
Propellers: Docket No. 2003-NE-53-AD.

Comments Due Date

(a) The Federal Aviation Administration (FAA) must receive comments on this airworthiness directive (AD) action by July 19, 2004.

Affected ADs

(b) None.

Applicability

(c) This AD applies to the Hartzell Propeller, Inc., McCauley Propeller Systems,

and Sensenich Propeller Manufacturing Company, Inc. propeller models last returned to service by Southern California Propeller Service of Inglewood, CA., listed in the following Table 1:

TABLE 1.—APPLICABLE PROPELLER MODELS

Hartzell Propeller, Inc.

() HC—() (2,3,4) Y () —()
 () HC—() (2,3,4) (X,V,MV,W,Z,P,R) (F,G,L,K,R,20,30,31) —()
 () HA—() —()
 HC—B(3,4) (M,P,R,T) (A,N,P) —()
 HC—(D,E) (4,5) (A,B,N,P) —()

McCauley Propeller Systems

() 2() () 3() C() () () —() : All constant speed two-bladed propeller models.
 () 3() () 3() C() () () —() : All constant speed three-bladed propeller models.
 1() () () () () : All metal propeller models.

Sensenich Propeller Manufacturing Company, Inc.

All metal propeller models.

(d) These actions are against propellers returned to service by Southern California Propeller Service. Southern California Propeller Service is not to be confused with propeller repair stations known as California Propeller or as Propeller Service of California. Southern California Propeller Service was issued Air Agency Certificate number of VXS617L in 1992, which was revoked in June of 1998.

(e) For Hartzell and McCauley propellers listed in Table 1 of this AD, any letter or number (or lack of a letter or number) could appear where open parentheses are shown in the model number. Model numbers could show any combination of letters or numbers where the model number shows parentheses with a series of numbers or letters.

(f) For propellers listed in Table 1 of this AD, that have been overhauled since being returned to service by Southern California Propeller Service by an authorized repair station other than Southern California Propeller Service, no further action is required.

Unsafe Condition

(g) This AD results from the investigation of a failed propeller blade and subsequent inspections of various propeller models returned to service by Southern California Propeller Service, of Inglewood, CA. We are issuing this AD to prevent blade failure that could result in separation of a propeller blade and loss of control of the airplane.

Compliance

(h) You are responsible for having the actions required by this AD performed within 10 hours time-in-service after the effective date of this AD.

Required Actions

(i) Perform the actions specified in paragraph (j) of this AD on propellers listed in Table 1 of this AD. You can find information on performing the actions in the applicable propeller manufacturer's service documentation.

(j) Perform the following actions:

- (1) Disassemble,
- (2) Clean,
- (3) Inspect for the following:

- (i) Cracks,
 - (ii) Corrosion or pits,
 - (iii) Nicks,
 - (iv) Scratches,
 - (v) Blade minimum dimensions,
 - (vi) Unapproved localized heating of blade,
 - (vii) Unapproved use of helicoil inserts in actuating pin holes,
 - (viii) Improperly drilled actuating pin holes,
 - (ix) Chemical conversion coat or paint or both applied over corrosion,
 - (x) Lack of chemical conversion coating,
 - (xi) Lack of paint on internal surfaces,
 - (xii) Bolts incorrectly torqued,
 - (xiii) Incorrect parts,
 - (xiv) Incorrect installation of parts,
 - (xv) Reinstallation of parts intended for one-time use, and
 - (xvi) Lack of proper shot peening.
- (4) Repair and replace with serviceable parts, as necessary,
- (5) Reassemble and test.

Alternative Methods of Compliance

(k) The Manager, Chicago Aircraft Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

Special Flight Permits

(l) Under 14 CFR part 39.23, we are limiting the special flight permits for this AD by not allowing any flights with apparent cracks in propellers.

Material Incorporated by Reference

(m) None.

Related Information

(n) Special Airworthiness Information Bulletin No. NE-01-19, dated March 20, 2001, pertains to the subject of this AD.

Issued in Burlington, Massachusetts, on May 14, 2004.

Francis A. Favara,

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

[FR Doc. 04-11408 Filed 5-19-04; 8:45 am]

BILLING CODE 4910-13-P

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

[REG-148399-02]

RIN 1545-BB62

Uniform Capitalization of Interest Expense in Safe Harbor Sale and Leaseback 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 is issuing final and temporary regulations relating to the capitalization of interest expense in sale and leaseback transactions under the Economic Recovery Tax Act of 1981 (ERTA) safe harbor leasing provisions. The regulations affect taxpayers that provide purchase money obligations in connection with these transactions. The text of those regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments must be received by August 18, 2004.

ADDRESSES: Send submissions to: CC:PA:LPD:RU (REG-148399-02), room 5203, 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 4 p.m. to: CC:PA:LPD:RU (REG-148399-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically via the IRS Internet site at <http://www.irs.gov/regs> or the Federal