

**Authority:** 26 U.S.C. 9004 and 9009(b).

6. In § 9004.9, new paragraph (d)(3) would be added to read as follows:

**§ 9004.9 Net outstanding qualified campaign expenses**

\* \* \* \* \*

(d) \* \* \*

(3) *Mailing lists.* (i) The term *other asset*, as defined in paragraph (d)(2) of this section, includes an authorized committee's mailing list if the mailing list is sold or rented under paragraph (d)(3)(ii) of this section.

(ii) An authorized committee may sell or rent its mailing list only if—

(A) The fair market value of the mailing list is included on the candidate's statement of net outstanding qualified campaign expenses; and

(B) The sale or rental of the mailing list complies with 11 CFR 110.21.

(iii) The fair market value of an authorized committee's mailing list is either:

(A) The usual and normal rental revenue that the authorized committee would receive if it rented the list to others over the 12-month period beginning on the date of the general election; or

(B) The usual and normal sale price for the list as of the date of the general election.

\* \* \* \* \*

**PART 9034—ENTITLEMENTS**

7. The authority citation for part 9034 would continue to read as follows:

**Authority:** 26 U.S.C. 9034 and 9039(b).

8. In section 9034.5, new paragraph (c)(3) would be added to read as follows:

**§ 9034.5 Net outstanding campaign obligations.**

\* \* \* \* \*

(c) \* \* \*

(3) *Mailing lists.* (i) The term *other asset*, as defined in paragraph (c)(2) of this section, includes an authorized committee's mailing list if the mailing list is sold or rented under paragraph (c)(3)(ii) of this section.

(ii) An authorized committee may sell or rent its mailing list only if—

(A) The fair market value of the mailing list is included on the candidate's statement of net outstanding campaign obligations; and

(B) The sale or rental of the mailing list complies with 11 CFR 110.21.

(iii) The fair market value of an authorized committee's mailing list is either:

(A) The usual and normal rental revenue that the authorized committee would receive if it rented the list to others over the 18-month period beginning on the date of ineligibility; or

(B) The usual and normal sale price for the list as of the date of ineligibility.

\* \* \* \* \*

Dated: August 29, 2003.

**Ellen L. Weintraub,**

*Chair, Federal Election Commission.*

[FR Doc. 03-22530 Filed 9-3-03; 8:45 am]

BILLING CODE 6715-01-P

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. 2002-NM-238-AD]

RIN 2120-AA64

**Airworthiness Directives; Boeing Model 737-200 Series Airplanes Modified by Supplemental Type Certificate ST00516AT**

**AGENCY:** Federal Aviation Administration, DOT.

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

**SUMMARY:** This document proposes the adoption of a new airworthiness directive (AD) that is applicable to all Boeing Model 737-200 series airplanes modified by Supplemental Type Certificate ST00516AT (STC). This proposal would require removal of the in-flight entertainment (IFE) system installed per that STC. This action is necessary to eliminate the possibility that the airplane crew could be unable to remove power from the IFE system during a non-normal or emergency situation, which could result in the airplane crew's inability to control smoke or fumes in the airplane flight deck or cabin. This action is intended to address the identified unsafe condition.

**DATES:** Comments must be received by October 20, 2003.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2002-NM-238-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](mailto:9-anm-nprmcomment@faa.gov). Comments sent via fax or the Internet must contain "Docket No. 2002-NM-238-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 or 2000 or ASCII text.

The service information referenced in the proposed rule may be obtained from Kosola and Associates, Inc., 5601 Newton Road, P.O. Box 3529, Albany, Georgia 31706. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Atlanta Aircraft Certification Office, One Crown Center, 1895 Phoenix Boulevard, suite 450, Atlanta, Georgia.

**FOR FURTHER INFORMATION CONTACT:**

Myles Jalalian, Aerospace Engineer, Systems and Flight Test Branch, ACE-116A, FAA, Atlanta Aircraft Certification Office, One Crown Center, 1895 Phoenix Boulevard, suite 450, Atlanta, Georgia 30349; telephone (770) 703-6073; fax (770) 703-6097.

**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 2002–NM–238–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. 2002–NM–238–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056.

#### Discussion

The Federal Aviation Administration (FAA) recently completed a review of in-flight entertainment (IFE) systems certified by supplemental type certificate (STC) and installed on transport category airplanes. The review focused on the interface between the IFE system and airplane electrical system, with the objective of determining if any unsafe conditions exist with regard to the interface. STCs issued between 1992 and 2000 were considered for the review.

The type of IFE systems considered for review were those that contain video monitors (cathode ray tubes or liquid crystal displays; either hanging above the aisle or mounted on individual seat backs or seat trays), or complex circuitry (*i.e.*, power supplies, electronic distribution boxes, extensive wire routing, relatively high power consumption, multiple layers of circuit protection, etc.). In addition, in-seat power supply systems that provide power to more than 20 percent of the total passenger seats were also considered for the review. The types of IFE systems not considered for review include systems that provide only audio signals to each passenger seat, ordinary in-flight telephone systems (*e.g.*, one telephone handset per group of seats or bulkhead-mounted telephones), systems that only have a video monitor on the forward bulkhead(s) (or a projection system) to provide passengers with basic airplane and flight information, and in-seat power supply systems that provide power to less than 20 percent of the total passenger seats.

Items considered during the review include the following:

- Can the electrical bus(es) supplying power to the IFE system be de-energized when necessary without removing power from systems that may be required for continued safe flight and landing?

- Can IFE system power be removed when required without pulling IFE system circuit breakers (*i.e.*, is there a switch (dedicated to the IFE system or a combination of loads) located in the flight deck or cabin that can be used to remove IFE power?)?

- If the IFE system requires changes to flightcrew procedures, has the airplane flight manual (AFM) been properly amended?

- If the IFE system requires changes to cabin crew procedures, have they been properly amended?

- Does the IFE system require periodic or special maintenance?

In all, we reviewed approximately 180 IFE systems approved by STC. The review results indicate that potential unsafe conditions exist on some IFE systems installed on various transport category airplanes. These conditions can be summarized as:

- Electrical bus(es) supplying power to the IFE system cannot be de-energized when necessary without removing power from systems that may be required for continued safe flight and landing.

- Power cannot be removed from the IFE system when required without pulling IFE system circuit breakers (*i.e.*, there is no switch dedicated to the IFE system or combination of systems for the purpose of removing power).

- Installation of the IFE system has affected crew (flightcrew and/or cabin crew) procedures, but the procedures have not been properly revised.

#### FAA's Determination

As part of our review of IFE systems, we have determined that an unsafe condition exists on all Boeing Model 737–200 series airplanes modified by STC ST00516AT. The IFE system on these airplanes is connected to an electrical bus that cannot be deactivated without also removing power from airplane systems necessary for safe flight and landing. There is no other

means to remove power from the IFE system. Additionally, the airplane manufacturer's published flightcrew and cabin crew emergency procedures do not advise that power cannot be removed from the IFE system. This condition, if not corrected, could result in the airplane crew's inability to remove power from the IFE system during a non-normal or emergency situation, and consequent inability to control smoke or fumes in the airplane flight deck or cabin.

#### Explanation of Relevant Service Information

The FAA has reviewed and approved Kosola and Associates Service Bulletin 2002–1, dated July 16, 2003, which describes a procedure for removing the IFE system installed by STC ST00516AT. The procedure includes disconnecting the power line that leads from the IFE system control unit to the P6 panel, capping and stowing all related wiring or removing that wiring from the airplane, removing the IFE system circuit breaker from the P6 panel, and removing all components of the IFE system from the airplane. Accomplishment of the actions specified in the service bulletin is intended to adequately address the identified unsafe condition.

#### 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 require accomplishment of the actions specified in the service bulletin described previously.

#### Other Relevant Rulemaking

The FAA has previously issued several ADs that address unsafe conditions and require corrective actions similar to those that would be required by the proposed AD. These other ADs, and the airplane models and STCs to which they apply, are as follows:

| Model/series                  | STC No.                                                | AD reference                                                         |
|-------------------------------|--------------------------------------------------------|----------------------------------------------------------------------|
| Airbus A340–211 .....         | ST0902AC–D .....                                       | AD 2001–18–01, amendment 39–12427 (66 FR 46939, September 10, 2001). |
| Boeing 737–300 .....          | ST00171SE .....                                        | AD 2001–14–10, amendment 39–12321 (66 FR 36455, July 12, 2001).      |
| Boeing 737–700 .....          | ST09100AC–D, ST09104AC–D,<br>ST09105AC–D, ST09106AC–D. | AD 2001–14–12, amendment 39–12323 (66 FR 36452, July 12, 2001).      |
| Boeing 747–100 and –200 ..... | SA8622SW .....                                         | AD 2001–14–11, amendment 39–12322 (66 FR 36453, July 12, 2001).      |
| Boeing 747–100 and –200 ..... | ST00196SE .....                                        | AD 2001–16–19, amendment 39–12388 (66 FR 43068, August 17, 2001).    |

| Model/series                                | STC No.                  | AD reference                                                        |
|---------------------------------------------|--------------------------|---------------------------------------------------------------------|
| Boeing 747-400 .....                        | SA8843SW .....           | AD 2001-14-15, amendment 12326 (66 FR 36447, July 12, 2001).        |
| Boeing 747SP .....                          | ST09097AC-D .....        | AD 2001-14-14, amendment 39-12325 (66 FR 36449, July 12, 2001).     |
| Boeing 757-200 .....                        | SA1727GL .....           | AD 2001-14-01, amendment 39-12311 (66 FR 36149, July 11, 2001).     |
| Boeing 767-200 .....                        | SA4998NM .....           | AD 2001-16-21, amendment 39-12390 (66 FR 43072, August 17, 2001).   |
| Boeing 767-200 .....                        | SA5134NM .....           | AD 2001-16-20, amendment 39-12389 (66 FR 43066, August 17, 2001).   |
| Boeing 767-200 .....                        | ST09022AC-D .....        | AD 2001-14-13, amendment 39-12324 (66 FR 36450, July 12, 2001).     |
| Boeing 767-300 .....                        | SA5765NM, SA5978NM ..... | AD 2001-16-17, amendment 39-12386 (66 FR 42937, August 16, 2001).   |
| Boeing 767-300 .....                        | SA7019NM-D .....         | AD 2001-18-08, amendment 39-12434 (66 FR 46517, September 6, 2001). |
| Boeing 767-300 .....                        | ST00118SE .....          | AD 2001-14-04, amendment 39-12314 (66 FR 36699, July 13, 2001).     |
| Boeing 767-300 .....                        | ST00157SE .....          | AD 2001-16-18, amendment 39-12387 (66 FR 43070, August 17, 2001).   |
| McDonnell Douglas DC-9-51 and DC-9-83 ..... | SA8026NM .....           | AD 2001-14-02, amendment 39-12312 (66 FR 36456, July 12, 2001).     |
| McDonnell Douglas DC-10-30 .....            | SA8452SW .....           | AD 2001-16-22, amendment 39-12391 (66 FR 43074, August 17, 2001).   |
| McDonnell Douglas DC-10-30 .....            | ST00054SE .....          | AD 2001-13-03, amendment 39-12313 (66 FR 36150, July 11, 2001).     |
| Boeing 767-300 .....                        | ST01869AT-D .....        | AD 2002-26-14, amendment 39-13002 (68 FR 1525, January 13, 2003).   |
| Boeing 767-300 .....                        | STC01783AT-D .....       | AD 2003-07-15, amendment 39-13111 (68 FR 18535, April 16, 2003).    |

### Changes to 14 CFR Part 39/Effect on the Proposed AD

On July 10, 2002, the FAA issued a new version of 14 CFR part 39 (67 FR 47997, July 22, 2002), which governs the FAA's airworthiness directives system. The regulation now includes material that relates to altered products, special flight permits, and alternative methods of compliance (AMOCs). Because we have now included this material in part 39, only the office authorized to approve AMOCs is identified in each individual AD.

### Explanation of Cost Impact

We have reviewed the figures we have used over the past several years to calculate AD costs to operators. To account for various inflationary costs in the airline industry, we find it necessary to increase the labor rate used in these calculations from \$60 per work hour to \$65 per work hour. The cost impact information, below, has been revised to reflect this increase in the specified hourly labor rate.

### Cost Impact

There are approximately 4 Model 737-200 series airplanes of the affected design in the worldwide fleet. The FAA estimates that 2 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 1 work hour per airplane to accomplish the proposed actions, and

that the average labor rate is \$65 per work hour. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$130, or \$65 per airplane.

The cost impact figure discussed above is 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 adding the following new airworthiness directive:

**Boeing:** Docket 2002–NM–238–AD.

**Applicability:** Model 737–200 series airplanes modified by Supplemental Type Certificate (STC) ST00516AT, certificated in any category.

**Compliance:** Required as indicated, unless accomplished previously.

To eliminate the possibility that the airplane crew could be unable to remove power from the IFE system during a non-normal or emergency situation, which could result in the airplane crew's inability to control smoke or fumes in the airplane flight deck or cabin, accomplish the following:

#### Removal of IFE System

(a) Within 18 months after the effective date of this AD, remove the IFE system installed by STC ST00516AT per the procedure in Kosola and Associates Service Bulletin 2002–1, dated July 16, 2003. The procedure includes disconnecting the power line that leads from the IFE system control unit to the P6 panel, capping and stowing all related wiring or removing related wiring from the airplane, removing the IFE system circuit breaker from the P6 panel, and removing all components of the IFE system from the airplane.

#### Inspections Accomplished Per Previous Issue of Service Bulletin

(b) Removal of the IFE system installed by STC ST00516AT before the effective date of this AD per Kosola and Associates Service Bulletin 2002–1, dated June 5, 2002, is considered acceptable for compliance with paragraph (a) of this AD.

#### Parts Installation

(c) As of the effective date of this AD, no person may install an IFE system approved by STC ST00516AT on any airplane.

#### Alternative Methods of Compliance

(d) In accordance with 14 CFR 39.19, the Manager, Atlanta Aircraft Certification Office (ACO), FAA, is authorized to approve alternative methods of compliance for this AD.

Issued in Renton, Washington, on August 27, 2003.

**Ali Bahrami,**

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

[FR Doc. 03–22496 Filed 9–3–03; 8:45 am]

**BILLING CODE 4910–13–P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–132760–03]

RIN 1545–BC38

#### Guidance Under Section 1502; Application of Section 108 to Members of a Consolidated Group

**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 temporary regulations that govern the application of section 108 when a member of a consolidated group realizes discharge of indebtedness income. The text of those regulations also serves as the text of these proposed regulations.

**DATES:** Written or electronic comments must be received by December 3, 2003.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–132760–03), 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:PR (REG–132760–03), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically directly to the IRS Internet site at <http://www.irs.gov/regs>.

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Amber Renee Cook or Marie C. Milnes-Vasquez at (202) 622–7530; concerning submission of comments, Treena Garrett at (202) 622–3401 (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** amend the Income Tax Regulations (26 CFR part 1) relating to section 1502. The temporary regulations govern the application of section 108 when a member of a consolidated group realizes discharge of indebtedness income. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

#### Special Analysis

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. Further, 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 primarily affect affiliated groups of corporations that have elected to file consolidated returns,

which tend to be larger businesses. Moreover, the number of taxpayers affected and the average burden are minimal. Accordingly, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

#### Comments and 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 Treasury Department specifically request comments on the clarity of the proposed regulations and how they may be made easier to understand. All comments will be available for public inspection and copying. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

#### Drafting Information

Various personnel from the IRS and Treasury Department participated in the development of these regulations.

#### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

#### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

**Paragraph 1.** The authority citation continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*  
Section 1.1502–28 also issued under 26 U.S.C. 1502. \* \* \*

**Par. 2.** Section 1.1502–19 is amended as follows:

1. Paragraph (b)(1) is revised.
  2. The headings for paragraphs (h)(2) and (h)(2)(i) are revised.
  3. Paragraph (h)(2)(ii) is redesignated as paragraph (h)(2)(iii).
  4. New paragraph (h)(2)(ii) is added.
- The revisions and addition read as follows:

#### § 1.1502–19 Excess loss accounts.

[The text of this proposed section is the same as the text of § 1.1502–19T