International Branch, ANM–116, Transport Airplane Directorate, FAA. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM–116.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM–116.

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.

Note 4: The subject of this AD is addressed in Swedish airworthiness directive 1–168, dated October 1, 2001.

Issued in Renton, Washington, on July 15, 2003.

Ali Bahrami,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 03–18419 Filed 7–18–03; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2002–NM–150–AD]

RIN 2120–AA64

Airworthiness Directives; Boeing Model 737–100, –200, and –200C Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the supersedure of an existing airworthiness directive (AD), applicable to certain Boeing Model 737–100, –200, and –200C series airplanes, that currently requires repetitive inspections to detect discrepancies in the upper and lower skins of the fuselage lap joint, and repair if necessary. This action would add new inspections, reduce the repetitive inspection intervals for certain airplanes, and mandate a terminating modification. The actions specified by the proposed AD are intended to detect and correct discrepancies in the upper and lower skins of the fuselage lap joint and circumferential joint, which could result in sudden fracture and failure of a lap joint or circumferential joint and rapid decompression of the airplane fuselage.

DATES: Comments must be received by September 4, 2003.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM–114, Attention: Rules Docket No. 2002–NM–150–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. 2002-NM–150-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 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: Duong Tran, Aerospace Engineer, Airframe Branch, ANM–120S, FAA, Transport Airplane Directorate, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (425) 917–6452; fax (425) 917–6590.

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–150–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–150–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056.

Discussion

On August 18, 2000, the FAA issued AD 2000–17–04, amendment 39–11878 (65 FR 51750, August 25, 2000), applicable to certain Boeing Model 737–100, –200, and –200C series airplanes, to require repetitive inspections to detect discrepancies in the upper and lower skins of the fuselage lap joint, and repair if necessary. That action was prompted by a report indicating in-flight rapid decompression of a Boeing Model 737 series airplane. The requirements of that AD are intended to detect and correct such discrepancies, which could result in sudden fracture and failure of a lap joint and rapid decompression of the airplane fuselage.

Actions Since Issuance of Previous Rule

In the preamble to AD 2000–17–04, we indicated that the actions required by that AD were considered ''interim action'' and that the manufacturer was developing a modification to address the unsafe condition. The manufacturer now has developed such a modification, and we have determined that further rulemaking action is indeed necessary; this proposed AD follows from that determination.

Additionally, we have determined that the inspections for cracking as specified in paragraph (a) of the existing AD do not provide the crack detection necessary to support the compliance time for the repetitive inspection intervals. Therefore, we are proposing to reduce the compliance time for the

repetitive inspections for airplanes with more than 70,000 total flight cycles.

Also, since the issuance of AD 2000–17–04, we have received damage reports on 75 percent of the airplanes on which the inspections required by that AD had been done, and almost half of the reports indicated that damage was found. The reports indicate that 18 airplanes had cracking damage on the upper and lower rows of the lap joint, and 19 airplanes had corrosion damage with some of the corrosion extending the entire length of the lap joint. On one airplane, a 25-inch section of the lap joint was very corroded. Other corrosion damage of the lap joints, which was due to improper repairs, was also reported. Skin corrosion of the circumferential joints was also found. Such conditions, if not detected and corrected, could result in sudden fracture and failure of a lap joint or circumferential joint and rapid decompression of the airplane fuselage.

Explanation of Relevant Service Information

We have reviewed and approved Boeing Alert Service Bulletin 737–53A1224, Revision 1, dated March 14, 2002, which describes procedures for inspections (eddy current, nondestructive test, and detailed) to detect discrepancies (*i.e.*, cracks, pillowing, corrosion, delamination, or loose or missing fasteners) in the upper and lower skins of the fuselage lap joint and circumferential joint, and repair of any discrepancies. The service bulletin also describes procedures for a terminating modification, which includes removal of the upper and lower skins along the full length of the three-row lap joint and repair of the production joint. To ensure that the lap joint repair is structurally sound, the service bulletin describes procedures to inspect to find any additional existing skin damage and repair damage (corrosion, cracking, excessive blendouts, disbonding). The terminating modification involves repair of the entire length of all lap joints between body stations 259.5 and 1016. 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 supersede AD 2000–17–04 to continue to require inspections to detect discrepancies in the upper and lower skins of the fuselage lap joint, and repair if necessary. This new action would add new inspections, reduce the repetitive inspection intervals for certain airplanes, and mandate a terminating modification. The actions would be required to be accomplished in accordance with the service bulletin described previously, except as discussed below.

Difference Between Alert Service Bulletin and This AD

Although the service bulletin specifies that the manufacturer may be contacted for disposition of certain repair conditions, this AD requires the repair of those conditions to be accomplished in accordance with a method approved by the FAA, or in accordance with data meeting the type certification basis of the airplane approved by a Boeing Company Designated Engineering Representative who has been authorized by the FAA to make such findings.

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. Because we have now included this material in part 39, we no longer need to include it in each individual AD; therefore, paragraph (d) and Note 1 of AD 2000–17–04 are not included in this proposed AD. However, this proposed AD identifies the office authorized to approve alternative methods of compliance.

Cost Impact

There are approximately 291 airplanes of the affected design in the worldwide fleet. The FAA estimates that 60 airplanes of U.S. registry would be affected by this proposed AD.

The inspections that are currently required by AD 2000–17–04 take approximately 575 work hours per airplane to accomplish, at an average labor rate of $60 per work hour. Based on these figures, the cost impact of the currently required inspections on U.S. operators is estimated to be $2,070,000, or $34,500 per airplane.

The new inspections that are proposed in this AD action would take approximately 341 work hours per airplane to accomplish, at an average labor rate of $60 per work hour. Based on these figures, the cost impact of the proposed inspections on U.S. operators is estimated to be $1,227,600, or $20,460 per airplane.

The terminating modification that is proposed in this AD action would take approximately 15,000 work hours per airplane to accomplish, at an average labor rate of $60 per work hour. Based on these figures, the cost impact of the proposed modification on U.S. operators is estimated to be $54,000,000, or $900,000 per airplane.

The cost impact figures discussed above are based on assumptions that no operator has yet accomplished any of the current or proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this 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 39–11878 (65 FR 51750, August 25, 2000), and by adding a new airworthiness directive (AD), to read as follows:

Boeing: Docket 2002–NM–150–AD. Supersedes AD 2000–17–04, Amendment 39–11878.

Applicability: Model 737–100, -200, and -200C series airplanes; line numbers 1 through 291 inclusive; certificated in any category.

Compliance: Required as indicated, unless accomplished previously.

To detect and correct discrepancies in the upper and lower skins of the fuselage lap joint and circumferential joint, which could result in sudden fracture and failure of a lap joint or circumferential joint and rapid decompression of the airplane fuselage, accomplish the following:

Requirements of AD 2000–17–04

Initial and Repetitive Inspections

(a) Perform the applicable (initial and repetitive) inspections as specified in Figures 1 through 4 of the Accomplishment Instructions of Boeing Alert Service Bulletin 737–53A1224, dated August 17, 2000, to detect discrepancies (*i.e.*, cracks, pillowing, corrosion, delamination, or loose or missing fasteners) in the upper and lower skins of the fuselage lap joint. Perform the inspections at the applicable times specified in Tables 1 and 2 of Section 1.E. ''Compliance'' of the alert service bulletin, in accordance with the alert service bulletin; except that where Table 1 specifies a compliance time of ''airplane flight cycles at time of service bulletin release,'' this AD requires a compliance time of ''airplane flight cycles as of September 11, 2000 (the effective date of AD 2000–17–04, amendment 39–11878).''

Repair

(b) Prior to further flight: Repair any discrepancies detected during any inspection required by paragraph (a) of this AD in accordance with Boeing Alert Service Bulletin 737–53A1224, dated August 17, 2000; repair any discrepancies detected during any inspection required by paragraph (c) of this AD in accordance with Boeing Alert Service Bulletin 737–53A1224, Revision 1, dated March 14, 2002. If any discrepancy is detected and the alert service bulletin specifies that the manufacturer may be contacted for disposition of certain repairs, prior to further flight, repair in accordance with a method approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA; or in accordance with data meeting the type certification basis of the airplane approved by a Boeing Company Designated Engineering Representative who has been authorized by the Manager, Seattle ACO, to make such findings.

New Requirements of This AD

Compliance Times

(c) Where the compliance times in Section 1.E. ''Compliance'' of Boeing Alert Service Bulletin 737–53A1224, Revision 1, dated March 14, 2002, specify a compliance time interval calculated ''from release of service bulletin,'' this AD requires compliance within the interval specified in the service bulletin ''after the effective date of this AD.'' In addition, where the compliance time for the initial and repetitive inspections in Tables 1 through 3 of Section 1.E. ''Compliance'' of the service bulletin specifies ''airplane flight cycles at time of service bulletin release,'' this AD requires a compliance time of ''airplane flight cycles as of the effective date of this AD.''

Initial and Repetitive Inspections

(d) Except as provided by paragraph (e) of this AD: Perform the applicable (initial and repetitive) inspections as specified in Figures 1 through 9 of the Accomplishment Instructions of Boeing Alert Service Bulletin 737–53A1224, Revision 1, dated March 14, 2002, to detect discrepancies (*i.e.*, cracks, pillowing, corrosion, delamination, or loose or missing fasteners) in the upper and lower skins of the fuselage lap joint and circumferential joint. Perform the inspections at the applicable times specified in Tables 1 and 2 of Section 1.E. ''Compliance'' of the alert service bulletin, in accordance with the alert service bulletin, until accomplishment of paragraph (f) of this AD. Accomplishment of this paragraph terminates the inspections required by paragraph (a) of this AD.

(e) For airplanes that have accumulated more than 70,000 total flight cycles as of the effective date of this AD: Do the first repeat inspection at the earlier of the times specified in paragraph (e)(1) or (e)(2) of this AD, and repeat the inspection thereafter at intervals not to exceed 1,000 flight cycles.

(1) Within 2,000 flight cycles after the last inspection done per AD 2000–17–04.

(2) Within 1,000 flight cycles after the last inspection done per AD 2000–17–04, or within 500 flight cycles after the effective date of this AD, whichever is later.

Terminating Modification

(f) Perform the modification of the skin of all fuselage lap joints between body stations 259.5 and 1016 per Part IV of the Work Instructions of Boeing Alert Service Bulletin 737–53A1224, Revision 1, dated March 14, 2002; at the applicable times specified in Table 3 of Section 1.E. ''Compliance'' of the alert service bulletin; in accordance with the alert service bulletin. Accomplishment of this paragraph terminates the repetitive inspection requirements of this AD.

Alternative Methods of Compliance

(g)(1) In accordance with 14 CFR 39.19, the Manager, Seattle ACO, is authorized to approve alternative methods of compliance (AMOC) for this AD.

(2) An AMOC that provides an acceptable level of safety may be used for any repair required by this AD, if it is approved by a Boeing Company Designated Engineering Representative who has been authorized by the Manager, Seattle ACO, to make such findings.

Issued in Renton, Washington, on July 15, 2003.

Ali Bahrami,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 03–18420 Filed 7–18–03; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–138499–02]

RIN 1545–BB05

Changes in Use Under Section 168(i)(5)

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: This document contains proposed regulations relating to the depreciation of property subject to section 168 of the Internal Revenue Code (MACRS property). Specifically, these proposed regulations provide guidance on how to depreciate MACRS property for which the use changes in the hands of the same taxpayer. The proposed regulations reflect changes to the law made by the Tax Reform Act of 1986. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by October 20, 2003. Requests to speak and outlines of topics to be discussed at the public hearing scheduled for Wednesday, December 3, 2003, at 10 a.m., must be received by November 12, 2003.

ADDRESSES: Send submissions to: CC:PA:RU (REG–138499–02), room 5226, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Alternatively, submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:RU (REG–138499–02), 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.*

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Sara Logan, (202) 622–3110; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Treena Garrett, (202) 622–7180 (not toll-free numbers).