Analysis of Alternatives

Affected operators and helicopter air tour pilots have petitioned the FAA to amend SFAR 71. They argue that SFAR 71's 1500-foot minimum altitude requirement is ''cumbersome and lacks flexibility in dynamic circumstances.'' The petitioners also maintain that allowing air tour flights as low as 300 feet above the surface would make SFAR 71 safer in certain circumstances.

The FAA has considered the petitioners' views in formulating this proposed rule. The issues raised are similar to comments received by the agency during the three SFAR rulemaking preceding this proposed rule. The FAA concludes that 1,500 feet provides a pilot with more distance, and, thus time, to avoid an accident or to deal with an error. An altitude of 300 feet provides 80 percent less distance and thus, much less reaction time.

Affordability Analysis

The FAA lacks reliable revenue and profit data on the individual entities affected by this rule, but the estimated cost to each of these small entities is approximately 5.3 percent of the average revenue of non-scheduled air transportation firms with fewer than 500 employees based on the SBA's Census data. Hawaii air tour operators have been subject to the proposed provisions of this rule since 1994. While there are fewer operators today than in 1994, the cause cannot be directly attributed to SFAR 71 but rather, the vagaries and nature of the tourism market. New air tour operators have entered the market after making the business decision to accept the provisions of this rule. The FAA invites comment on the potential impact of the proposal on revenues and profits.

Business Closure Analysis

The FAA estimates that none of the operators currently providing air tour flights would elect to stop providing the service. These operators have been complying with these provisions since 1994.

Disproportionality Analysis

All Hawaiian entities in the air tour market are small. Accordingly, the costs imposed by this proposal would be borne almost entirely by small businesses. The estimated costs are proportional to the frequency of operations and thus the burden is not disproportionate. Air tour safety in Hawaii has been significantly improved, and the FAA believes that the only way to continue this is to maintain these higher standards on these entities.

Key Assumptions Analysis

The FAA has made several conservative assumptions in this analysis, which may have resulted in an overestimate of the costs of the proposal. For example, the FAA assumes that the pilot in command would conduct all pre-flight briefings but the provision only requires the pilot to ''ensure that each passenger has been briefed''. The briefing could be recorded or provided by a lower paid employee. Also, the helicopter life preserver costs may be overestimated since there is a voluntary industry standard to which 13 helicopter tour operators subscribe that requires occupants to wear a personal flotation device.

Issued in Washington, DC, on August 18, 2003.

Donald P. Byrne,

Assistant Chief Counsel.

[FR Doc. 03–21423 Filed 8–18–03; 12:19 pm]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–108676–03]

RIN 1545–BC00

Distributions of Interest in a Loss Corporation From Qualified Trust; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to a notice of proposed rulemaking; by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: This document contains regulations under section 382 of the Internal Revenue Code of 1986. The proposed regulations affect loss corporations and provide guidance on whether a loss corporation has an ownership change where a qualified trust described in section 401(a) distributes an ownership interest in an entity.

FOR FURTHER INFORMATION CONTACT: Martin Huck at (202) 622–7750 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The proposed regulations that are the subject of these corrections are under section 382 of the Internal Revenue Code.

Need for Correction

As published, this notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing (REG–108676–03), which is the subject of FR. Doc. 03–16230, is corrected as follows:

1. On page 38247, column 3, in the preamble, under the subject heading **ADDRESSES**, line 3, the language ''5226, Internal Revenue Service, POB'' is corrected to read ''5207, Internal Revenue Service, POB''.

2. On page 38248, column 1, in the preamble, under the subject heading **FOR FURTHER INFORMATION CONTACT**, line 5, the language ''Treena Garrett, (202) 622–7180 (not toll-'' is corrected to read ''Treena Garrett, (202) 622–3401 (not toll-''.

LaNita Van Dyke,

Acting Chief, Regulations Unit, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 03–21356 Filed 8–19–03; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206 and 210

RIN 1010–AD04

Federal Oil Valuation

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Proposed rule.

SUMMARY: The MMS is proposing to amend the existing regulations governing the valuation of crude oil produced from Federal leases for royalty purposes, and related provisions governing the reporting thereof. The current regulations became effective on June 1, 2000.

Experience thus far has shown that the 2000 rules have generally served both MMS (and the states who cooperate with MMS in auditing Federal leases) and the producing industry well. However, in continuing to evaluate the effectiveness and efficiency of its rules, MMS has identified certain issues that warrant further proposal and public comment. These issues concern primarily which published market