

on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

### Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov#!docketDetail;D=FAA-2013-1068>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone 800-647-5527) is in the ADDRESSES section.

### List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

### Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 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 (AD):

**2014-15-20 Bombardier, Inc.:** Amendment 39-17923. Docket No. FAA-2013-1068; Directorate Identifier 2013-NM-196-AD.

#### (a) Effective Date

This AD becomes effective September 19, 2014.

#### (b) Affected ADs

None.

#### (c) Applicability

This AD applies to Bombardier, Inc. Model DHC-8-400, -401, and -402 airplanes, certificated in any category, serial numbers 4001 through 4446 inclusive.

#### (d) Subject

Air Transport Association (ATA) of America Code 36, Pneumatic.

#### (e) Reason

This AD was prompted by reports of failure of the high pressure shutoff valves (HPSOVs) causing the timer and monitor unit (TMU) to become inoperative since the HPSOV and the TMU are on the same circuit breaker. We are issuing this AD to prevent an inoperative TMU, which could result in the loss of the automatic de-icing mode, and lead to an increased workload for the flight crew and loss of control of the airplane.

#### (f) Compliance

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

#### (g) Segregation of the HPSOV Power Supply From the TMU

Within 2,000 flight hours or 12 months after the effective date of this AD, whichever occurs first: Do a wiring modification to segregate the HPSOV power supply from the TMU, by incorporating Bombardier ModSum Package 4-110595, Revision C, dated May 14, 2013, in accordance with the Accomplishment Instructions of Bombardier Service Bulletin 84-36-04, Revision B, dated January 2, 2014.

#### (h) Credit for Previous Actions

This paragraph provides credit for actions required by paragraph (g) of this AD, if those actions were performed before the effective date of this AD using Bombardier Service Bulletin 84-36-04, dated March 13, 2013; or Bombardier Service Bulletin 84-36-04, Revision A, dated April 17, 2013.

#### (i) Other FAA AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, New York Aircraft Certification Office (ACO), ANE-170, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the New York ACO, send it to ATTN: Program Manager, Continuing Operational Safety, FAA, New York ACO, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 516-228-7300; fax 516-794-5531. Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office. The AMOC approval letter must specifically reference this AD.

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain corrective actions from a manufacturer, the action must be accomplished using a method approved by the Manager, New York ACO, ANE-170, Engine and Propeller Directorate, FAA; or Transport Canada Civil Aviation (TCCA); or Bombardier, Inc.'s TCCA Design Approval Organization (DAO). If approved by the DAO, the approval must include the DAO-authorized signature.

#### (j) Related Information

(1) Refer to Mandatory Continuing Airworthiness Information (MCAI) Canadian Airworthiness Directive CF-2013-27, dated September 25, 2013, for related information. This MCAI may be found in the AD docket on the Internet at <http://www.regulations.gov#!documentDetail;D=FAA-2013-1068-0002>.

(2) Service information identified in this AD that is not incorporated by reference may be viewed at the addresses specified in paragraphs (k)(3) and (k)(4) of this AD.

#### (k) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(i) Bombardier Service Bulletin 84-36-04, Revision B, dated January 2, 2014.

(ii) Reserved.

(3) For service information identified in this AD, contact Bombardier, Inc., Q-Series Technical Help Desk, 123 Garratt Boulevard, Toronto, Ontario M3K 1Y5, Canada; telephone 416-375-4000; fax 416-375-4539; email [thd.qseries@aero.bombardier.com](mailto:thd.qseries@aero.bombardier.com); Internet <http://www.bombardier.com>.

(4) You may view this service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

(5) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: <http://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued in Renton, Washington, on July 18, 2014.

**John P. Piccola,**

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

[FR Doc. 2014-18306 Filed 8-14-14; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Docket No. FAA-2014-0368; Airspace Docket No. 13-AGL-26]

**RIN 2120-AA66**

### Amendment of Air Traffic Service (ATS) Routes in the Vicinity of Nabb, IN

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action modifies four VOR Federal airways (V-44, V-47, V-49, and V-51) in the vicinity of Nabb, IN. The Nabb, IN (ABB), VHF Omnidirectional Range (VOR)/Tactical Air Navigation (VORTAC) facility that provides navigation guidance for a portion of the airways listed was damaged beyond repair by a tornado in 2012.

**DATES:** Effective date 0901 UTC, November 13, 2014. The Director of the

Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order 7400.9 and publication of conforming amendments.

**ADDRESSES:** FAA Order 7400.9X, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at [http://www.faa.gov/air\\_traffic/publications/](http://www.faa.gov/air_traffic/publications/). The Order is also available for inspection at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

FAA Order 7400.9, Airspace Designations and Reporting Points, is published yearly and effective on September 15. For further information, you can contact the Airspace Policy and Regulations Group, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone: 202-267-8783.

**FOR FURTHER INFORMATION CONTACT:** Colby Abbott, Airspace Policy and Regulations Group, Office of Airspace Services, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone: (202) 267-8783.

**SUPPLEMENTARY INFORMATION:**

**History**

On March 2, 2012, the Nabb, IN (ABB), VHF Omni-directional Range (VOR)/Tactical Air Navigation (VORTAC) navigation aid (NAVAID) was damaged by a tornado. A Notice to Airmen (NOTAM) was published the following day documenting the ABB VORTAC being out of service and has remained published to present. The Louisville B Service Support Center, Eastern Service Area Technical Operations, evaluated the ABB VORTAC and determined that it was damaged beyond repair and the cost to replace it would be prohibitive. Based on the cost analysis to repair or replace the ABB VORTAC, and the availability of existing adjacent area navigation routes and VOR Federal airways in the area supported by the ABB VORTAC, the FAA made a determination to decommission the ABB VORTAC.

As a result of the ABB VORTAC being decommissioned, the four VOR Federal airways V-44, V-47, V-49, and V-51 require amendment actions. The FAA is modifying these airways by removing the route segments previously supported by the ABB VORTAC due to insufficient ground-based navigation aid coverage. The modifications will result

in non-continuous route structures for these airways; however, there are other existing adjacent routes and airways available for aircraft flying in the area of the route segments being removed. Since this action merely involves editorial changes by removing reference to the NAVAID in the legal descriptions of the above VOR Federal Airways, and does not involve a change in the dimensions or operating requirements of that airspace, notice and public procedure under 5 U.S.C. 553(b) are unnecessary.

**The Rule**

The FAA is amending Title 14, Code of Federal Regulations (14 CFR) part 71 to modify VOR Federal airways V-44, V-47, V-49, and V-51. The ABB VORTAC being damaged beyond repair in March 2012, NOTAMed out of service since then, and scheduled to be decommissioned has made this action necessary. The route modifications are outlined below.

V-44: V-44 extends between the Columbia, MO, VOR and Albany, NY, VORTAC. This action removes the route segment between the Samsville, IL, VOR and the Falmouth, KY, VOR.

V-47: V-47 extends between the Pine Bluff, AR, VOR and Waterville, OH, VOR. This action removes the route segment between the Pocket City, IN, VORTAC and the Cincinnati, OH, VORTAC.

V-49: V-49 extends between the Vulcan, AL, VORTAC and Mystic, KY (MYS), VOR. This action terminates the airway at the Mystic, KY, VOR by removing the route segment between the MYS VOR and the ABB VORTAC.

V-51: V-51 extends between Pahokee, FL, VORTAC and Chicago Heights, IL, VORTAC. This action removes the route segment between the Louisville, KY, VORTAC and the Shelbyville, IN, VORTAC.

The navigation aid radials cited in the VOR Federal airway descriptions are stated relative to True north.

Domestic VOR Federal airways are published in paragraph 6010(a) of FAA Order 7400.9X dated August 7, 2013, and effective September 15, 2013, which is incorporated by reference in 14 CFR 71.1. The VOR Federal airways listed in this document would be subsequently published in the Order.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation: (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of

Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that only affects air traffic procedures and air navigation, it is certified that this rule, when promulgated, does not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority.

This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it modifies the route structure as necessary to preserve the safe and efficient flow of air traffic within the NAS.

**Environmental Review**

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA Order 1050.1E, "Environmental Impacts: Policies and Procedures," paragraph 311a. This airspace action is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.

**List of Subjects in 14 CFR Part 71**

Airspace, Incorporation by reference, Navigation (air).

**Adoption of the Amendment**

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

**PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS**

■ 1. The authority citation for part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

**§ 71.1 [Amended]**

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order 7400.9X, Airspace Designations and Reporting Points, dated August 7, 2013 and effective September 15, 2013, is amended as follows:

*Paragraph 6010(a) Domestic VOR Federal Airways*

\* \* \* \* \*

**V-44 [Amended]**

From Columbia, MO; INT Columbia 131° and Foristell, MO, 262° radials; Foristell; Centralia, IL; to Samsville, IL. From Falmouth, KY; York, KY; Parkersburg, WV; Morgantown, WV; Martinsburg, WV; INT Martinsburg 094° and Baltimore, MD, 300° radials; Baltimore; INT Baltimore 122° and Sea Isle, NJ, 267° radials; Sea Isle; INT Sea Isle 040° and Deer Park, NY, 209° radials; Deer Park; INT Deer Park 041° and Bridgeport, CT, 133° radials; Bridgeport; INT Bridgeport 324° and Pawling, NY, 160° radials; Pawling; INT Pawling 342° and Albany, NY, 181° radials; to Albany. The airspace within R-4001B, R-5002A, R-5002B, and R-5002E is excluded when active. The airspace within V-139 and V-308 airways is excluded. The airspace below 2,000 feet MSL outside the United States is excluded.

\* \* \* \* \*

**V-47 [Amended]**

From Pine Bluff, AR; Gilmore, AR; Dyersburg, TN; Cunningham, KY; to Pocket City, IN. From Cincinnati, OH; Rosewood, OH; Flag City, OH; to Waterville, OH.

\* \* \* \* \*

**V-49 [Amended]**

From Vulcan, AL; Decatur, AL; Nashville, TN; Bowling Green, KY; to Mystic, KY.

\* \* \* \* \*

**V-51 [Amended]**

From Pahokee, FL; INT Pahokee 010° and Treasure, FL, 193° radials; Treasure; INT Treasure 330° and Ormond Beach, FL, 183° radials; Ormond Beach; Craig, FL; Alma, GA; Dublin, GA; Athens, GA; INT Athens 340° and Harris, GA, 148° radials; Harris; Hinch Mountain, TN; Livingston, TN; to Louisville, KY. From Shelbyville, IN; INT Shelbyville 313° and Boiler, IN, 136° radials; Boiler; to Chicago Heights, IL.

\* \* \* \* \*

Issued in Washington, DC, on August 7, 2014.

**Gary A. Norek,**

*Manager, Airspace Policy and Regulations Group.*

[FR Doc. 2014-19210 Filed 8-14-14; 8:45 am]

**BILLING CODE 4910-13-P**

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

[TD 9688]

RIN 1545-BJ64

**Retail Inventory Method**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations relating to the retail inventory method of accounting. The regulations restate and clarify the computation of ending inventory values under the retail inventory method and provide a special rule for certain taxpayers that receive margin protection payments or vendor allowances that are required to reduce only cost of goods sold. The regulations affect taxpayers that are retailers and use a retail inventory method.

**DATES:** *Effective Date:* These regulations are effective on August 15, 2014.

*Applicability Date:* For date of applicability, see § 1.471-8(f).

**FOR FURTHER INFORMATION CONTACT:**

Christopher Call, (202) 317-7007 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:****Background**

This document contains final regulations that amend the Income Tax Regulations (26 CFR part 1) relating to the retail inventory method of accounting under § 1.471-8 of the Income Tax Regulations. On October 7, 2011, a notice of proposed rulemaking (REG-125949-10) was published in the **Federal Register** (76 FR 62327). A public hearing was not requested or held. No comments were received during the comment period. Three comments were received after the end of the comment period and were considered, as discussed later in this preamble. The proposed regulations are adopted as amended by this Treasury decision.

**Summary of Comments and Explanation of Revisions**

Section 471 of the Internal Revenue Code provides that a taxpayer's method of accounting for inventories must clearly reflect income. Section 1.471-2(c) provides that the bases of inventory valuation most commonly used and meeting the requirements of section 471 are (1) cost and (2) cost or market, whichever is lower (LCM). Section 1.471-3 provides rules for determining

inventories at cost. Section 1.471-4 provides rules for determining inventories at lower of cost or market. Section 1.471-8 of the regulations contains rules specific to retailers, allowing them to approximate cost or LCM of the goods in their ending inventory by using the retail inventory method. Under the retail inventory method, a taxpayer computes the value of ending inventory by multiplying a cost complement by the retail selling prices of the goods on hand at the end of the taxable year. The numerator of the cost complement is the value of beginning inventory plus the cost of purchases during the taxable year, and the denominator is the retail selling prices of beginning inventory plus the initial retail selling prices of purchases. For taxpayers using the retail inventory method to value inventories at cost (retail cost method), the denominator of the cost complement is adjusted for all permanent markups and markdowns. Taxpayers using the retail inventory method to value inventories at LCM (retail LCM method) generally do not make adjustments to the denominator for markdowns.

The proposed regulations provided that a taxpayer using the retail LCM method may not reduce the numerator of the cost complement by the amount of an allowance, discount, or price rebate that is related to or intended to compensate for a permanent reduction in the taxpayer's retail selling price of inventory, often called a margin protection payment or a markdown allowance. The proposed regulations also provided that a taxpayer using the retail inventory method (whether valuing inventories at LCM or at cost) may not reduce the numerator of the cost complement by the amount of a sales-based vendor allowance.

Commenters suggested that taxpayers using the retail LCM method to value inventories should reduce the numerator of the cost complement for all vendor allowances and discounts, including margin protection payments and sales-based vendor allowances (but should not be required to reduce the denominator by the related price reduction), because all allowances and discounts reduce the cost of inventory and allow retailers to achieve their margin goals. The commenters asserted that if the numerator of the cost complement is not reduced for margin protection payments and sales-based vendor allowances, taxpayers' income will not be clearly reflected, the economics of the underlying business transaction will be ignored, and small retailers would be adversely affected. The commenters suggested that small