

# Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 45

[Docket No. FAA-2007-27173; Amendment No. 45-25]

RIN 2120-AJ02

#### Nationality and Registration Marks, Non Fixed-Wing Aircraft

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

**ACTION:** Direct final rule; request for comments.

**SUMMARY:** This direct final rule will permit operators of U.S. registered powered parachutes and weight-shift-control aircraft to display their nationality and registration marks in other than a horizontal orientation on the fuselage, a structural member, or a component of the aircraft. It will also clarify the size requirements for these marks. This action will provide a solution to the challenges faced by many operators in complying with current regulations that require these marks to be displayed horizontally on a fuselage structural member. This rule will eliminate the need for affected operators to petition for an exemption from current nationality and registration marks requirements.

**DATES:** Effective November 13, 2007. Comments for inclusion in the Rules Docket must be received on or before October 15, 2007.

**ADDRESSES:** You may send comments identified by Docket Number FAA-2007-27173 using any of the following methods:

- *DOT Docket Web site:* Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.
- *Government-wide rulemaking Web site:* Go to <http://www.regulations.gov>

and follow the instructions for sending your comments electronically.

- *Mail:* Send comments to the Docket Management Facility; U.S. Department of Transportation, 1200 New Jersey Avenue, SE., West Building Ground Floor, Room W12-140, Washington, DC 20590.

- *Fax:* Fax comments to the Docket Management Facility at 202-493-2251.

- *Hand Delivery:* Bring comments to the Docket Management Facility in Room W12-140, West Building Ground Floor at 1200 New Jersey Avenue, SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For more information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

*Docket:* To read background documents or comments received, go to <http://dms.dot.gov> at any time or to Room W12-140, West Building Ground Floor, 1200 New Jersey Avenue, SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

#### FOR FURTHER INFORMATION CONTACT:

Grant Schneemann, AIR-230, Airworthiness Branch, Production and Airworthiness Division, Aircraft Certification Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 267-8473; facsimile (202) 267-5580; e-mail [grant.schneemann@faa.gov](mailto:grant.schneemann@faa.gov).

**SUPPLEMENTARY INFORMATION:** Currently, § 45.27(e) of Title 14 of the Code of Federal Regulations (14 CFR) requires operators of U.S. registered powered parachutes and weight-shift-control aircraft to display nationality and registration markings horizontally and in two diametrically opposite positions on any fuselage structural member.

However, fuselage structural members for these aircraft are, quite often, nothing more than diagonally-mounted narrow bars. These bars, due to their size and orientation, are generally unsuitable for displaying nationality and registration marks as required by current regulations. Consequently, the Experimental Aircraft Association (EAA) petitioned the FAA for an exemption from § 45.27(e) of the regulations to allow horizontal or vertical display of the required markings. The EAA also separately

petitioned the FAA for rulemaking to revise § 45.27(e) to the same effect.

In consideration of the varying and evolving structural designs of powered parachute and weight-shift-control aircraft, the FAA is issuing this direct final rule to accommodate these aircraft designs and enable them to meet the intent of the marking requirements. This amendment will relieve operators of U.S. registered powered parachute and weight-shift-control aircraft from the current requirement to display nationality and registration marks in only a horizontal orientation. It will also relax the requirement that marks be displayed on a fuselage structural member, while clarifying the minimum requirement for 3 inch high markings. This amendment will permit the display of marks on the fuselage, on a structural member of the aircraft, or on a component of the aircraft. The marks must be visible by a person standing 90 degrees off the nose of the aircraft. Because operators will have greater latitude in displaying nationality and registration marks, we believe this rule will allow them to achieve compliance more easily.

Part 45 also contains requirements regarding the size of nationality and registration markings. Section 45.29(f) states that if any approved surface “is not large enough for full-size marks, marks as large as practicable” must be used. This rule will clarify the size requirements for nationality and registration marks by amending § 45.29(f) to state the marks for powered parachutes and weight-shift-control aircraft must be no less than 3 inches high. This amendment to § 45.29(f) is consistent with the size requirements of § 45.29(b)(2), which specifies that powered parachutes and weight-shift-control aircraft must have marks at least 3 inches high.

#### Authority for This Rulemaking

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 III, Safety, Section 44104. Under that section, the FAA is charged with prescribing

regulations in the interest of safety for registering and identifying an aircraft, engine, propeller, or appliance. This regulation is within the scope of that authority because it eliminates a potentially burdensome marking requirement on many operators, while still requiring proper marking and identification of the affected aircraft.

### The Direct Final Rule Procedure

The FAA anticipates that this regulation will not result in any adverse or negative comments and therefore is issuing a direct final rule. We believe we will not receive adverse or negative comments because this action will—

- Eliminate the need for operators to petition the FAA for an exemption from the nationality and registration marks requirements in §§ 45.27 and 45.29.
- Provide relief from a requirement which, due to varying aircraft designs, presents challenges for compliance.
- Not place any new requirements or additional burdens on affected operators, nor will it require any changes to existing aircraft.

The regulation will become effective on the date specified above unless a written adverse or negative comment or a written notice of intent to submit an adverse or negative comment is received within the comment period. After the close of the comment period, the FAA will publish a document in the **Federal Register** indicating that no adverse or negative comments were received and confirming the date on which the direct final rule will become effective. If the FAA does receive, within the comment period, an adverse or negative comment which is within the scope of this rule, or written notice of intent to submit such a comment, a document withdrawing the direct final rule will be published in the **Federal Register**, and a notice of proposed rulemaking may be published with a new comment period.

### Comments Invited

The FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. We also invite comments relating to the economic, environmental, energy, or federalism impacts that might result from adopting this rule. The most helpful comments reference a specific portion of the rule, explain the reason for any recommended change, and include supporting data.

We will file in the docket all comments we receive, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. The docket is available for public inspection before and after the comment

closing date. If you wish to review the docket in person, go to the address in the **ADDRESSES** section of this preamble between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also review the docket using the Internet at the web address in the **ADDRESSES** section.

*Privacy Act:* Using the search function of our docket Web site, anyone can find and read the comments received into any of our dockets, including the name of the individual sending the comment (or signing the comment on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78) or you may visit <http://dms.dot.gov>.

### Availability of Rulemaking Documents

You may obtain an electronic copy using the Internet by:

- (1) Searching the Department of Transportation's electronic Docket Management System (DMS) web page (<http://dms.dot.gov/search>);
- (2) Visiting the FAA's Regulations and Policy web page at [http://www.faa.gov/regulations\\_policies/](http://www.faa.gov/regulations_policies/); or
- (3) Accessing the Government Printing Office's web page at <http://www.gpoaccess.gov/fr/index.html>.

You may also obtain a copy by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM-1, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267-9680. Make sure to identify the docket number, notice number, or amendment number of this rulemaking.

### Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996 requires FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. Therefore, any small entity that has a question regarding this document may contact their local FAA official, or the person listed under **FOR FURTHER INFORMATION CONTACT**. You can find out more about SBREFA on the Internet at our site, [http://www.faa.gov/regulations\\_policies/rulemaking/sbre\\_act/](http://www.faa.gov/regulations_policies/rulemaking/sbre_act/).

### Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), requires the FAA to consider the impact of paperwork and other information collection burdens imposed on the public. We have determined that there are no new

information collection requirements associated with these amendments.

### International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to comply with International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. The FAA has reviewed the corresponding ICAO Standards and Recommended Practices and has identified no differences with these regulations.

### Regulatory Evaluation, Regulatory Flexibility Determination, International Trade Impact Assessment, and Unfunded Mandates Assessment

Changes to Federal regulations must undergo several economic analyses. First, Executive Order 12866 directs that each Federal agency shall propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs. Second, the Regulatory Flexibility Act of 1980 (Pub. L. 96-354) requires agencies to analyze the economic impact of regulatory changes on small entities. Third, the Trade Agreements Act (Pub. L. 96-39) prohibits agencies from setting standards that create unnecessary obstacles to the foreign commerce of the United States. In developing U.S. standards, the Trade Act requires agencies to consider international standards and, where appropriate, that they be the basis of U.S. standards. Fourth, the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4) requires agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more annually (adjusted for inflation with base year of 1995). This portion of the preamble summarizes the FAA's analysis of the economic impacts of this direct final rule.

Department of Transportation Order DOT 2100.5 prescribes policies and procedures for simplification, analysis, and review of regulations. If the expected cost impact is so minimal that a proposed or final rule does not warrant a full evaluation, this order permits that a statement to that effect and the basis for it be included in the preamble if a full regulatory evaluation of the cost and benefits is not prepared. Such a determination has been made for this direct final rule. The reasoning for this determination follows:

This direct final rule will not impose any cost on operators of U.S. registered powered parachute and weight-shift-control aircraft. It is relieving in nature, and is intended to eliminate the need for affected operators to petition for an exemption from current nationality and registration marks requirements. It will not require any change to the location of existing nationality or registration marks.

FAA has, therefore determined that this direct final rule is not a "significant regulatory action" as defined in section 3(f) of Executive Order 12866, and is not "significant" as defined in DOT's Regulatory Policies and Procedures.

#### Regulatory Flexibility Determination

The Regulatory Flexibility Act of 1980 (Pub. L. 96-354) (RFA) establishes "as a principle of regulatory issuance that agencies shall endeavor, consistent with the objectives of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of the businesses, organizations, and governmental jurisdictions subject to regulation. To achieve this principle, agencies are required to solicit and consider flexible regulatory proposals and to explain the rationale for their actions to assure that such proposals are given serious consideration." The RFA covers a wide-range of small entities, including small businesses, not-for-profit organizations, and small governmental jurisdictions.

Agencies must perform a review to determine whether a rule will have a significant economic impact on a substantial number of small entities. If the agency determines that it will, the agency must prepare a regulatory flexibility analysis as described in the RFA.

However, if an agency determines that a rule is not expected to have a significant economic impact on a substantial number of small entities, section 605(b) of the RFA provides that the head of the agency may so certify and a regulatory flexibility analysis is not required. The certification must include a statement providing the factual basis for this determination, and the reasoning should be clear.

This direct final rule will not impose any cost on operators of U.S. registered powered parachute and weight-shift-control aircraft. It is relieving in nature, and eliminates the need for affected operators to petition for an exemption from current nationality and registration marks requirements. It will not require any change to the location of existing nationality or registration marks.

Therefore, as the FAA Administrator, I certify that this rule will not have a

significant economic impact on a substantial number of small entities.

#### International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96-39) prohibits Federal agencies from establishing any standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Legitimate domestic objectives, such as safety, are not considered unnecessary obstacles. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards. The FAA has assessed the potential effect of this direct final rule and has determined that it will have only a domestic impact and, therefore, no affect on international trade.

#### Unfunded Mandates Assessment

Title II of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4) requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed or final agency rule that may result in an expenditure of \$100 million or more (adjusted annually for inflation with the base year 1995) in any one year by State, local, and tribal governments, in the aggregate, or by the private sector; such a mandate is deemed to be a "significant regulatory action." The FAA currently uses an inflation-adjusted value of \$128.1 million in lieu of \$100 million.

This direct final rule does not contain such a mandate.

#### Executive Order 13132, Federalism

The FAA has analyzed this direct final rule under the principles and criteria of Executive Order 13132, Federalism. We determined that this action will not have a substantial direct effect on the States, or the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, we determined that this direct final rule does not have federalism implications.

#### Environmental Analysis

FAA Order 1050.1E identifies FAA actions that are categorically excluded from preparation of an environmental assessment or environmental impact statement under the National Environmental Policy Act in the absence of extraordinary circumstances. The FAA has determined this proposed rulemaking action qualifies for the categorical exclusion identified in paragraph 312 and involves no extraordinary circumstances.

#### Regulations That Significantly Affect Energy Supply, Distribution, or Use

The FAA has analyzed this direct final rule under Executive Order 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (66 FR 28355, May 18, 2001). We have determined that it is not a "significant energy action" under the Executive Order because it is not a "significant regulatory action" under Executive Order 12866, and it is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

#### List of Subjects in 14 CFR Part 45

Aircraft, Exports, Signs and symbols.

#### Adoption of the Amendment

■ Accordingly, the Federal Aviation Administration amends part 45 of the Federal Aviation Regulations (14 CFR part 45) as follows:

#### PART 45—IDENTIFICATION AND REGISTRATION MARKING

■ 1. The authority citation for part 45 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 44109, 40113-40114, 44101-44105, 44107-44108, 44110-44111, 44504, 44701, 44708-44709, 44711-44713, 44725, 45302-45303, 46104-46304, 46306, 47122.

■ 2. Amend § 45.27 to revise paragraph (e) to read as follows:

#### § 45.27 Location of marks; nonfixed-wing aircraft.

\* \* \* \* \*

(e) *Powered parachutes and weight-shift-control aircraft.* Each operator of a powered parachute or a weight-shift-control aircraft must display the marks required by §§ 45.23 and 45.29(b)(2) of this part. The marks must be displayed in two diametrically opposite positions on the fuselage, a structural member, or a component of the aircraft and must be visible from the side of the aircraft.

■ 3. Amend § 45.29 to revise paragraph (f) to read as follows:

#### § 45.29 Size of marks.

\* \* \* \* \*

(f) If either one of the surfaces authorized for displaying required marks under § 45.25 is large enough for display of marks meeting the size requirements of this section and the other is not, full size marks shall be placed on the larger surface. If neither surface is large enough for full-size marks, marks as large as practicable shall be displayed on the larger of the two surfaces. If no surface authorized to be marked by § 45.27 is large enough for full-size marks, marks as large as

practicable shall be placed on the largest of the authorized surfaces. However, powered parachutes and weight-shift-control aircraft must display marks at least 3 inches high.

\* \* \* \* \*

Issued in Washington, DC, on July 30, 2007.

Marion C. Blakey,  
Administrator.

[FR Doc. E7-18197 Filed 9-13-07; 8:45 am]

BILLING CODE 4910-13-P

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9339]

RIN 1545-BG44

**Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions; Correction**

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

**ACTION:** Correction to final and temporary regulations.

**SUMMARY:** This document contains corrections to final and temporary regulations (TD 9339) that were published in the **Federal Register** on Monday, July 16, 2007 (72 FR 38767) providing guidance to state and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program requirements for qualified zone academy bonds.

**DATES:** The correction is effective September 14, 2007.

**FOR FURTHER INFORMATION CONTACT:** Timothy L. Jones or Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final and temporary regulations that are the subject of this correction are under section 1397E of the Internal Revenue Code.

**Need for Correction**

As published, final and temporary regulations (TD 9339) contain errors that may prove to be misleading and are in need of clarification.

**Correction of Publication**

Accordingly, the publication of the final and temporary regulations (TD 9339), which was the subject of FR Doc. E7-13665, is corrected as follows:

1. On page 38767, column 3, in the preamble, under the caption **DATES:**, line 4, the language “applicability, see § 1.1397E-1(m) of” is corrected to read “applicability, see § 1.1397E-1T(m) of”.

2. On page 38768, column 3, in the preamble, under the paragraph heading “C. Proceeds for Purposes of the Use and Spending Requirements”, line 3 of the paragraph, the language “provisions of QZAB provisions” is corrected to read “QZAB provisions”.

3. On page 38769, column 3, in the preamble, under the paragraph heading “II. Maximum Term”, lines 1 and 2 from bottom of the fourth paragraph of the column, the language “securities (<http://www.publicdebt.treas.gov>),” is corrected to read “securities (<https://www.treasurydirect.gov>),”.

4. On page 38772, column 1, in the preamble, under the subparagraph heading “3. Failure to Properly Use Proceeds”, third paragraph, the language “The Temporary Regulations retain these provisions.” is inserted at the end of the paragraph.

5. On page 38774, column 1, in the preamble, under the paragraph heading “Effective/Applicability Dates”, last line of the fourth paragraph, the language “§ 1.1379E(m),” is corrected to read “§ 1.1379E-1T(m).”.

LaNita Van Dyke,

Chief, Publications and Regulations Branch,  
Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. E7-18180 Filed 9-13-07; 8:45 am]

BILLING CODE 4830-01-P

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[TD 9339]

RIN 1545-BG44

**Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions; Correction**

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

**ACTION:** Correcting amendments.

**SUMMARY:** This document contains corrections to final and temporary regulations (TD 9339) that were published in the **Federal Register** on Monday, July 16, 2007 (72 FR 38767) providing guidance to state and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program

requirements for qualified zone academy bonds.

**DATES:** The correction is effective September 14, 2007.

**FOR FURTHER INFORMATION CONTACT:** Timothy L. Jones or Zoran Stojanovic, (202) 622-3980 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The final and temporary regulations that are the subject of this correction are under section 1397E of the Internal Revenue Code.

**Need for Correction**

As published, final and temporary regulations (TD 9339) contain errors that may prove to be misleading and are in need of clarification.

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

Income taxes, Reporting and recordkeeping requirements.

**Correction of Publication**

■ Accordingly, 26 CFR part 1 is corrected by making the following amendments:

**PART 1—INCOME TAXES**

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

Authority: 26 U.S.C. 7805 \* \* \*

■ **Par. 2.** Section 1.1397E-1T is amended by revising paragraphs (h)(2)(iii)(B), (h)(7)(ii)(D)(2)(ii), and (h)(9)(i)(6) to read as follows:

**§ 1.1397E-1T Qualified zone academy bonds (temporary).**

\* \* \* \* \*

- (h) \* \* \*
- (2) \* \* \*
- (iii) \* \* \*

(B) The expenditure of at least 95 percent of the proceeds from the sale of the issue for a qualified purpose with respect to a qualified zone academy will continue to proceed with due diligence.

\* \* \* \* \*

- (7) \* \* \*
- (ii) \* \* \*
- (D) \* \* \*
- (2) \* \* \*

(ii) The first date on which an action is taken that causes the issuer to fail actually to use at least 95 percent of the proceeds of the issue for a qualified purpose with respect to a qualified zone academy.

\* \* \* \* \*

- (9) \* \* \*
- (i) \* \* \*

(6) *Certain defeasance escrow earnings.* With respect to a defeasance