

that is likely to exist or develop on products identified in this rulemaking action.

### Regulatory Findings

We determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD 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.

For the reasons discussed above, I certify 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. 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.

We prepared a regulatory evaluation of the estimated costs to comply with this proposed AD and placed it in the AD docket.

### List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

### The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 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 AD:

**Pilatus Aircraft Ltd.:** Docket No. FAA-2008-0626; Directorate Identifier 2008-CE-035-AD.

#### Comments Due Date

(a) We must receive comments by July 9, 2008.

#### Affected ADs

(b) None.

#### Applicability

(c) This AD applies to PC-6, PC-6-H1, PC-6-H2, PC-6/350, PC-6/350-H1, PC-6/350-H2, PC-6/A, PC-6/A-H1, PC-6/A-H2, PC-6/B-H2, PC-6/B1-H2, PC-6/B2-H2, PC-6/B2-H4, PC-6/C-H2, and PC-6/C1-H2 airplanes, manufacturer serial numbers (MSN) MSN 101 through MSN 949 and MSN 2001

through MSN 2092, certificated in any category.

**Note 1:** These airplanes may also be identified as Fairchild Republic Company PC-6 airplanes, Fairchild Heli Porter PC-6 airplanes, or Fairchild-Hiller Corporation PC-6 airplanes.

#### Subject

(d) Air Transport Association of America (ATA) Code 53: Fuselage.

#### Reason

(e) The mandatory continuing airworthiness information (MCAI) states:

This Airworthiness Directive (AD) is prompted due to the discovery of loose self-locking stop nuts Part Number (P/N) 938.07.65.105 in the tail landing gear fastener assemblies of some PC-6 aircraft.

It is believed that this occurrence could also exist in other fastener assemblies using nuts P/N 938.07.65.105 at various identified locations in the aircraft.

If left uncorrected, the identified assemblies may become loose and not function as designed and could lead to hazardous situations.

In order to prevent those conditions, the present AD requires you replace self-locking stop nuts P/N 938.07.65.105 from the Tail Landing Gear Assembly, the Parachute Cable Assembly, the Water Tank Assembly, the Cable Tensioner Assembly, the Fuel Filter Assembly, the Hydraulic Pump Assembly and the Engine Mounts Assembly in accordance with Pilatus PC-6 Service Bulletin No. 53-002 Revision 2.

#### Actions and Compliance

(f) Unless already done, do the following actions:

(1) Within the next 12 months after the effective date of this AD, inspect and modify the fastener assemblies as instructed in paragraph 3 of Pilatus Aircraft Ltd. Pilatus PC-6 Service Bulletin Number 53-002, Revision No. 2, dated September 24, 2007.

(2) After the effective date of this AD, no person shall install on any PC-6 series aircraft, water tank assemblies and hydraulic pump assemblies, unless they have been previously modified following paragraph 4 of Pilatus Aircraft Ltd. Pilatus PC-6 Service Bulletin Number 53-002, Revision No. 2, dated September 24, 2007.

#### FAA AD Differences

**Note 2:** This AD differs from the MCAI and/or service information as follows: No differences.

#### Other FAA AD Provisions

(g) The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, Standards Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to **ATTN:** Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; **telephone:** (816) 329-4059; **fax:** (816) 329-4090. Before using any approved AMOC on any airplane to which the AMOC applies,

notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) *Airworthy Product:* For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(3) *Reporting Requirements:* For any reporting requirement in this AD, under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120-0056.

#### Related Information

(h) Refer to MCAI European Aviation Safety Agency EASA AD No.: 2008-0083, dated May 5, 2008; and Pilatus Aircraft Ltd. Pilatus PC-6 Service Bulletin Number 53-002, Revision No. 2, dated September 24, 2007, for related information.

Issued in Kansas City, Missouri, on June 3, 2008.

**David R. Showers,**

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

[FR Doc. E8-12816 Filed 6-6-08; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-124590-07]

RIN 1545-BG11

### Guidance Regarding Foreign Base Company Sales Income; Hearing

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

**ACTION:** Notice of public hearing on proposed rulemaking.

**SUMMARY:** This document provides notice of public hearing on proposed regulations that provide guidance relating to foreign base company sales income, as defined in section 954(d), in cases in which personal property sold by a controlled foreign corporation (CFC) is manufactured, produced, or constructed pursuant to a contract manufacturing arrangement or by one or more branches of the CFC.

**DATES:** The public hearing is being held on Tuesday, July 29, 2008, at 10 a.m. The IRS must receive outlines of the topics to be discussed at the public hearing by Tuesday, July 8, 2008.

**ADDRESSES:** The public hearing is being held in the IRS Auditorium, Internal Revenue Service Building, and 1111 Constitution Avenue, NW., Washington, DC 20224. Send Submissions to CC:PA:LPD:PR (REG-124590-07), room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday to CC:PA:LPD:PR (REG-124590-07), Couriers Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC or sent electronically to *Oluwafunmilayo.P.Taylor@irs.counsel.treas.gov* (REG-124590-07).

**FOR FURTHER INFORMATION CONTACT:** Concerning the regulations, Ethan Atticks at (202) 622-3840; concerning submissions of comments, the hearing and/or to be placed on the building access list to attend the hearing Funmi Taylor at (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:** The subject of the public hearing is the notice of proposed rulemaking (REG-124590-07) that was published in the **Federal Register** on Thursday, February 28, 2008 (73 FR 10716).

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing that submitted written comments, must submit an outline of the topics to be addressed and the amount of time to be denoted to each topic (signed original and eight copies).

A period of 10 minutes is allotted to each person for presenting oral comments. After the deadline for receiving outlines has passed, the IRS will prepare an agenda containing the schedule of speakers. Copies of the agenda will be made available, free of charge, at the hearing or in the Freedom of Information Reading Room (FOIA RR) (Room 1621) which is located at the 11th and Pennsylvania Avenue, NW., entrance, 1111 Constitution Avenue, NW., Washington, DC.

Because of access restrictions, the IRS will not admit visitors beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this document.

**LaNita VanDyke,**

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

[FR Doc. E8-12875 Filed 6-6-08; 8:45 am]

**BILLING CODE 4830-01-P**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

**[REG-106897-08]**

**RIN 1545-BH65**

**Qualified Nonpersonal Use Vehicles**

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations relating to qualified nonpersonal use vehicles as defined in section 274(i). Qualified nonpersonal use vehicles are excepted from the substantiation requirements of section 274(d)(4) that apply to listed property as defined in section 280F(d)(4). These proposed regulations would add clearly marked public safety officer vehicles as a new type of qualified nonpersonal use vehicles. These proposed regulations would affect employers that provide their employees with qualified nonpersonal use vehicles and the employees who use such vehicles.

**DATES:** Written or electronic comments and requests for a public hearing must be received by September 8, 2008.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-106897-08), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-106897-08), Couriers Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Additionally, taxpayers may submit electronic comments directly via the Federal eRulemaking Portal at *www.regulations.gov* (IRS REG-106897-08).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Don Parkinson or Selvan Boominathan at (202) 622-6040; concerning the submission of comments or requests for a hearing, Kelly Banks at (202) 622-3628 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Background**

This document contains proposed Income Tax Regulations under section 274(i) added by section 2(b) of Public Law 99-44 (May 24, 1985), which provides a definition of qualified nonpersonal use vehicle. Temporary Regulation § 1.274-5T(k), identifying

categories of qualified nonpersonal use vehicles, was issued in TD 8061 (1982-2 CB 93 (1985)). A notice of proposed rulemaking was issued by cross-reference to Temporary Regulation § 1.274-5T(k) (50 FR 46088, 1985-2 CB 809 (1985)). These proposed regulations incorporate the text of § 1.274-5T(k) and add clearly marked public safety officer vehicles as a new type of qualified nonpersonal use vehicle, listed along with clearly marked police and fire vehicles at § 1.274-5(k)(2)(ii)(A). Clearly marked public safety officer vehicles are added to the definition of clearly marked police and fire vehicles at § 1.274-5(k)(3), and an example is added at § 1.274-5(k)(8). (See § 601.601(d)(2)(ii)(b).)

**Explanation of Provisions**

Section 274(d) provides that a taxpayer is not allowed a deduction or credit for certain expenses unless the expense is substantiated. These substantiation requirements apply to expenses incurred in the use of any listed property (defined in section 280F(d)(4)), which includes any passenger automobile and any other property used as a means of transportation. Section 274(d) does not apply to any qualified nonpersonal use vehicle as defined in section 274(i).

Section 274(i) provides that a qualified nonpersonal use vehicle is any vehicle which by reason of its nature is not likely to be used more than a de minimis amount for personal uses. The legislative history to section 274(i) provided a list of qualified nonpersonal use vehicles and identified a number of examples of qualified nonpersonal use vehicles such as school buses, qualified specialized utility repair trucks, and qualified moving vans. The legislative history indicated that Congress wanted the Commissioner to expand the list to include other vehicles appropriate for listing because by their nature it is highly unlikely that they will be used more than a very minimal amount for personal purposes. H.R. Rep. No. 99-34, at 11 (1985).

Passenger automobiles such as sedans and sport utility vehicles are generally not exempt from taxation as qualified nonpersonal use vehicles because by design they can easily be used for personal purposes. However, unmarked law enforcement vehicles and clearly marked police and fire vehicles are included in the list of qualified nonpersonal use vehicles set forth in the legislative history to section 274(i) and incorporated into the proposed and temporary regulations.

The IRS and the Treasury Department have become aware of a need for an