

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 39**

[Docket No. FAA-2008-1161; Directorate Identifier 2008-CE-067-AD; Amendment 39-15726; AD 2008-23-05]

RIN 2120-AA64

**Airworthiness Directives; Stemme GmbH & Co. KG Models S10 and S10-V Gliders**

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

**ACTION:** Final rule; request for comments.

**SUMMARY:** We are adopting a new airworthiness directive (AD) for the products listed above. This AD results from mandatory continuing airworthiness information (MCAI) issued by the aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

Investigations performed following a report about a fuel leakage in a Stemme S10-V powered-sailplane revealed that some fuel lines fabricated between March 2008 and May 2008, after the introduction of a new pressing tool, present a manufacturing defect which could lead to the puncture of the fuel lines.

This AD requires actions that are intended to address the unsafe condition described in the MCAI.

**DATES:** This AD becomes effective November 26, 2008.

On November 26, 2008 the Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD.

We must receive comments on this AD by December 8, 2008.

**ADDRESSES:** You may send comments by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Fax:* (202) 493-2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**Examining the AD Docket**

You may examine the AD docket on the Internet at <http://www.regulations.gov>; 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 Office (telephone (800) 647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Greg Davison, Glider Program Manager, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; fax: (816) 329-4090.

**SUPPLEMENTARY INFORMATION:****Discussion**

The European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Community, has issued AD No.: 2008-0186-E, dated October 9, 2008 (referred to after this as "the MCAI"), to correct an unsafe condition for the specified products. The MCAI states:

Investigations performed following a report about a fuel leakage in a Stemme S10-V powered-sailplane revealed that some fuel lines fabricated between March 2008 and May 2008, after the introduction of a new pressing tool, present a manufacturing defect which could lead to the puncture of the fuel lines.

For the reason stated above, this Airworthiness Directive (AD) mandates, as an initial phase, repetitive inspections of the fuel lines until their replacement, by new ones which conform to the approved original specifications, is implemented as a final fix.

You may obtain further information by examining the MCAI in the AD docket.

**Relevant Service Information**

Stemme GmbH & Co. KG has issued Stemme F & D Service Bulletin A31-10-084 Am.-Index: 01.a, dated October 1, 2008. The actions described in this service information are intended to correct the unsafe condition identified in the MCAI.

**FAA's Determination and Requirements of the AD**

This product has been approved by the aviation authority of another country, and is approved for operation in the United States. Pursuant to our bilateral agreement with this State of Design Authority, they have notified us of the unsafe condition described in the MCAI and service information referenced above. We are issuing this AD because we evaluated all

information provided by the State of Design Authority and determined the unsafe condition exists and is likely to exist or develop on other products of the same type design.

**Differences Between This AD and the MCAI or Service Information**

We have reviewed the MCAI and related service information and, in general, agree with their substance. But we might have found it necessary to use different words from those in the MCAI to ensure the AD is clear for U.S. operators and is enforceable. In making these changes, we do not intend to differ substantively from the information provided in the MCAI and related service information.

We might also have required different actions in this AD from those in the MCAI in order to follow FAA policies. Any such differences are described in a separate paragraph of the AD. These requirements take precedence over those copied from the MCAI.

**FAA's Determination of the Effective Date**

An unsafe condition exists that requires the immediate adoption of this AD. The FAA has found that the risk to the flying public justifies waiving notice and comment prior to adoption of this rule because investigations performed following a report about a fuel leakage in a Stemme S10-V powered sailplane revealed that some fuel lines fabricated between March 2008 and May 2008, after the introduction of a new pressing tool, present a manufacturing defect which could lead to the puncture of the fuel lines. Therefore, we determined that notice and opportunity for public comment before issuing this AD are impracticable and that good cause exists for making this amendment effective in fewer than 30 days.

**Comments Invited**

This AD is a final rule that involves requirements affecting flight safety, and we did not precede it by notice and opportunity for public comment. We invite you to send any written relevant data, views, or arguments about this AD. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2008-1161; Directorate Identifier 2008-CE-067-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this AD. We will consider all comments received by the closing date and may amend this AD because of those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this AD.

#### Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. 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.

We are issuing this rulemaking under the authority described in "Subtitle VII, Part A, Subpart III, Section 44701: General requirements." Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

#### Regulatory Findings

We determined that this AD will not have federalism implications under Executive Order 13132. This AD will 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 that this AD:

- (1) Is not a "significant regulatory action" under Executive Order 12866;
- (2) Is not a "significant rule" under 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 AD and placed it in the AD docket.

#### 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 AD:

**2008–23–05 Stemme GmbH & Co. KG:**  
Amendment 39–15726; Docket No. FAA–2008–1161; Directorate Identifier 2008–CE–067–AD.

#### Effective Date

- (a) This airworthiness directive (AD) becomes effective November 26, 2008.

#### Affected ADs

- (b) None.

#### Applicability

- (c) This AD applies to Models S10 and S10–V gliders, serial numbers 10–32, 10–53, 14–025, and 14–027, certificated in any category.

#### Subject

- (d) Air Transport Association of America (ATA) Code 73: Engine Fuel & Control.

#### Reason

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

"Investigations performed following a report about a fuel leakage in a Stemme S10–V powered-sailplane revealed that some fuel lines fabricated between March 2008 and May 2008, after the introduction of a new pressing tool, present a manufacturing defect which could lead to the puncture of the fuel lines.

"For the reason stated above, this Airworthiness Directive (AD) mandates, as an initial phase, repetitive inspections of the fuel lines until their replacement, by new ones which conform to the approved original specifications, is implemented as a final fix."

#### Actions and Compliance

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

(1) Before every flight after November 26, 2008 (the effective date of this AD) until accomplishment of paragraph (f)(2) of this AD, inspect the fuel lines in the engine compartment (pressed lines) following Stemme F & D Service Bulletin A31–10–084 Am.-Index: 01.a, dated October 1, 2008.

(2) Before further flight where any leakage is found as a result of any inspection required in paragraph (f)(1) of this AD or within the next 25 days after November 26, 2008 (the effective date of this AD), whichever occurs first, replace all the fuel lines in the engine compartment (pressed lines) following Stemme F & D Service Bulletin A31–10–084 Am.-Index: 01.a, dated October 1, 2008. Replacement of all fuel lines in the engine compartment (pressed lines) terminates the repetitive inspection requirement of paragraph (f)(1) of this AD.

#### FAA AD Differences

**Note:** 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: Greg Davison, Glider Program Manager, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4130; 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 European Aviation Safety Agency (EASA) AD No.: 2008–0186–E, dated October 9, 2008, and Stemme F & D Service Bulletin A31–10–084 Am.-Index: 01.a, dated October 1, 2008, for related information.

#### Material Incorporated by Reference

(i) You must use Stemme F & D Service Bulletin A31–10–084 Am.-Index: 01.a, dated October 1, 2008, to do the actions required by this AD, unless the AD specifies otherwise.

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

(2) For service information identified in this AD, contact Stemme GmbH & Co. KG, Flugplatzstrae F2, Nr. 7, D–15344 Strausberg, Germany; telephone: +49–33–41–3612–0; fax: +49–33–41–3612–30; Internet: [http://www.stemme.de/daten/d/service/a3110084\\_01a.pdf](http://www.stemme.de/daten/d/service/a3110084_01a.pdf); e-mail: [P.Ellwanger@stemme.de](mailto:P.Ellwanger@stemme.de).

(3) You may review copies at the FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106; or 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).

Issued in Kansas City, Missouri, on October 28, 2008.

**James E. Jackson,**

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

[FR Doc. E8-26235 Filed 11-5-08; 8:45 am]

BILLING CODE 4910-13-P

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9431]

RIN 1545-BG58

#### Information Reporting on Employer-Owned Life Insurance Contracts

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

**ACTION:** Final regulations and removal of temporary regulations.

**SUMMARY:** This document contains final regulations concerning information reporting on employer-owned life insurance contracts under section 6039I of the Internal Revenue Code (Code). This final regulation is necessary to provide taxpayers with guidance as to how the requirements of section 6039I should be applied. These regulations generally apply to taxpayers that are engaged in a trade or business and that are directly or indirectly a beneficiary of a life insurance contract covering the life of an insured who is an employee of the trade or business on the date the contract is issued.

**DATES:** *Effective Date:* These regulations are effective on November 6, 2008.

*Applicability Date:* These regulations are applicable for tax years ending after November 6, 2008.

**FOR FURTHER INFORMATION CONTACT:**

Linda K. Boyd, 202-622-3970 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

#### Background and Explanation of Provisions

The Pension Protection Act of 2006, Public Law 109-280, 120 Stat. 780 (2006), added sections 101(j) and 6039I to Code concerning employer-owned life insurance contracts.

Section 101(j)(1) provides that, in the case of an employer-owned life insurance contract, the amount of death benefits excluded from gross income under section 101(a)(1) shall not exceed an amount equal to the sum of the premiums and other amounts paid by the policyholder for the contract. For this purpose, an employer-owned life insurance contract is a life insurance

contract that (i) is owned by a person engaged in a trade or business and under which such person is directly or indirectly a beneficiary under the contract, and (ii) covers the life of an insured who is an employee with respect to the trade or business on the date the contract is issued. An applicable policyholder is generally a person who owns an employer-owned life insurance contract, or a related person as described in section 101(j)(3).

Section 101(j)(2) provides exceptions to the general rule of section 101(j)(1) in the case of certain employer-owned life insurance contracts with respect to which certain notice and consent requirements are met. Those exceptions are based either on (i) the insured's status as an employee within 12 months of death or as a highly compensated employee or highly compensated individual, or (ii) the extent to which death benefits are paid to a family member, trust, or estate of the insured employee, or are used to purchase an equity interest in the applicable policyholder from a family member, trust or estate.

Section 6039I provides that every applicable policyholder that owns one or more employer-owned life insurance contracts shall file a return, at such time and in such manner as the Secretary shall prescribe by regulations, showing for each year the contracts are owned—

(1) The number of employees of the applicable policyholder at the end of the year;

(2) The number of such employees insured under such contracts at the end of the year;

(3) The total amount of insurance in force at the end of the year under such contracts;

(4) The name, address, and taxpayer identification number of the applicable policyholder and the type of business in which the policyholder is engaged; and

(5) That the policyholder has a valid consent for each insured employee (or, if not all such consents are obtained, the number of insured employees for whom such consent was not obtained).

Section 6039I(c) provides that any term used in section 6039I that is used in section 101(j) has the same meaning given that term by section 101(j).

Sections 101(j) and 6039I apply to life insurance contracts issued after August 17, 2006, except for a contract issued after that date pursuant to a section 1035 exchange for a contract issued before that date. For this purpose, a material increase in the death benefit or other material change causes the contract to be treated as a new contract except that, in the case of a master contract within the meaning of section

264(f)(4)(E), the addition of covered lives is treated as a new contract only with respect to those additional covered lives.

On November 13, 2007, the IRS published temporary regulations in the **Federal Register** (TD 9364) (72 FR 63806), which serve as the basis for a cross-reference notice of proposed rulemaking (REG-115910-07) (72 FR 63838).

The temporary regulations and notice of proposed rulemaking provide that the Commissioner may prescribe the form and manner of satisfying the reporting requirements imposed by section 6039I on applicable policyholders owning one or more employer-owned life insurance contracts issued after August 17, 2006. Pursuant to these regulations, on January 24, 2008, the IRS released Form 8925, "Report of Employer-Owned Life Insurance Contracts", for taxpayers to use to comply with the reporting requirements of section 6039I.

No public hearing was requested or held. The IRS received comments from one taxpayer. Those comments primarily concern the notice and consent requirements of section 101(j), rather than the reporting requirements of section 6039I. Accordingly, this Treasury decision adopts the proposed regulations without substantive change and removes the corresponding temporary regulations. In order to make the regulations more useful to taxpayers, this Treasury decision sets forth the information that is enumerated in section 6039I and required to be reported under that provision. The IRS and Treasury Departments will continue to consider the comments received in connection with any future published guidance under section 101(j).

#### Special Analyses

It has been determined that this Treasury Decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to this regulation.

In accordance with the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that the regulations will not have a significant economic impact on a substantial number of small entities. Even though a substantial number of small entities may be subject to the requirements of section 6039I, these final regulations do not require the reporting of information other than that which is specifically required by section 6039I. Further, the burden associated with completing the prescribed form is