

Actions	Compliance	Procedures
(2) Do an ultrasonic inspection of the MLG actuator.	Initially within the next 600 cycles after the effective date of this AD or within the next 3 months after the effective date of this AD, whichever occurs first. Repetitively thereafter inspect at intervals not to exceed every 1,200 cycles since the last ultrasonic inspection.	Follow Hawker Beechcraft Mandatory Service Bulletin SB 32–3870, dated April 2008.
(3) If cracks are found during any inspection required in paragraph (e)(1) or (e)(2) of this AD, replace the MLG actuator with one of the following: (i) MLG actuator P/N 114–380041–15 (or FAA-approved equivalent P/N) that is new or has been inspected following paragraphs (e)(1) and (e)(2) of this AD and has been found to not have cracks; or (ii) MLG actuator P/N 114–380041–17 (or FAA-approved equivalent P/N). Installation of MLG actuator P/N 114–380041–17 (or FAA-approved equivalent P/N) terminates the inspection requirements of paragraphs (e)(1) and (e)(2) of this AD.	Before further flight after the inspection where the cracks are found.	Follow Hawker Beechcraft Mandatory Service Bulletin SB 32–3870, dated April 2008.
(4) Do not install any MLG actuator P/N 114–380041–11 or 114–380041–13.	As of 3 months after the effective date of this AD.	Not applicable.

Note: The compliance times of cycles in this AD may be calculated as hours time-in-service (TIS) by multiplying the number of hours TIS on the MLG actuator by 4 to come up with the number of cycles. For the purposes of this AD:

1. 600 cycles equals 150 hours TIS; and
2. 1,200 cycles equals 300 hours TIS.

(f) If cracks are found during any inspection required in paragraphs (e)(1) or (e)(2) of this AD, report the size and location of the cracks to the type-certificate (TC) holder and send a copy of the report to the FAA.

(i) For the TC holder: Send report to Hawker Beechcraft Corporation, P.O. Box 85, Wichita, Kansas 67201–0085.

(ii) For the FAA: Send report to Don Ristow, Aerospace Engineer, Wichita ACO, 1801 Airport Road, Room 100, Wichita, Kansas 67209; e-mail: donald.ristow@faa.gov.

(iii) The Office of Management and Budget (OMB) approved the information collection requirements contained in this regulation under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*) and assigned OMB Control Number 2120–0056.

Alternative Methods of Compliance (AMOCs)

(g) The Manager, Wichita Aircraft Certification Office (ACO), 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: Don Ristow, Aerospace Engineer, Wichita ACO, 1801 Airport Road, Room 100, Wichita, Kansas 67209; telephone: (316) 946–4120; fax: (316) 946–4107. 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.

Related Information

(h) To get copies of the service information referenced in this AD, contact Hawker Beechcraft Corporation, P.O. Box 85, Wichita, Kansas 67201–0085; telephone: (800) 429–5372 or (316) 676–3140; *Internet*: <http://pubs.hawkerbeechcraft.com>. To view the AD docket, go to U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590, or on the Internet at <http://www.regulations.gov>.

Issued in Kansas City, Missouri, on December 8, 2008.

Kim Smith,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. E8–29591 Filed 12–12–08; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–150670–07]

RIN 1545–BH49

Guidance Regarding the Treatment of Stock of a Controlled Corporation Under Section 355(a)(3)(B)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal**

Register, the IRS is issuing temporary regulations giving guidance regarding the distribution of stock of a controlled corporation acquired in a transaction described in section 355(a)(3)(B) of the Internal Revenue Code. This action is necessary in light of amendments to section 355(b). The text of those regulations also serves as the text of these proposed regulations. These regulations will affect corporations and their shareholders.

DATES: Written or electronic comments and requests for a public hearing must be received by March 16, 2009.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG–150670–07), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–150670–07), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224, or sent electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS REG–150670–07).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Russell P. Subin, (202) 622–7790; concerning submission of comments and/or requests for a public hearing, Oluwafunmilayo (Funmi) Taylor, (202) 622–7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR part 1) under section 355(a)(3)(B) regarding the distribution of stock of a controlled corporation acquired in a transaction described in section 355(a)(3)(B). The temporary regulations revise § 1.355-2(g) to reflect issues arising under section 355(b)(3), as enacted by the Tax Increase Prevention and Reconciliation Act of 2005, Public Law 109-222 (120 Stat. 345), and modified by the Tax Technical Corrections Act of 2007, Public Law 110-172 (121 Stat. 2473, 2476). The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that section 355(a)(3)(B) generally applies to parent-subsidiary groups of corporations, which tend to be larger businesses, and that these regulations primarily grant relief from the application of section 355(a)(3)(B) in certain situations. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. As described in the preamble to the temporary regulations, comments are also requested regarding the overall approach taken in these proposed rules, including the extent to which the definition of a taxable

transaction should be the same under section 355(a)(3)(B) and section 355(b), and whether the exception for acquisitions from affiliates should be the same under those sections. Comments are also requested regarding the need for future guidance described in sections 4.A. and 4.B. of such preamble, relating to predecessors of distributing corporations, acquisitions involving corporations that join the distributing corporation's separate affiliated group, predecessors of controlled corporations, acquisitions involving corporations that join the controlled corporation's separate affiliated group, the application of *Dunn Trust v. Commissioner*, 86 T.C. 745 (1986), and the treatment of stock issuances by the controlled corporation to the distributing corporation. Comments are also requested regarding the potential application of the hot stock rule to redemptions of controlled corporation stock described in section 4.C. of such preamble. With respect to redemptions, comments are specifically requested regarding the circumstances under which section 355(a)(3)(B) should apply.

All comments will be available for public inspection and copying. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these regulations is Russell P. Subin of the Office of Associate Chief Counsel (Corporate). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding an entry in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 * * *.
Section 1.355-2(g) also issued under 26 U.S.C. 355(b)(3)(D). * * *.

Par. 2. Section 1.355-2 is amended by revising paragraph (g) and adding paragraph (i) to read as follows:

§ 1.355-2 Limitations.

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(g) [The text of the proposed amendments to § 1.355-2(g) is the same as the text of § 1.355-2T(g) published elsewhere in this issue of the **Federal Register**.]

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(i) [The text of the proposed amendments to § 1.355-2(i) is the same as the text of § 1.355-2T(i) published elsewhere in this issue of the **Federal Register**.]

Steve T. Miller,

(Acting) Deputy Commissioner for Services and Enforcement.

[FR Doc. E8-29545 Filed 12-12-08; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG-2008-0867]

RIN 1625-AA00

Safety Zone; Desert Storm Exhibition Run; Lake Havasu, Lake Havasu City, AZ

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes establishing a temporary safety zone within the Thompson Bay region of the navigable waters of the Colorado River in Lake Havasu, Lake Havasu City, Arizona in support of the Desert Storm Exhibition Run. This temporary safety zone is would provide for the safety of the participants, crew, spectators, participating vessels and other vessels and users of the waterway. Persons and vessels will be prohibited from entering into, transiting through, or anchoring within this safety zone unless authorized by the Captain of the Port, or his designated representative.

DATES: Comments and related material must reach the Coast Guard on or before January 14, 2009.

ADDRESSES: You may submit comments identified by docket number USCG-2008-0867 using any one of the following methods:

(1) *Federal eRulemaking Portal:*

<http://www.regulations.gov>.

(2) *Fax:* 202-493-2251.

(3) *Mail:* Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590-0001.