

Issued in Renton, Washington, on August 4, 2014.

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Manager, Transport Airplane Directorate,
Aircraft Certification Service.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2014-0616; Directorate Identifier 2014-CE-018-AD; Amendment 39-17954; AD 2014-17-01]

RIN 2120-AA64

Airworthiness Directives; Viking Air Limited Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: We are adopting a new airworthiness directive (AD) for Viking Air Limited Model DHC-3 airplanes. 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 looseness of the horizontal stabilizer actuator mounting block in the forward-aft and side-to-side directions. We are issuing this AD to require actions to address the unsafe condition on these products.

DATES: This AD is effective September 16, 2014.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in the AD as of September 16, 2014.

We must receive comments on this AD by October 14, 2014.

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.

For service information identified in this AD, contact Viking Air Limited Technical Support, 1959 De Havilland Way, Sidney, British Columbia, Canada, V8L 5V5; Fax: 250-656-0673; telephone: (North America) 1-800-663-8444; email: technical.support@vikingair.com; Internet: <http://www.vikingair.com/content.aspx?id=358>. You may view this referenced service information at the FAA, Small Airplane Directorate, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329-4148.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2014-0616; 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:

Cesar Gomez, Aerospace Safety Engineer, FAA, New York Aircraft Certification Office, 1600 Steward Avenue, Suite 410, Westbury, New York 11590; telephone: (516) 228-7318; fax: (516) 794-5531; email: cesar.gomez@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

Transport Canada, which is the aviation authority for Canada, has issued AD No. CF-2014-14, dated June 5, 2014 (referred to after this as “the MCAI”), to correct an unsafe condition for Viking Air Limited Model DHC-3 airplanes. The MCAI states:

A horizontal stabilizer actuator (trim jack) mounting block, part number C3FS79-5, was found loose in the forward-aft and side-to-side directions. The trim jack mounting block fastens the stabilizer actuator (trim jack) which allows the angle of incidence of the stabilizer to be varied. The stabilizer actuator (trim jack) also functions as the rear mounting point for the stabilizer.

Failure of the mounting block through breakage or detachment may cause loss of control of the horizontal stabilizer and subsequent loss of control of the aeroplane. Therefore, this AD mandates a one-time inspection of the stabilizer actuator (trim jack) mounting block.

You may examine the MCAI on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2014-0616.

Relevant Service Information

Viking Air Limited has issued Viking Service Bulletin No. V3/0005, Revision ‘A’, dated May 27, 2014. 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.

Interim Action

We consider this AD interim action. After the State of Design reviews and evaluates the reporting data, we may take further rulemaking action in the future.

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 failure of the mounting block through breakage or detachment may cause loss of control of horizontal stabilizer and subsequent loss of control. 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-2014-0616; Directorate Identifier 2014-CE-018-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.

Costs of Compliance

We estimate that this AD will affect 35 products of U.S. registry. We also estimate that it would take about 3 work-hours per product to comply with the basic requirements of this AD. The average labor rate is \$85 per work-hour.

Based on these figures, we estimate the cost of the AD on U.S. operators to be \$8,925, or \$255 per product.

The scope of damage found in the inspections could vary from airplane to airplane. We have no way of determining how much damage may be found on each airplane or the cost to repair or replace damaged parts on each airplane or the number of airplanes that may require repair or replacements.

Paperwork Reduction Act

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB control number. The control number for the collection of information required by this AD is 2120-0056. The paperwork cost associated with this AD has been detailed in the Costs of Compliance section of this document and includes time for reviewing instructions, as well as completing and reviewing the collection of information. Therefore, all reporting associated with this AD is mandatory. Comments concerning the accuracy of this burden and suggestions for reducing the burden should be directed to the FAA at 800 Independence Ave. SW., Washington, DC 20591. ATTN: Information Collection Clearance Officer, AES-200.

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 the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979),
- (3) Will not affect intrastate aviation in Alaska, and
- (4) 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.

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:

2014-17-01. Viking Air Limited:
Amendment 39-17954; Docket No. FAA-2014-0616; Directorate Identifier 2014-CE-018-AD.

(a) Effective Date

This airworthiness directive (AD) becomes effective September 16, 2014.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Viking Air Limited Models DHC-3 airplanes, all serial numbers, certificated in any category.

(d) Subject

Air Transport Association of America (ATA) Code 55: Stabilizers.

(e) Reason

This AD was prompted by 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 looseness of the horizontal stabilizer actuator mounting block in the forward-aft and side-to-side directions. We are issuing this AD to prevent breakage or detachment of the horizontal stabilizer actuator mounting block, which could lead to failure of the horizontal stabilizer with subsequent loss of control.

(f) Actions and Compliance

Unless already done, do the following actions in paragraphs (f)(1) and (f)(2).

(1) Within the next 100 hours time-in-service after September 16, 2014 (the effective date of this AD) or within the next 90 days after September 16, 2014 (the effective date of the this AD), whichever occurs first, inspect the horizontal stabilizer actuator (trim jack) for movement or defects following the Accomplishment Instructions in Viking Service Bulletin No. V3/0005, Revision 'A', dated May 27, 2014.

(2) If any movement or defects are found during the inspection required by paragraph (f)(1) of this AD, before further flight, you must contact Viking Air Limited to obtain FAA-approved repair instructions approved specifically for compliance with this AD and incorporate those instructions. You can find contact information for Viking Air Limited in paragraph (i)(3) of this AD. Use the Service Bulletin V3/0005—Operator Reply Form found in Viking Service Bulletin No. V3/0005, Revision 'A', dated May 27, 2014, to report details of the inspection findings.

(g) Other FAA AD Provisions

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: Cesar Gomez, Aerospace Safety Engineer, FAA, New York Aircraft Certification Office (ACO), 1600 Stewart Avenue, Suite 410, Westbury, New York 11590; telephone: (516) 228-7318; fax: (516) 794-5531; email: cesar.gomez@faa.gov. 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, a federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2120-0056. Public reporting for this collection of information is estimated to be approximately 5 minutes per response, including the time for reviewing instructions, completing and reviewing the collection of information. All responses to this collection of information are mandatory. Comments concerning the accuracy of this burden and suggestions for reducing the burden should be directed to the FAA at: 800 Independence Ave. SW., Washington, DC 20591, Attn: Information Collection Clearance Officer, AES-200.

(h) Related Information

Refer to MCAI, Transport Canada AD No. CF-2014-14, dated June 5, 2014, and Viking Service Bulletin No. V3/0005, Revision 'A', dated May 27, 2014, for related information. You may examine the MCAI on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2014-0616.

(i) 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 the AD specifies otherwise.

(i) Viking Service Bulletin No. V3/0005, Revision 'A', dated May 27, 2014.

(ii) Reserved.

(3) For Viking Air Limited service information identified in this AD, contact Viking Air Limited Technical Support, 1959 De Havilland Way, Sidney, British Columbia, Canada, V8L 5V5; Fax: 250-656-0673; telephone: (North America) 1-800-663-8444; email: technical.support@vikingair.com; Internet: <http://www.vikingair.com/content.aspx?id=358>.

(4) You may view this referenced service information at the FAA, Small Airplane Directorate, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329-4148.

(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 Kansas City, Missouri on August 18, 2014.

Earl Lawrence,

Manager, Small Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9691]

RIN 1545-BL24

Debt That Is a Position in Personal Property That Is Part of a Straddle

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains final regulations relating to the application of the straddle rules to a debt instrument. The final regulations clarify that a taxpayer's obligation under a debt instrument can be a position in personal property that is part of a straddle. The final regulations primarily affect taxpayers that issue debt instruments that provide for one or more payments that reference the value of personal property or a position in personal property.

DATES: *Effective Date:* These regulations are effective on August 27, 2014.

Applicability Dates: For dates of applicability, see § 1.1092(d)-1(e).

FOR FURTHER INFORMATION CONTACT: Mary Brewer, (202) 317-6895 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background And Explanation Of Provisions

1. Summary of Prior Notices of Proposed Rule Making and Temporary Regulations

This document contains amendments to 26 CFR Part 1. On January 18, 2001, a notice of proposed rulemaking (REG-105801-00) (the 2001 NPRM) was published in the **Federal Register** (66 FR 4746). The 2001 NPRM broadly addressed the application of the straddle rules and section 263(g), and it included proposed regulation § 1.1092(d)-1(d) to clarify the circumstances under which an issuer's position under a debt instrument is treated as a position in personal property that is part of a straddle under section 1092 of the Internal Revenue

Code. No public hearing was requested or held. Written and electronic comments responding to the 2001 NPRM were received, and the only commenter that substantively addressed proposed § 1.1092(d)-1(d) urged its adoption.

On September 5, 2013, temporary and final regulations (TD 9635) were published in the **Federal Register** (78 FR 54568). In § 1.1092(d)-1T(d), the temporary regulations adopted the text of proposed § 1.1092(d)-1(d), as published in the 2001 NPRM. As had been proposed in the 2001 NPRM, to make room for a substantive paragraph (d), the 2013 final regulations redesignated as paragraph (e)(1) the section's effective/applicability date provisions, which had formerly been designated as § 1.1092(d)-1(d). The temporary regulations added a new paragraph (e)(2) containing the applicability date that had been proposed in the 2001 NPRM. A notice of proposed rulemaking (REG-111753-12) (the 2013 NPRM) cross-referencing the temporary regulations was published in the same issue of the **Federal Register** (78 FR 54598). No public hearing was requested or held. No written or electronic comments responding to the notice of proposed rulemaking were received.

This Treasury decision adopts the provisions in the 2013 NPRM without substantive change. In addition, this Treasury decision amends the effective/applicability date provisions in § 1.1092(d)-1(e) to provide explicitly the dates for those portions of § 1.1092(d)-1 that were added by a 1993 Treasury decision (TD 8491) as discussed further in section 3 of this preamble.

The corresponding temporary regulations are removed. The remainder of the 2001 NPRM remains proposed.

2. Overview of the Final Regulations

The final regulations provide guidance under section 1092 regarding the circumstances in which an issuer's obligation under a debt instrument may be a position in actively traded personal property and, therefore, part of a straddle.

Section 1092(d)(1) defines "personal property" to mean "personal property of a type that is actively traded." A debt or obligation generally is not property of the debtor or obligor. Nevertheless, if a debt instrument provides for payments that are (or are reasonably expected to be) linked to the value of personal property as so defined, then the obligor on the instrument has a position in the personal property referenced by the debt instrument. Therefore, as was proposed