

1st-stage hub, HPT 2nd-stage hub, HPC IBR-7, and HPC IBR-8 for cracks and replacement if necessary. The NPRM also proposed to require accelerated replacement of the HPC IBR-7, HPC IBR-8, HPC rear hub, HPT 1st-stage hub, HPT 1st-stage air seal, HPT 1st-stage blade retaining plate, HPT 2nd-stage hub, HPT 2nd-stage blade retaining plate, and HPT 2nd-stage rear seal.

The proposed actions were intended to address failure of the HPT 1st-stage hub, HPT 2nd-stage hub, HPC IBR-7, and HPC IBR-8, which could result in uncontained hub failure, release of high-energy debris, damage to the engine, damage to the airplane, and loss of the airplane.

Actions Since the NPRM Was Issued

Since issuance of the NPRM, the FAA has received information from Pratt & Whitney that an error was inadvertently included in the removal times for some of the HPT 1st-stage and 2nd-stage hubs, which would have required removal significantly later than necessary. Because the removal timeframe needed to be shortened, the FAA determined it is necessary to withdraw the NPRM and issue a new NPRM for the unsafe condition with the correct compliance times.

Withdrawal of the NPRM constitutes only such action and does not preclude the FAA from further rulemaking on this issue, nor does it commit the FAA to any course of action in the future.

Comments

The FAA received comments on the NPRM. However, due to the FAA's determination that it is necessary to withdraw and issue a new NPRM, the comments will be copied to Docket No. FAA-2023-2401 and addressed in the final rule for that AD action. Additionally, the FAA requests that the commenters review the new NPRM at Docket No. FAA-2023-2401.

FAA's Conclusions

Upon further consideration, the FAA has determined that the NPRM does not adequately address the identified unsafe condition. Accordingly, the NPRM is withdrawn.

Regulatory Findings

Since this action only withdraws an NPRM, it is neither a proposed nor a final rule. This action therefore is not covered under Executive Order 12866, the Regulatory Flexibility Act, or DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979).

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Withdrawal

■ Accordingly, the notice of proposed rulemaking (Docket No. FAA-2023-2237), which was published in the **Federal Register** on December 12, 2023 (88 FR 86088), is withdrawn.

Issued on December 21, 2023.

Caitlin Locke,

Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2023-28703 Filed 12-22-23; 4:15 pm]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2023-2402; Project Identifier MCAI-2023-00370-T]

RIN 2120-AA64

Airworthiness Directives; Bombardier, Inc., Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain Bombardier, Inc., Model CL-600-2B16 (601-3A, 601-3R, and 604 Variants) airplanes. This proposed AD was prompted by a report indicating that a new filter plate connector for the nose wheel steering (NWS) system electronic control module (ECM) does not meet certain certification requirements. This proposed AD would require replacing all affected non-compliant ECMs. This proposed AD would also prohibit the installation of affected parts under certain conditions. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this proposed AD by February 12, 2024.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to [regulations.gov](https://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:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA-2023-2402; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference

• For service information identified in this NPRM, contact Bombardier Business Aircraft Customer Response Center, 400 Côte-Vertu Road West, Dorval, Québec H4S 1Y9, Canada; telephone 514-855-2999; email ac.yul@aero.bombardier.com; website [bombardier.com](https://www.bombardier.com).

• You may view this service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

FOR FURTHER INFORMATION CONTACT: Steven Dzierzynski, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (516) 228-7300; email: 9-avs-nyacos@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under **ADDRESSES**. Include "Docket No. FAA-2023-2402; Project Identifier MCAI-2023-00370-T" at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend the proposal because of those comments.

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in 14 CFR 11.35, the FAA will post all comments received, without change, to [regulations.gov](https://www.regulations.gov), including any personal information you provide. The agency will also post a report summarizing each

substantive verbal contact received about this NPRM.

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as "PROPIN." The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Steven Dzierzynski, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (516) 228-7300; email: 9-avs-nyaco-cos@faa.gov. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

Transport Canada, which is the aviation authority for Canada, has issued Transport Canada AD CF-2023-14R1, dated May 15, 2023 (Transport

Canada AD CF-2023-14R1) (also referred to after this as the MCAI), to correct an unsafe condition on certain Bombardier, Inc., Model CL-600-2B16 (601-3A, 601-3R, and 604 Variants) airplanes. The MCAI states that the manufacturer of the NWS system ECM, part number (P/N) 601-86100-27, introduced a new filter plate connector that does not meet the certification requirements related to the susceptibility of electronic components to high intensity radiated field. This non-compliant filter plate connector, if not replaced, could result in a malfunction of the NWS system causing potential un-commanded steering or lateral excursion from the runway.

The FAA is proposing this AD to address the unsafe condition on these products.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA-2023-2402.

Related Service Information Under 1 CFR Part 51

The FAA reviewed the following Bombardier service information.

- Service Bulletin 604-32-032, dated October 18, 2021.
- Service Bulletin 605-32-009, dated October 18, 2021.
- Service Bulletin 650-32-006, dated October 18, 2021.

This service information specifies procedures for removing and replacing all affected non-compliant ECMs, P/N 601-86100-27. These documents are

distinct since they apply to different airplane configurations. This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the ADDRESSES section.

FAA's Determination

This product has been approved by the aviation authority of another country, and is approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, it has notified the FAA of the unsafe condition described in the MCAI and service information referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in the service information already described. This proposed AD would also prohibit the installation of affected parts under certain conditions.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 164 airplanes of U.S. registry. The FAA estimates the following costs to comply with this proposed AD:

ESTIMATED COSTS FOR REQUIRED ACTIONS

Labor cost	Parts cost	Cost per product	Cost on U.S. operators
6 work-hours x \$85 per hour = \$510	\$75,972	\$76,482	\$12,543,048

The FAA has included all known costs in its cost estimate. According to the manufacturer, however, some or all of the costs of this proposed AD may be covered under warranty, thereby reducing the cost impact on affected operators.

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.

The FAA is 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

The FAA 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) Would not affect intrastate aviation in Alaska, and
- (3) Would 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.

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 airworthiness directive:

Bombardier, Inc.: Docket No. FAA–2023–2402; Project Identifier MCAI–2023–00370–T.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by February 12, 2024.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Bombardier, Inc., Model CL–600–2B16 (601–3A, 601–3R, and 604 Variants) airplanes, certificated in any category, with serial numbers 5301 through 5665 inclusive, 5701 through 5990 inclusive, and 6050 and subsequent.

(d) Subject

Air Transport Association (ATA) of America Code 32, Landing gear.

(e) Unsafe Condition

This AD was prompted by a report indicating that a new filter plate connector for the nose wheel steering (NWS) system electronic control module (ECM) does not meet certain certification requirements. The FAA is issuing this AD to address this non-compliant filter plate connector, which, if not replaced, could result in a malfunction of the NWS system causing potential uncommanded steering or lateral excursion from the runway.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Verification of Airplane Technical Records

Within 24 months after the effective date of this AD: Inspect the serial number of the ECM, P/N 601–86100–27, in accordance with Section 2.B. Part A of the Accomplishment Instructions of the applicable service information listed in figure (1) to the introductory text of paragraph (g) of this AD to determine if the serial number of the ECM, part number (P/N) 601–86100–27, is listed in Table 1 of Section 1.A. of the applicable service information listed in figure (1) to the introductory text of paragraph (g) of this AD. A review of maintenance records is also acceptable if the serial number of the ECM can be conclusively determined from that review.

Model	Serial Numbers	Applicable Bombardier Service Bulletin
CL-600-2B16	6050 and subsequent	650-32-006, dated October 18, 2021
CL-600-2B16	5701 through 5990	605-32-009, dated October 18, 2021
CL-600-2B16	5301 through 5665	604-32-032, dated October 18, 2021

(1) If the serial number of the ECM is listed in Table 1 of Section 1.A. of the applicable service information or is not reidentified on the nameplate as SB–1, then the actions of paragraph (h) of this AD are required.

(2) If the serial number of the ECM is not listed in Table 1 of Section 1.A. of the applicable service information or is reidentified on the nameplate as SB–1, then the actions of paragraph (h) of this AD are not required.

(h) Replacement

For airplanes identified in paragraph (g)(1) of this AD: Do the actions specified in paragraphs (h)(1) and (2) of this AD.

(1) Within 24 months after the effective date of this AD: Replace the ECM, P/N 601–86100–27, identified in paragraph (g)(1) of this AD, in accordance with Section 2.C. Part B of the Accomplishment Instructions of the applicable service information listed in figure 1 to the introductory text of paragraph (g) of this AD.

(2) Prior to return to service, complete the operational test of the NWS system in accordance with Section 2.D. of the Accomplishment Instructions of the applicable service information listed in figure 1 to the introductory text of paragraph (g) of this AD.

(i) Parts Installation Limitation

As of the effective date of this AD, it is prohibited to install ECM, P/N 601–86100–27, as a replacement part, if the serial number is listed in Table 1 of Section 1.A. of the applicable service information listed in figure

1 to the introductory text of paragraph (g) of this AD, unless the ECM has been reidentified with SB–1 on the name plate.

(j) Additional AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager, International Validation Branch, mail it to the address identified in paragraph (k)(2) of this AD or email to: 9-avs-nyaco-cos@faa.gov. If mailing information, also submit information by email. Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, International Validation Branch, FAA; or Transport Canada; or Bombardier, Inc.'s Transport Canada Design Approval Organization (DAO). If approved by the DAO, the approval must include the DAO-authorized signature.

(k) Additional Information

(1) Refer to Transport Canada AD CF–2023–14R1, dated May 15, 2023, for related information. This Transport Canada AD may be found in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2023–2402.

(2) For more information about this AD, contact Steven Dzierzynski, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (516) 228–7300; email: 9-avs-nyaco-cos@faa.gov.

(l) 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 this AD specifies otherwise.

(i) Bombardier Service Bulletin 604–32–032, dated October 18, 2021.

(ii) Bombardier Service Bulletin 605–32–009, dated October 18, 2021.

(iii) Bombardier Service Bulletin 650–32–006, dated October 18, 2021.

(3) For service information identified in this AD, contact Bombardier Business Aircraft Customer Response Center, 400 Côte-Vertu Road West, Dorval, Québec H4S 1Y9, Canada; telephone 514–855–2999; email ac.yul@aero.bombardier.com; website [bombardier.com](https://www.bombardier.com).

(4) You may view this service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the

availability of this material at the FAA, call 202–231–3195.

(5) You may view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit www.archives.gov/federal-register/cfr/ibr-locations or email fr.inspection@nara.gov.

Issued on December 21, 2023.

Caitlin Locke,

Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2023–28590 Filed 12–27–23; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–121010–17]

RIN 1545–BO11

Bad Debt Deductions for Regulated Financial Companies and Members of Regulated Financial Groups

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that would provide guidance regarding whether a debt instrument is worthless for Federal income tax purposes. The proposed regulations are necessary to update the standard for determining when a debt instrument held by a regulated financial company or a member of a regulated financial group will be conclusively presumed to be worthless. The proposed regulations will affect regulated financial companies and members of regulated financial groups that hold debt instruments.

DATES: Written or electronic comments and requests for a public hearing must be received by February 26, 2024.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (indicate IRS and REG–121010–17) by following the online instructions for submitting comments. Requests for a public hearing must be submitted as prescribed in the “Comments and Requests for a Public Hearing” section. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comments submitted to the IRS’s public docket. Send paper submissions to:

CC:PA:01:PR (REG–121010–17), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Stephanie D. Floyd at (202) 317–7053; concerning submissions of comments and requesting a hearing, Vivian Hayes at (202) 317–6901 (not toll-free numbers) or by email to publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) under section 166 of the Internal Revenue Code (Code). These proposed amendments (proposed regulations) would update the standard in the current regulations under § 1.166–2 (existing regulations) for determining when a debt instrument held by a regulated financial company or a member of a regulated financial group will be conclusively presumed to be worthless.

1. Existing Rules

Section 166(a)(1) provides that a deduction is allowed for any debt that becomes worthless within the taxable year. Section 166(a)(2) permits the Secretary of the Treasury or her delegate (Secretary) to allow a taxpayer to deduct a portion of a partially worthless debt that does not exceed the amount charged-off within the taxable year. The existing regulations do not define “worthless.” In determining whether a debt is worthless in whole or in part, the IRS considers all pertinent evidence, including the value of any collateral securing the debt and the financial condition of the debtor. *See* § 1.166–2(a). The existing regulations provide further that, when the surrounding circumstances indicate that a debt is worthless and uncollectible and that legal action to enforce payment would in all probability not result in the satisfaction of execution on a judgment, legal action is not required in order to determine that the debt is worthless. *See* § 1.166–2(b).

The existing regulations provide two alternative conclusive presumptions of worthlessness for bad debt. First, § 1.166–2(d)(1) generally provides that if a bank or other corporation subject to supervision by Federal authorities, or by State authorities maintaining substantially equivalent standards, charges off a debt in whole or in part, either (1) in obedience to the specific orders of such authorities, or (2) in

accordance with the established policies of such authorities, and such authorities at the first audit subsequent to the charge-off confirm in writing that the charge-off would have been subject to specific orders, then the debt is conclusively presumed to have become worthless, in whole or in part, to the extent charged off during the taxable year.

Second, § 1.166–2(d)(3) generally provides that a bank (but not other corporations) subject to supervision by Federal authorities, or by State authorities maintaining substantially equivalent standards, may elect to use a method of accounting that establishes a conclusive presumption of worthlessness for debts, provided the bank’s supervisory authority has made an express determination that the bank maintains and applies loan loss classification standards that are consistent with the regulatory standards of that supervisory authority. Section 1.166–2(d)(1) and (3) are collectively referred to as the “Conclusive Presumption Regulations.”

2. Generally Accepted Accounting Principles Prior to the Current Expected Credit Loss Revisions

For financial reporting purposes, financial institutions in the United States follow the U.S. Generally Accepted Accounting Principles (GAAP) issued by the Financial Accounting Standards Board (FASB). The long-standing GAAP model for recognizing credit losses is referred to as the “incurred loss model” because it delays recognition of credit losses until it is probable that a loss has been incurred. Under the incurred loss model, an entity considers only past events and current conditions in measuring the incurred credit loss. This method does not require or allow the incorporation of economic forecasts, or consideration of industry cycles. The incurred loss model permits institutions to use various methods to estimate credit losses, including historical loss methods, roll-rate methods, and discounted cash flow methods. The GAAP accounting for credit losses has been revised with the introduction of the current expected credit loss methodology for estimating allowance for credit losses, as further described in section 3 of this Background.

Under the GAAP incurred loss model, an institution must first assess whether a decline in fair value of a debt security below the amortized cost of the security is a temporary impairment or other than temporary impairment (OTTI). If an entity intends to sell the security or more likely than not will be required to