

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.: 2007-0190, dated July 12, 2007; and REIMS AVIATION INDUSTRIES Service Bulletin No.: F406-66, dated May 7, 2007, for related information.

Issued in Kansas City, Missouri, on October 25, 2007.

**Kim Smith,**

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

[FR Doc. E7-21400 Filed 10-30-07; 8:45 am]

BILLING CODE 4910-13-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2007-0116; Directorate Identifier 2007-CE-082-AD]

RIN 2120-AA64

#### Airworthiness Directives; PILATUS AIRCRAFT LTD. Model PC-12, PC-12/45, and PC-12/47 Airplanes

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

**ACTION:** Notice of proposed rulemaking (NPRM).

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

It has been found that some of the above mentioned MLG special bolts can be defective. The problem is only applicable to specific bolts with serial numbers that start with the letters AT or have the supplier code AT. Investigations revealed that there is a possibility for hydrogen embrittlement which occurs during the manufacture process.

Components in this condition can decrease the specific fatigue life and could lead to MLG collapse during operation with consequent loss of airplane control.

The proposed AD would require actions that are intended to address the unsafe condition described in the MCAI.

**DATES:** We must receive comments on this proposed AD by November 30, 2007.

**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 proposed 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:

Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; fax: (816) 329-4090.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2007-0116; Directorate Identifier 2007-CE-082-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed 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 proposed AD.

#### Discussion

The Federal Office of Civil Aviation (FOCA), which is the aviation authority for Switzerland, has issued FOCA AD HB-2007-382, dated August 27, 2007 (referred to after this as "the MCAI"), to correct an unsafe condition for the specified products. The MCAI states:

It has been found that some of the above mentioned MLG special bolts can be defective. The problem is only applicable to specific bolts with serial numbers that start with the letters AT or have the supplier code AT. Investigations revealed that there is a possibility for hydrogen embrittlement which occurs during the manufacture process.

Components in this condition can decrease the specific fatigue life and could lead to MLG collapse during operation with consequent loss of airplane control.

In order to correct the situation, this AD requires the identification of all MLG special bolts to determine if the bolts have serial numbers that start with the letters AT or have the supplier code AT and the replacement of affected special bolts.

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

#### Relevant Service Information

PILATUS AIRCRAFT LTD. has issued PILATUS AIRCRAFT LTD. PC-12 Service Bulletin No: 32-020, dated July 24, 2007. 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 Proposed 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 proposing this AD because we evaluated all information and determined the unsafe condition exists and is likely to exist or develop on other products of the same type design.

#### Differences Between This Proposed 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 proposed different actions in this AD from those in the MCAI in order to follow FAA policies. Any such differences are highlighted in a NOTE within the proposed AD.

### Costs of Compliance

Based on the service information, we estimate that this proposed AD would affect about 480 products of U.S. registry. We also estimate that it would take about .5 work-hour per product to comply with the basic requirements of this proposed AD. The average labor rate is \$80 per work-hour.

Based on these figures, we estimate the cost of the proposed AD on U.S. operators to be \$19,200, or \$40 per product.

In addition, we estimate that any necessary follow-on actions would take about 4 work-hours and require parts costing \$2,300, for a cost of \$2,620 per product. We have no way of determining the number of products that may need these actions.

### 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 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 Limited:** Docket No. FAA–2007–0116; Directorate Identifier 2007–CE–082–AD.

#### Comments Due Date

- (a) We must receive comments by November 30, 2007.

#### Affected ADs

- (b) None.

#### Applicability

- (c) This AD applies to PC–12, PC–12/45, and PC–12/47 airplanes, serial numbers 101 through 749, certificated in any category; with one of more of the following installed:

- (1) Main landing gear (MLG) assemblies delivered before December 31, 2006, with the following part numbers (P/N): 532.10.12.037, 532.10.12.038, 532.10.12.041, 532.10.12.042, 532.10.12.043, 532.10.12.044, 532.10.12.047, 532.10.12.048, 532.10.12.049, 532.10.12.050, 532.10.12.051, or 532.10.12.052;

- (2) Special bolts P/N 532.10.12.110, 532.10.12.205, 532.10.12.077, or 532.10.12.202 delivered before December 31, 2006; or

- (3) Modification kit numbers 500.50.12.267, 500.50.12.286, or 500.50.12.299 delivered before December 31, 2006.

#### Subject

- (d) Air Transport Association of America (ATA) Code 32: Landing Gear.

### Reason

(e) The mandatory continuing

airworthiness information (MCAI) states:

It has been found that some of the above mentioned MLG special bolts can be defective. The problem is only applicable to specific bolts with serial numbers that start with the letters AT or have the supplier code AT. Investigations revealed that there is a possibility for hydrogen embrittlement which occurs during the manufacture process.

Components in this condition can decrease the specific fatigue life and could lead to MLG collapse during operation with consequent loss of airplane control.

In order to correct the situation, this AD requires the identification of all MLG special bolts to determine if the bolts have serial numbers that start with the letters AT or have the supplier code AT and the replacement of affected special bolts.

### Actions and Compliance

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

- (1) Within the next 100 hours time-in-service (TIS) after the effective date of this AD or within the next 3 months after the effective date of this AD, whichever occurs first, inspect the special bolts that attach the MLG retraction actuators and the special bolts that attach the shock absorbers to the MLG assemblies to identify the serial numbers that start with the letters AT or have the supplier code AT following PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, dated July 24, 2007.

- (2) If during the inspection required in paragraph (f)(1) of this AD any special bolts with the serial number starting with the letters AT or special bolts with the supplier code AT are found, before further flight, replace the specified bolts with new bolts with the new part numbers in all MLG assemblies following PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, dated July 24, 2007.

- (3) As of the effective date of this AD, do not install any of the special bolts that have serial numbers that start with the letters AT or have the supplier code AT on Models PC–12, PC–12/45, and PC–12/47 airplanes as indicated in PILATUS AIRCRAFT LTD. PC–12 Service Bulletin No: 32–020, dated July 24, 2007. MLG assemblies, special bolts, and modifications kits, as referenced in paragraphs (c)(1), (c)(2), and (c)(3) of this AD, delivered from PILATUS AIRCRAFT LTD. on or after December 31, 2006, will not incorporate the unsafe condition.

### 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: 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 Federal Office of Civil Aviation (FOCA) AD HB-2007-382, dated August 27, 2007; and PILATUS AIRCRAFT LTD. PC-12 Service Bulletin No: 32-020, dated July 24, 2007, for related information.

Issued in Kansas City, Missouri, on October 24, 2007.

**Kim Smith,**

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

[FR Doc. E7-21421 Filed 10-30-07; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-107592-00; REG-105964-98]

RIN 1545-BA11; RIN 1545-AW30

#### Consolidated Returns; Intercompany Obligations; Correction

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

**ACTION:** Correction to notice of proposed rulemaking and withdrawal of proposed regulations.

**SUMMARY:** This document contains corrections to a notice of proposed rulemaking (REG-107592-00) and withdrawal of proposed regulations (REG-105964-98) that were published in the **Federal Register** on Friday, September 28, 2007 (72 FR 55139) providing guidance regarding the treatment of transactions involving obligations between members of a consolidated group and the treatment of transactions involving the provision of insurance between members of a

consolidated group. The regulations will affect corporations filing consolidated returns.

#### FOR FURTHER INFORMATION CONTACT:

Frances L. Kelly, (202) 622-7770 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The correction notice that is the subject of this document is under section 1502 of the Internal Revenue Code.

##### Need for Correction

As published, the notice of proposed rulemaking (REG-107592-00) and withdrawal of proposed regulations (REG-105964-98) contain errors that may prove to be misleading and are in need of clarification.

##### Correction of Publication

Accordingly, the publication of proposed rulemaking (REG-107592-00) and withdrawal of proposed regulations (REG-105964-98), which were the subjects of FR Doc. E7-19134, is corrected as follows:

1. On page 55142, column 3, in the preamble, under the paragraph heading “E. Material Tax Benefit Rule”, eleventh line of the third paragraph, the language “a material tax benefit that would not” is corrected to read “a material Federal tax benefit that would not”.

2. On page 55143, column 1, in the preamble, under the paragraph heading “F. Off-Market Issuance Rule”, eleventh line of the second paragraph of the column, the language “tax benefit. In such cases, the” is corrected to read “Federal tax benefit. In such cases, the”.

3. On page 55143, column 1, in the preamble, under the paragraph heading “G. Outbound Transactions”, eighth line of the first paragraph, the language “obligation that became intercompany” is corrected to read “obligation that became an intercompany”.

4. On page 55144, column 1, in the preamble, under the paragraph heading “I. Other Request for Comments”, eleventh line of the first full paragraph of the column, the language “and basis (such as the issuance of note” is corrected to read “and basis (such as the issuance of a note”.

##### § 1.1502-13 [Corrected]

5. On page 55146, column 2, § 1.1502-13(g)(2)(v), second line of the paragraph, the language “of a material net reduction in income or” is corrected to read “of, for Federal tax purposes, a material net reduction in income or”.

6. On page 55146, column 3, § 1.1502-13(g)(3)(i)(B), last line of the paragraph, the language “or (6) of this

section apply.” is corrected to read “ or (6) of this section apply. The exceptions are as follows.”.

7. On page 55147, column 3, § 1.1502-13(g)(4)(iii), last line of the paragraph, the language “market interest rates.” is corrected to read “market interest rates).”.

8. On page 55149, column 2, § 1.1502-13(g)(7)(ii) *Example 2*.(vi), sixth line of the paragraph, the language “as selling all of its assets to X, including the” is corrected to read “as selling all of its assets to new S, including the”.

9. On page 55149, column 2, § 1.1502-13(g)(7)(ii) *Example 2*.(vi), seventeenth line of the paragraph, the language “to X for \$70, the amount realized with” is corrected to read “to new S for \$70, the amount realized with”.

10. On page 55150, column 3, § 1.1502-13(g)(7)(ii) *Example 6*.(i), sixth line of the paragraph, the language “repayment of \$100 at the end of year 5. The” is corrected to read “repayment of \$100 at the end of year 20. The”.

11. On page 55151, column 1, § 1.1502-13(g)(7)(ii) *Example 8*.(i), third line of the paragraph, the language “from a separate return limitation year (SRLY).” is corrected to read “from a separate return limitation year that is subject to limitation under § 1.1502-21(c) (a SRLY loss).”.

12. On page 55151, column 2, § 1.1502-13(g)(7)(ii) *Example 9*.(i), third through fourth lines of the paragraph, the language “material loss from a separate return limitation year (SRLY). T’s sole shareholder,” is corrected to read “material SRLY loss. T’s sole shareholder.”.

13. On page 55151, column 3, § 1.1502-13(g)(7)(ii) *Example 10*.(iii), ninth line of the paragraph, the language “principal amount, and a fair market value of” is corrected to read “principal amount, and fair market value of”.

**LaNita Van Dyke,**

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

[FR Doc. E7-21464 Filed 10-30-07; 8:45 am]

**BILLING CODE 4830-01-P**