

the handle lock release button locks the door.

Cost Impact

The FAA estimates that 19,000 airplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 2 workhours per airplane to accomplish the proposed action, and that the average labor rate is approximately \$60 an hour. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$2,280,000. The FAA has no way to determine the number of owners/operators with affected airplanes who have not inspected or re-installed the door handles.

Regulatory Impact

The regulations proposed herein would not have substantial direct effects 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. Therefore, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (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) if promulgated, 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. A copy of the draft regulatory evaluation prepared for this action has been placed in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 USC 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding a new airworthiness directive (AD) to read as follows:

Raytheon Aircraft Company: Docket No. 96-CE-34-AD.

Applicability: Models E33, F33, G33, E33A, F33A, E33C, F33C, C35, D35, E35, F35, G35, H35, J35, K35, M35, N35, P35, S35, V35, V35A, V35B, V35TC, V35ATC, V35BTC, 36, A36, A36TC, B36TC, 50, B50, C50, 95-55, 95A55, 95B55, 95C55, D55, E55, 56TC, A56TC, 58, 58TC, 95, B95, B95A, D95A, and E95 Airplanes (all serial numbers), certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (g) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required within the next 50 hours time-in-service (TIS) or at the door handle removal, whichever occurs first, after the effective date of this AD, unless already accomplished.

To prevent unintentional opening of the interior cabin side door and the interior utility door while in flight, which if not detected and corrected, could result in injury to passengers or loss of control of the airplane, accomplish the following:

(a) Check the interior side cabin door handle and the utility door handle for correct locking operation of the handle in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of Raytheon Service Bulletin (SB) No. 2693, Issued May, 1996.

(b) The check required in paragraph (a) of this AD may be performed by the owner/operator holding at least a private pilot certificate as authorized by section 43.7 of the Federal Aviation Regulations (14 CFR 43.7), and must be entered into the aircraft records showing compliance with this AD in accordance with section 43.11 of the Federal Aviation Regulations (14 CFR 43.11).

(c) If the door handle is locked and will only unlock by depressing the handle door lock release button, then no further action is necessary.

(d) If the handle opens the door without depressing the handle's lock release button, prior to further flight, correct the door lock by removing the handle, and installing the handle so that the handle lock release button locks the door in accordance with the ACCOMPLISHMENT INSTRUCTIONS section in Raytheon SB No. 2693, Issued May, 1996.

(e) The action required in paragraph (d) of this AD must be accomplished by a licensed airframe mechanic.

(f) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

(g) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Wichita Aircraft Certification Office, Airport Road, Room 100, Mid-Continent Airport, Wichita, Kansas 67209. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Wichita Aircraft Certification Office.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Wichita Aircraft Certification Office.

(h) All persons affected by this directive may obtain copies of the document referred to herein upon request to Raytheon Aircraft Company, P.O. Box 85, Wichita, Kansas 67201-0085; or may examine this document at the FAA, Central Region, Office of the Assistant Chief Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Issued in Kansas City, Missouri, on December 13, 1996.

Michael Gallagher,
Manager, Small Airplane Directorate, Aircraft Certification Office.

[FR Doc. 96-32437 Filed 12-20-96; 8:45 am]

BILLING CODE 4910-13-U

14 CFR Part 39

[Docket No. 95-CE-96-AD]

RIN 2120-AA64

Airworthiness Directives; Burkhardt Grob Luft-und Raumfahrt, GmbH Model G 103 Twin Astir Sailplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes to adopt a new airworthiness directive (AD) that would apply to certain Grob Luft-und Raumfahrt (Grob) Model G 103 Twin Astir sailplanes. The proposed action would require replacing the airbrake over-center lever and installing new inspection holes. Cracked airbrake over-center levers found during routine inspections prompted the proposed action. The actions specified by the proposed AD are intended to prevent an asymmetrical airbrake deployment causing an uncontrollable roll and possible loss of control of the sailplane.

DATES: Comments must be received on or before February 21, 1997.

ADDRESSES: Submit comments on the proposal in triplicate to the Federal

Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 95-CE-96-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from Grob Luft-und Raumfahrt, GmbH., D-8939, Mattsies-am Flugplatz, Germany. This information also may be examined at the Rules Docket at the address above.

FOR FURTHER INFORMATION CONTACT: Mr. J. Mike Kiesov, Project Officer, Sailplanes, FAA Small Airplane Directorate, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone (816) 426-6932; facsimile (816) 426-2165.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 95-CE-96-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 95-CE-96-AD, Room

1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Discussion

The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, recently notified the FAA that an unsafe condition may exist on certain Grob G 103 Twin Astir sailplanes. The LBA reports that cracks have been discovered in the airbrake over-center lever on three Grob G 103 Twin Astir sailplanes during the routine 3,000 hours time-in-service (TIS) inspections. This condition, if not detected and corrected, could result in an unexpected asymmetrical airbrake deployment resulting in an uncontrollable roll of the sailplane.

Grob has issued Service Bulletin TM 315-47/2, dated January 20, 1993 and Grob Repair Instructions No. 315-45/2, dated October 11, 1991, which specifies procedures for replacing the airbrake over-center lever and installing new inspection holes.

The LBA classified this service bulletin as mandatory and issued AD 92-309/2 Grob, dated February 26, 1993, in order to assure the continued airworthiness of these sailplanes in Germany.

FAA's Determination

This sailplane model is manufactured in Germany and is type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the LBA has kept the FAA informed of the situation described above. The FAA has examined the findings of the LBA, reviewed all available information including the service information referenced above, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Explanation of the Provisions of the Proposed AD

Since an unsafe condition has been identified that is likely to exist or develop in other Grob G 103 Twin Astir sailplanes of the same type design registered in the United States, the proposed AD would require replacing the airbrake over-center lever (Grob part number (P/N) 103-4123 (left) and P/N 103-4124 (right)) with a new part of improved design (Grob P/N 103B-4123 (left) and 103B-4124 (right)) and installing new inspection holes.

Related Service Information

Accomplishment of the proposed action would be in accordance with Grob Service Bulletin TM 315-47/2, dated January 20, 1993, and Grob Repair Instructions No. 315-45/2, dated October 11, 1991.

Cost Impact

The FAA estimates that 60 sailplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 12 workhours per sailplane to accomplish the proposed action, and that the average labor rate is approximately \$60 an hour. Parts cost approximately \$650 per sailplane. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$82,200 or \$1,370 per sailplane. The FAA has no way of determining how many owners/operators have accomplished the proposed action and therefore assumes that none of the owners/operators of the affected sailplanes have accomplished the proposed action.

Regulatory Impact

The regulations proposed herein would not have substantial direct effects 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. Therefore, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (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) if promulgated, 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. A copy of the draft regulatory evaluation prepared for this action has been placed in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part

39 of the Federal Aviation Regulations (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. Section 39.13 is amended by adding a new airworthiness directive (AD) to read as follows:

Burkhardt Grob Luft-und Raumfahrt, GmbH. (Grob): Docket No. 95-CE-96-AD.

Applicability: Model G 103 Twin Astir Sailplane (serial numbers 3000 through 3291, with or without the suffix "T"), certificated in any category.

Note 1: This AD applies to each sailplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For sailplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (d) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required within the next 50 hours time-in-service (TIS) after the effective date of this AD, unless already accomplished.

To prevent an asymmetrical airbrake deployment causing an uncontrollable roll and possible loss of control of the sailplane, accomplish the following:

(a) Replace the airbrake over-center lever (Grob part number (P/N) 103-4123, left, and 103-4124, right) with a new part of improved design (Grob P/N 103B-4123, left, and 103B-4124, right) in accordance with the Procedures section of Grob Service Bulletin (SB) TM 315-47/2, dated January 20, 1993, and Grob Repair Instructions No. 315-45/2, dated October 11, 1991.

(b) Install inspection holes in accordance with the Procedure section of Grob Repair Instructions No. 315-45/2, dated October 11, 1991.

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the sailplane to a location where the requirements of this AD can be accomplished.

(d) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Small Airplane Directorate, 1201 Walnut, suite 900, Kansas City, Missouri 64106. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Small Airplane Directorate.

(e) All persons affected by this directive may obtain copies of these documents referred to herein upon request to Grob Luft-und Raumfahrt, GmbH., D-8939, Mattsies-am Flugplatz, Germany or may examine these documents at the FAA, Central Region, Office of the Assistant Chief Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Issued in Kansas City, Missouri, on December 13, 1996.

Michael Gallagher,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 96-32438 Filed 12-20-96; 8:45 am]

BILLING CODE 4910-13-U

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-249819-96]

RIN 1545-AU67

Reorganizations; Receipt of Securities

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains proposed regulations relating to the receipt, as part of a reorganization, of rights to acquire stock of a corporation that is a party to the reorganization. This document also provides notice of a public hearing on these regulations.

DATES: Written comments must be received by March 24, 1997. Requests to appear and outlines of topics to be discussed at the public hearing scheduled for March 25, 1997, must be received by March 4, 1997.

ADDRESSES: Send submissions to: CC:DOM:CORP:R [REG-249819-96], room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R [REG-249819-96], Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC., or, electronically, via the IRS Internet site at: <http://www.irs.ustreas.gov/prod/tax-regs/comments.html>.

The public hearing will be held in the Commissioner's Conference Room, room

3313, 1111 Constitution Avenue NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Michael J. Danbury, (202) 622-7750; concerning submissions and the public hearing, Evangelista Lee at (202) 622-7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

A. General Information

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) under sections 354, 355, and 356 of the Internal Revenue Code of 1986 (Code), relating to exchanges of stock and securities in certain reorganizations. In particular, the proposed regulations address the receipt, as part of a reorganization, of rights to acquire stock of a corporation that is a party to the reorganization.

Section 354 generally provides for the nonrecognition of gain or loss from the exchange of stock or securities in a corporation that is a party to a reorganization for stock or securities in the same corporation or in another corporation that is a party to the reorganization. Gain realized on an exchange of securities is not recognized provided that the principal amount of the securities received does not exceed the principal amount of any securities surrendered pursuant to the plan of reorganization.

Section 355 provides for the nonrecognition of gain or loss upon a distribution by a corporation with respect to its stock of stock in a controlled corporation, or an exchange of securities in a controlled corporation for its securities. As in the case of a transaction described in section 354, gain realized on an exchange of securities is not recognized provided that the principal amount of the securities received does not exceed the principal amount of the securities surrendered pursuant to the plan of reorganization.

Section 356 provides rules for recognition of gain, but not loss, if a shareholder or security holder receives nonqualifying property (i.e., boot) as well as qualifying property in a transaction to which section 354 or 355 would otherwise apply. In particular, realized gain is recognized in an amount not in excess of the fair market value of the excess principal amount of the securities received over the principal amount of any securities surrendered as part of the plan of reorganization.