

76193-0111, telephone (817) 222-5122, fax (817) 222-5961 for information about previously approved alternative methods of compliance.

Note: The subject of this AD is addressed in Transport Canada (Canada) AD No. CF 2005-09, dated April 14, 2005.

Issued in Fort Worth, Texas, on July 5, 2007.

David A. Downey,

Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 07-3434 Filed 7-13-07; 8:45 am]

BILLING CODE 4910-13-C

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2007-27975; Directorate Identifier 2007-CE-041-AD]

RIN 2120-AA64

Airworthiness Directives; PIAGGIO AERO INDUSTRIES S.p.A. Model P-180 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:

Several aircraft, at the factory, presented some debris in the hydraulic fluid of the steering system. Investigations revealed that some components of the steering system can be responsible for the fluid contamination because of an initial pollution on their manufacturing.

If not corrected, a contaminated fluid could cause malfunction and a possible jamming of the steering system.

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 August 15, 2007.

ADDRESSES: You may send comments by any of the following methods:

- **DOT Docket Web Site:** Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.

- **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.

- **Federal eRulemaking Portal:** Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://dms.dot.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:

Sarjapur Nagarajan, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4145; 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-2007-27975; Directorate Identifier 2007-CE-041-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://dms.dot.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 European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Community, has issued Emergency Airworthiness Directive EAD No: 2007-0147-E, dated May 22, 2007 (referred to

after this as "the MCAI"), to correct an unsafe condition for the specified products. The MCAI states:

Several aircraft, at the factory, presented some debris in the hydraulic fluid of the steering system. Investigations revealed that some components of the steering system can be responsible for the fluid contamination because of an initial pollution on their manufacturing.

If not corrected, a contaminated fluid could cause malfunction and a possible jamming of the steering system.

The superseded Airworthiness Directive (AD) 2007-0088-E was previously issued to address the unsafe condition.

The present Airworthiness Directive expands applicability of this AD to all P.180 'Avanti' series aircraft and the list of defective components as listed in revision 1 of Piaggio Aero Industries Mandatory Service Bulletin No 80-0236. This AD also requires Temporary Changes to the respective Airplane Flight Manual (AFM) and Aircraft Maintenance Manual (AMM) and introduces procedures to recondition defective units.

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

Relevant Service Information

Piaggio Aero Industries S.p.A. has issued Service Bulletin (Mandatory) N.: 80-0236 Rev. 1, dated May 15, 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 63 products of U.S. registry. We also estimate that it would take about 1 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 \$5,040, or \$80 per product.

In addition, we estimate that any necessary follow-on actions would take about 14 work-hours, for a cost of \$1,120 per product. Where the service information lists required parts costs that are covered under warranty, we have assumed that there will be no charge for these costs. As we do not control warranty coverage for affected parties, some parties may incur costs higher than estimated here. 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:

PIAGGIO AERO INDUSTRIES S.p.A.:

Docket No. FAA-2007-27975;

Directorate Identifier 2007-CE-041-AD.

Comments Due Date

- (a) We must receive comments by August 15, 2007.

Affected ADs

- (b) None.

Applicability

- (c) This AD applies to Model P-180 airplanes, all serial numbers, certificated in any category.

Subject

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

Reason

- (e) The mandatory continuing airworthiness information (MCAI) states:

Several aircraft, at the factory, presented some debris in the hydraulic fluid of the steering system. Investigations revealed that some components of the steering system can be responsible for the fluid contamination because of an initial pollution on their manufacturing.

If not corrected, a contaminated fluid could cause malfunction and a possible jamming of the steering system.

The superseded Airworthiness Directive (AD) 2007-0088-E was previously issued to address the unsafe condition.

The present Airworthiness Directive expands applicability of this AD to all P.180 'Avanti' series aircraft and the list of defective components as listed in revision 1 of Piaggio Aero Industries Mandatory Service Bulletin No 80-0236. This AD also requires Temporary Changes to the respective Airplane Flight Manual (AFM) and Aircraft Maintenance Manual (AMM) and introduces procedures to recondition defective units.

Actions and Compliance

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

(1) Within the next 30 hours time-in-service (TIS) after the effective date of this AD or 30 days after the effective date of this AD, whichever occurs first, check the identification of the steering actuator and the steering manifold installed on the airplane following Piaggio Aero Industries S.p.A. Service Bulletin (Mandatory) N.: 80-0236 Rev. 1, dated May 15, 2007. 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) may do this action. Make an entry in the aircraft records showing compliance with this portion of the AD following section 43.9 of the Federal Aviation Regulations (14 CFR 43.9).

(2) If any steering actuator listed in annex 7.1 or manifold listed in annex 7.2 of Piaggio Aero Industries S.p.A. Service Bulletin (Mandatory) N.: 80-0236 Rev. 1, dated May 15, 2007, is found in the check per paragraph (f)(1) of this AD:

(i) Before further flight after the check per paragraph (f)(1) of this AD, insert Temporary Change 3, issued March 15, 2007, into the LIMITATIONS section of Report 6591 (the airplane flight manual (AFM)) for P180 Avanti Aircraft or Temporary Change 2, issued March 15, 2007, into the LIMITATIONS section of Report 180-MAN-0010-01100 (the AFM) for Avanti II aircraft. 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) may do this action. Make an entry in the aircraft records showing compliance with this portion of the AD following section 43.9 of the Federal Aviation Regulations (14 CFR 43.9).

(ii) Within the next 600 hours TIS after the effective date of this AD or 12 months after the effective date of this AD, whichever occurs first, replace the nose landing gear (NLG) following Piaggio Aero Industries S.p.A. Service Bulletin (Mandatory) N.: 80-0236 Rev. 1, dated May 15, 2007.

(iii) After replacement of the NLG per paragraph (f)(2)(ii) of this AD, remove the steering system temporary limitations from the LIMITATIONS section of the AFM.

(3) Before further flight after accomplishment of the check specified in paragraph (f)(1) of this AD, do not install any steering actuator listed in annex 7.1 or manifold listed in annex 7.2 of Piaggio Aero Industries S.p.A. Service Bulletin (Mandatory) N.: 80-0236 Rev. 1, dated May 15, 2007.

Note 1: We encourage you to incorporate Temporary Revision 1 into the maintenance program (aircraft maintenance manual

(AMM) P.180 Avanti report 9066) or Temporary Revision 11 into the maintenance program (AMM P.180 Avanti II report 180-MAN-0200-01105). The temporary revisions require confirmation that the steering manifold and steering actuator are compliant with Piaggio Aero Industries S.p.A. Service Bulletin (Mandatory) N.: 80-0236 Rev. 1, dated May 15, 2007.

FAA AD Differences

Note 2: This AD differs from the MCAI and/or service information as follows: The MCAI requires the initial inspection action within 5 hours TIS. We consider 5 hours TIS an urgent safety of flight compliance time, and we do not consider this unsafe condition to be an urgent safety of flight condition. Because we do not consider this unsafe condition to be an urgent safety of flight condition, we are issuing this proposed action through the normal notice of proposed rulemaking (NPRM) AD process. The initial inspection time of 30 hours TIS or 30 days, whichever occurs first, is an adequate compliance time for this proposed AD action and meets the FAA requirements for an NPRM followed by a final rule.

Other FAA AD Provisions

(g) The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, Standards Staff, 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: Sarjapur Nagarajan, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4145; 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 MCAI European Aviation Safety Agency (EASA) Emergency Airworthiness Directive EAD No: 2007-0147-E, dated May 22, 2007; and Piaggio Aero Industries S.p.A. Service Bulletin (Mandatory) N.: 80-0236 Rev. 1, dated May 15, 2007, for related information.

Issued in Kansas City, Missouri, on July 9, 2007.

Sandra J. Campbell,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. E7-13713 Filed 7-13-07; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-121475-03]

RIN 1545-BC61

Qualified Zone Academy Bonds; Obligations of States and Political Subdivisions

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations relating to the Federal income tax treatment of qualified zone academy bonds. This document contains proposed regulations that provide guidance to state and local governments that issue qualified zone academy bonds and to banks, insurance companies, and other taxpayers that hold those bonds on the program requirements for qualified zone academy bonds. The regulations implement the amendments to section 1397E of the Internal Revenue Code (Code) and provide guidance on the maximum term, permissible use of proceeds, and remedial actions for qualified zone academy bonds. The text of those regulations also serves as the text of these proposed regulations. This document also withdraws proposed regulations published March 26, 2004. **DATES:** Written or electronic comments and requests for a public hearing must be received by October 15, 2007.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-121475-03), 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-121475-03), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov/> (IRS REG-121475-03).

www.regulations.gov/ (IRS REG-121475-03).

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Zoran Stojanovic, (202) 622-3980; concerning submissions of comments and/or requests for a hearing, Richard A. Hurst, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in these proposed regulations has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1908. Responses to this collection of information are required to obtain or retain a benefit. This collection of information is required by the IRS to verify compliance with section 1397E. Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP; Washington, DC 20224. Comments on the collection of information should be received by September 14, 2007. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information;

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

The collection of information in this proposed regulation is in § 1.1397E-1(h). This collection of information is required by the IRS to verify compliance with section 1397E. This information will be used to identify issuers of qualified zone academy bonds that have established a defeasance escrow as a remedial action taken because of failure