of the spar cap and lead to wing separation and loss of control of the airplane.

Compliance

(e) To address the problem, do the following:

(1) Before doing the initial eddy current inspection required in paragraph (e)(2) of this AD, gain access for the inspection by cutting inspection holes, modifying the vent tube, and installing cover plates; unless already done. Follow Snow Engineering Co. Service Letter #204, dated October 25, 2000, Drawing titled ''602 Spar Inspection Holes and Vent Tube Mod.,'' dated November 13, 2003.

(2) Eddy current inspect the wing center splice joint outboard two fastener holes in both the right and left wing main spar lower caps for cracks. Follow Snow Engineering Co. Process Specification #197, Revised June 4, 2002. For the following airplanes, use the wing spar lower cap hours time-in-service (TIS) schedule below in Table 1.—Compliance Times for Inspection to do the initial and repetitive inspections:

TABLE 1.—COMPLIANCE TIMES FOR INSPECTION

Serial Nos.	Condition	Initially inspect	Repetitively inspect thereafter at the following intervals
(i) 602–0337 through 602–0584	As manufactured	Upon accumulating 2,000 hours TIS or within 50 hours TIS after the effective date of this AD, whichever occurs later, unless already done.	1,000 hours TIS.
(ii) 602–0337 through 602–0584	Modified with cold-worked fastener holes following Snow Engineering Co. Service Letter #244, dated April 25, 2005.	If performing the cold-working procedure in Service Letter #244, it includes the eddy current inspection.	2,000 hours TIS.

(3) Do an eddy current inspection as part of the cold working procedure in Service Letter #244, dated April 25, 2005, even if the wing spar was previously inspected.

(4) One of the following must do the inspection:

(i) A level 2 or 3 inspector certified in eddy current inspection using the guidelines established by the American Society for Nondestructive Testing or NAS 410; or

(ii) A person authorized to perform AD maintenance work and who has completed and passed the Air Tractor, Inc. training course on Eddy Current Inspection on wing lower spar caps.

(f) For the airplanes listed in paragraph (e)(2) of this AD, as terminating action for the inspection requirements, you may modify your wing by installing part number (P/N) 20996–2 steel web plate and P/N 20985–1/2 8-bolt splice blocks following Snow Engineering Co. Drawing 20998, Revision B, dated September 28, 2004, and cold work the lower spar cap two outboard fastener holes at the wing center section splice connection following Snow Engineering Co. Service Letter #240, dated September 30, 2004.

(g) For all affected airplanes listed in paragraph (e)(2) of this AD, repair or replace any cracked spar cap before further flight. For repair or replacement, do one of the following:

(1) For cracks that can be removed by performing the terminating action listed in paragraph (f) of this AD above, perform the actions in paragraph (f) of this AD.

(2) For cracks that can not be removed by performing the terminating action in paragraph (f) of this AD, you must replace the lower spar caps and associated parts listed in paragraph (h) of this AD before continued flight.

(h) For all Model AT–602 airplanes, upon accumulating 6,500 hours TIS on the wing spar lower caps or within the next 50 hours TIS after the effective date of this AD, whichever occurs later, replace the wing lower spar caps, splice blocks and hardware, wing attach angles and hardware, and install the steel web plate, P/N 20996–2, if not already installed, following Snow Engineering Co. Drawing 20776, Sheet 2, Revision A, dated August 30, 2004. Compliance with this paragraph terminates the inspection requirements of paragraph (e)(2) of this AD.

(i) Report any cracks you find within 10 days after the cracks are found or within 10 days after the effective date of this AD, whichever occurs later. Include in your report the airplane serial number, airplane TIS, wing spar cap TIS, crack location and size, corrective action taken, and a point of contact name and phone number. Send your report to Andrew McAnaul, Aerospace Engineer, ASW–150 (c/o MIDO–43), 10100 Reunion Place, Suite 650, San Antonio, Texas 78216; telephone: (210) 308–3365; facsimile: (210) 308–3370. The Office of Management and Budget (OMB) approved the information collection requirements contained in this regulation under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 and those following sections) and assigned OMB Control Number 2120–0056.

Alternative Methods of Compliance (AMOCs)

(j) The Manager, Fort Worth Airplane Certification Office, FAA, ATTN: Andrew McAnaul, Aerospace Engineer, ASW–150 (c/o MIDO–43), 10100 Reunion Place, Suite 650, San Antonio, Texas 78216; telephone: (210) 308–3365; facsimile: (210) 308–3370, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

Related Information

(k) To get copies of the documents referenced in this AD contact Air Tractor, Inc. at address P.O. Box 485, Olney, Texas 76374; telephone: (940) 564–5616; or facsimile: (940) 564–5612. To view the AD docket, go to the Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL–401, Washington, DC, or on the Internet at *http://dms.dot.gov*. The docket number is FAA–2004–20007.

Issued in Kansas City, Missouri, on August 3, 2006.

John R. Colomy,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. E6–12949 Filed 8–8–06; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2006–24956; Directorate Identifier 2006–CE–32–AD]

RIN 2120–AA64

Airworthiness Directives; Stemme GmbH & Co. AG Model STEMME S10–VT Sailplanes

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) issued by an airworthiness authority of another country to identify and correct an unsafe condition on an aviation product. The proposed AD would require actions that are intended to address an unsafe condition described in the MCAI.

DATES: We must receive comments on this proposed AD by September 8, 2006.

ADDRESSES: Use one of the following addresses to comment on this proposed AD:

- DOT Docket Web site: Go to *http://dms.dot.gov* and follow the instructions for sending your comments electronically.
- Government-wide rulemaking Web site: Go to *http://www.regulations.gov* and follow the instructions for sending your comments electronically.
- Mail: Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL–401, Washington, DC 20590.
- Fax: (202) 493–2251.
- Hand delivery: Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in the proposed AD, contact Stemme GmbH & Co. AG (Stemme), Flugplatzstra(e F 2, Nr. 7, D–15344 Strausberg, Germany; telephone: + 49 33 41 36 12 0; facsimile: + 49 33 41 36 12 30.

FOR FURTHER INFORMATION CONTACT: Gregory A. Davison, Aerospace Engineer, ACE–112, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4130; facsimile: (816) 329–4090.

SUPPLEMENTARY INFORMATION:

Streamlined Issuance of AD

The FAA is implementing a new process for streamlining the issuance of ADs related to MCAI. We are prototyping this process and specifically request your comments on its use. You can find more information in FAA draft Order 8040.2, ''Airworthiness Directive Process for Mandatory Continuing Airworthiness Information'' which is currently open for comments at *http://www.faa.gov/aircraft/draft_docs*. This streamlined process will allow us to adopt MCAI safety requirements in a more efficient manner and will reduce safety risks to the public.

This process continues to follow all existing AD issuance processes to meet legal, economic, Administrative Procedure Act, and **Federal Register** requirements. We also continue to follow our technical decision-making processes in all aspects to meet our responsibilities to determine and correct unsafe conditions on U.S.-certificated products.

This proposed AD references the MCAI and related service information that we considered in forming the engineering basis to correct the unsafe condition. The proposed AD contains text copied from the MCAI and for this reason might not follow our plain language principles.

The comment period for this proposed AD is open for 30 days to allow time for comment on both the process and the AD content. In the future, ADs using this process will have a 15-day comment period. The comment period is reduced because the airworthiness authority and manufacturer have already published the documents on which we based our decision, making a longer comment period unnecessary.

Comments Invited

We invite you to send any written data, views, or arguments regarding this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include the docket number, ''FAA–2006–24956; Directorate Identifier 2006–CE–32–AD'' at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We are also inviting comments, views, or arguments on the new MCAI process. We will consider all comments received by the closing date and may amend the proposed AD in light 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 concerning this proposed AD.

Discussion

The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, has issued German AD D–2005–228, dated June 24, 2005 (referred to after this as ''the MCAI''), to correct an unsafe condition for the specified products. The mandatory continuing airworthiness information (MCAI) states that Stemme has identified ripped pressure lines for the airbox, carburetor, and differential fuel pressure sensor. The unsafe condition was found during a requested maintenance check after in-flight engine trouble in the range between maximum continuous power and take off power.

The material used in these pressure lines may not meet the required temperature specifications. This type of pressure line was installed between July 27, 2004 and June 22, 2005, inclusive. It was used for serial production and for spare parts. If not corrected, the cracks could result in a loss of engine power during critical phases of flight. The MCAI requires that you inspect and replace the pressure lines. You may obtain further information by examining the MCAI in the docket.

Relevant Service Information

Stemme has issued STEMME F&D Design Org. Service Bulletin A31–10–073, Am. Index 01.a, dated June 22, 2005. 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 is manufactured outside the United States 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 agreement. Pursuant to this bilateral airworthiness agreement, the State of Design's airworthiness authority has notified us of the unsafe condition described in the MCAI and service information referenced above. We have examined the airworthiness authority's findings, evaluated all pertinent information, and determined an unsafe condition exists and is likely to exist or develop on all products of this type design. We are issuing this proposed AD to correct the unsafe condition.

Differences Between the 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 a U.S. court of law. 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 described in a separate paragraph of the proposed AD. These proposed requirements, if ultimately adopted, will take precedence over the actions copied from the MCAI.

Costs of Compliance

Based on the service information, we estimate that this proposed AD would affect about 43 products of U.S. registry. We also estimate that it would take about 4 work-hours per product to do the action and that the average labor rate is $80 per work-hour. Required parts would cost about $10 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. Based on these figures, we estimate the cost of the proposed AD on U.S. operators to be $14,190 or $330 per product.

Authority for This Rulemaking

Title 49 of the United States Code specifies 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 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 have 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 that the 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.

Examining the AD Docket

You may examine the AD docket that contains the proposed AD, the regulatory evaluation, any comments received, and other information 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 Docket Office (telephone (800) 647–5227) is located at the street address stated in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

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 Federal Aviation Administration 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:

Stemme GmbH & Co. AG: FAA–2006–24956; Directorate Identifier 2006–CE–32–AD.

Comments Due Date

(a) We must receive comments on this proposed airworthiness directive (AD) by September 8, 2006.

Affected ADs

(b) None.

Applicability

(c) This AD applies to STEMME Model S10–VT sailplanes; certificated in any U.S. category:

(1) Serial numbers (S/Ns) 11–089 through 11–096; and

(2) All S/Ns where pressure lines were replaced between July 27, 2004 and June 22, 2005, inclusive, and the parts were provided by Stemme Gmbh & Co. AG (Stemme).

Reason

(d) The mandatory continuing airworthiness information (MCAI) states that Stemme has identified ripped pressure lines for the airbox, carburetor, and differential fuel pressure sensor. The unsafe condition was found during a requested maintenance check after in-flight engine trouble in the range between maximum continuous power and take off power. The material used in these pressure lines may not meet the required temperature specifications. This type of pressure line was installed between July 27, 2004 and June 22, 2005, inclusive, and was used for serial production and spare parts. If not corrected, the cracks could result in a loss of engine power during critical phases of flight. The MCAI requires an inspection of the pressure lines for cracks or leaks, and if any leaks or cracks are found, replacement of all pressure lines.

Actions and Compliance

(e) Unless already done, do the following except as stated in paragraph (f) below.

(1) Within 30 days after the effective date of this AD, inspect all 0.15 × 0.27 inch (4 × 7 mm) pressure lines for porousness or cracks in particular areas of T-split parts, clamps, or connections. The free areas between the white plastic covers must also be checked. If cracks or porosity are found, before further flight, replace all pressure lines with ROTAX part number (P/N) 860 660 or Stemme P/N HZ–KLS041 (or FAA-approved equivalent P/Ns) pressure lines following STEMME F&D Design Org. Service Bulletin A31–10–073, Am. Index 01.a, dated June 22, 2005.

(2) Within 60 days after the effective date of this AD, unless already done, replace all installed 0.15 × 0.27 inch (4 × 7 mm) pressure lines with ROTAX P/N 860 660 or Stemme P/N HZ–KLS041 (or FAA-approved equivalent P/Ns) pressure lines following STEMME F&D Design Org. Service Bulletin A31–10–073, Am. Index 01.a, dated June 22, 2005.

FAA AD Differences

(f) None.

Other FAA AD Provisions

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

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, Standards Staff, FAA, ATTN: Gregory A. Davison, Aerospace Safety Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4130; facsimile: (816) 329–4090, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

(2) *Return to Airworthiness:* When complying with this AD, do the FAA-approved corrective actions before returning the product to an airworthy condition.

(3) *Reporting Requirements:* For any reporting requirement in this AD, under the provisions of the Paperwork Reduction Act, the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120–0056.

(4) *Parts Manufacturer Approval (PMA):* 14 CFR 21.303 allows for replacement parts through parts manufacturer approval (PMA). The phrase '' or FAA-approved equivalent part number'' in this AD is intended to allow for PMA parts approved through identicality to the design of the replacement parts identified in this AD. Equivalent replacement parts to correct the unsafe condition under PMA (other than identicality) may also be installed provided they meet current airworthiness standards, which include those actions cited in this AD.

Related Information

(h) This AD is related to German AD D–2005–228, dated June 24, 2005, which references STEMME F&D Design Org. Service Bulletin A31–10–073, Am. Index 01.a, dated June 22, 2005.

Issued in Kansas City, Missouri, on August 3, 2006.

John R. Colomy,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. E6–12943 Filed 8–8–06; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–118775–06]

RIN 1545–BF64

Revisions to Regulations Relating to Repeal of Tax on Interest of Nonresident Alien Individuals and Foreign Corporations Received From Certain Portfolio Debt Investments; Hearing

AGENCY: Internal Revenue Service, Treasury.

ACTION: Changes of date and location for public hearing.

SUMMARY: This document provides changes of date and location for a public hearing on proposed regulations under sections 871 and 881 of the Internal Revenue Code (Code) relating to the exclusion from gross income of portfolio interest paid to a nonresident alien individual or foreign corporation.

DATES: The public hearing originally scheduled for Thursday, September 7, 2006, at 10 a.m. is rescheduled for Friday, October 6, 2006, at 10 a.m. Outlines of topics to be discussed at the public hearing will be due by August 24, 2006.

ADDRESSES: The public hearing was originally being held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington DC. The hearing location has changed. The public hearing will be held in the IRS Auditorium, New Carrollton Federal Building, 5000 Ellin Road, Lanham, Maryland 20706.

FOR FURTHER INFORMATION CONTACT: Guy R. Traynor, (301) 922–0539 (not a toll free number) or Richard Hurst at *Richard.A.Hurst@irscounsel.treas.gov.*

SUPPLEMENTARY INFORMATION:

A notice of proposed rulemaking and notice of public hearing (REG–118775–06) appearing in the **Federal Register** on Tuesday, June 13, 2006 (71 FR 34047), announced that a public hearing on proposed regulations relating to the exclusion from gross income of portfolio interest paid to a nonresident alien individual or foreign corporation would be held on Thursday, September 7, 2006, beginning at 10 a.m. in the IRS Auditorium, 1111 Constitution Avenue, NW., Washington, DC.

The date and location of the hearing have changed. The hearing is rescheduled for Friday, October 6, 2006, beginning at 10 a.m. in the IRS Auditorium, New Carrollton Federal Building, 5000 Ellin Road, Lanham, Maryland 20706.

A period of 10 minutes is allotted to each person for presenting oral comments. The IRS will prepare an agenda containing the schedule of speakers. Copies of the agenda will be made available, free of charge, at the hearing.

Guy R. Traynor,

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

[FR Doc. E6–12887 Filed 8–8–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[REG–118788–06]

RIN 1545–BF63

Definition of Essential Governmental Function Under Section 7871 and Limitation to Activities Customarily Performed by States and Local Governments

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: This document applies to Indian tribal governments and to State and local governments that issue bonds for the benefit of Indian tribal governments. This document describes rules that the IRS and the Treasury Department anticipate proposing, in a notice of proposed rulemaking, regarding the definition of an essential governmental function under section 7871(c) of the Internal Revenue Code and the limitation of that term to activities customarily performed by State and local governments for purposes of section 7871(e) of the Internal Revenue Code. This document also invites comments from the public regarding this proposed standard.

DATES: Written or electronic comments must be submitted by November 7, 2006.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG–118788–06), Room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be sent electronically, via the IRS Internet site at *http://www.irs.gov/regs* or via the Federal eRulemaking Portal at *http://www.regulations.gov* (indicate IRS and REG–118788–06).

FOR FURTHER INFORMATION CONTACT: Concerning submissions, Kelly Banks, (202) 927–1443; concerning the proposed rules, Timothy L. Jones or Aviva M. Roth, (202) 622–3980 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Section 7871(a)(4) of the Internal Revenue Code of 1986 provides that an Indian tribal government is to be treated as a State ''subject to subsection (c), for purposes of section 103 (relating to State and local bonds)''. Section 7871(c)(1) provides that ''section 103(a) shall apply to any obligation (not described in paragraph (2)) issued by an Indian tribal government (or subdivision thereof) only if such obligation is part of an issue substantially all of the proceeds of which are to be used in the exercise of any essential governmental function''. Section 7871(e) provides that ''[f]or purposes of this section, the term 'essential governmental function' shall not include any function which is not customarily performed by State and local governments with general taxing powers''.

Section 7871 was originally enacted in 1982 by The Indian Tribal Government Tax Status Act, Public Law 97–473, 96 Stat. 2605 § 202 (1983). In the legislative history to that Act, the Senate Finance Committee indicated that tax-exempt bond financing was not intended to be available to Indian tribal governments for ''commercial or industrial activities (or other activities other than essential governmental functions).'' S. Rep. No. 97–646, at 13–14 (1982).

Section 7871(e) was added to the statute by The Omnibus Budget Reconciliation Act of 1987, Public Law 100–203, 101 Stat. 1330, § 10632(a) (1987). In the legislative history to this provision, the House Ways and Means Committee criticized 1984 Temporary Treasury Regulations interpreting the term essential governmental function in section 7871(c) for including certain activities eligible for Federal funding in that definition. The House Ways and Means Committee stated that the reason for this amendment was that the Committee was concerned about reports that Indian tribal governments were issuing tax-exempt bonds for interests in