

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 39**

[Docket No. FAA-2004-18729; Directorate Identifier 2004-NM-24-AD]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 747-100 and -200B Series 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 Boeing Model 747-100 and -200B series airplanes. This proposed AD would require installing bonding clips and bonding jumpers from the housing of each fuel pump to airplane structure outside the fuel tanks. This proposed AD is prompted by the results of fuel system reviews conducted by the manufacturer. We are proposing this AD to ensure adequate electrical bonding between the housing of each fuel pump and airplane structure outside the fuel tanks. Inadequate electrical bonding, in the event of a lightning strike or pump electrical fault, could cause electrical arcing and ignition of fuel vapor in the wing fuel tank, which could result in a fuel tank explosion.

DATES: We must receive comments on this proposed AD by September 20, 2004.

ADDRESSES: Use one of the following addresses to submit comments 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.

- *By 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 this proposed AD, contact Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124-2207.

You can examine the contents of this AD docket on the Internet at [http://](http://dms.dot.gov)

dms.dot.gov, or at the Docket Management Facility, U.S. Department of Transportation, 400 Seventh Street, SW., room PL-401, on the plaza level of the Nassif Building, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Dan Kinney, Aerospace Engineer, Propulsion Branch, ANM-140S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (202) 917-6499; fax (202) 917-6590.

SUPPLEMENTARY INFORMATION:

Docket Management System (DMS)

The FAA has implemented new procedures for maintaining AD dockets electronically. As of May 17, 2004, new AD actions are posted on DMS and assigned a docket number. We track each action and assign a corresponding directorate identifier. The DMS AD docket number is in the form "Docket No. FAA-2004-99999." The Transport Airplane Directorate identifier is in the form "Directorate Identifier 2004-NM-999-AD." Each DMS AD docket also lists the directorate identifier ("Old Docket Number") as a cross-reference for searching purposes.

Comments Invited

We invite you to submit any written relevant data, views, or arguments regarding this proposed AD. Send your comments to an address listed under **ADDRESSES**. Include "Docket No. FAA-2004-18729; Directorate Identifier 2004-NM-24-AD" in the subject line of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments submitted 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 with FAA personnel concerning this proposed AD. Using the search function of that Web site, anyone can find and read the comments in any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You can review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78), or you can visit <http://dms.dot.gov>.

We are reviewing the writing style we currently use in regulatory documents.

We are interested in your comments on whether the style of this document is clear, and your suggestions to improve the clarity of our communications that affect you. You can get more information about plain language at <http://www.faa.gov/language> and <http://www.plainlanguage.gov>.

Examining the Docket

You can examine the AD docket on the Internet at <http://dms.dot.gov>, or in person at the Docket Management Facility office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Management Facility office (telephone (800) 647-5227) is located on the plaza level of the Nassif Building at the DOT street address stated in the **ADDRESSES** section. Comments will be available in the AD docket shortly after the DMS receives them.

Discussion

We have examined the underlying safety issues involved in recent fuel tank explosions on several large transport airplanes, including the adequacy of existing regulations, the service history of airplanes subject to those regulations, and existing maintenance practices for fuel tank systems. As a result of those findings, we issued a regulation titled "Transport Airplane Fuel Tank System Design Review, Flammability Reduction and Maintenance and Inspection Requirements" (67 FR 23086, May 7, 2001). In addition to new airworthiness standards for transport airplanes and new maintenance requirements, this rule included Special Federal Aviation Regulation No. 88 ("SFAR 88," Amendment 21-78, and subsequent Amendments 21-82 and 21-83).

Among other actions, SFAR 88 requires certain type design (*i.e.*, type certificate (TC) and supplemental type certificate (STC)) holders to substantiate that their fuel tank systems can prevent ignition sources in the fuel tanks. This requirement applies to type design holders for large turbine-powered transport airplanes and for subsequent modifications to those airplanes. It requires them to perform design reviews and to develop design changes and maintenance procedures if their designs do not meet the new fuel tank safety standards. As explained in the preamble to the rule, we intended to adopt airworthiness directives to mandate any changes found necessary to address unsafe conditions identified as a result of these reviews.

In evaluating these design reviews, we have established four criteria intended to define the unsafe conditions

associated with fuel tank systems that require corrective actions. The percentage of operating time during which fuel tanks are exposed to flammable conditions is one of these criteria. The other three criteria address the failure types under evaluation: single failures, single failures in combination with another latent condition(s), and in-service failure experience. For all four criteria, the evaluations included consideration of previous actions taken that may mitigate the need for further action.

Based on this process, we have determined that the actions identified in this proposed AD are necessary to reduce the potential of ignition sources inside fuel tanks, which, in combination with flammable fuel vapors, could result in fuel tank explosions and consequent loss of the airplane.

As a result of fuel system reviews associated with SFAR 88, the airplane manufacturer determined that the electrical bonding at the interface of the housings for the main fuel pumps and the fuel tanks is not adequate on certain Boeing Model 747-100 and -200B series airplanes. The eight main fuel boost pumps currently rely on a bolted

connection to provide the required low electrical resistance between the pump housing and the fuel tank structure. However, on the affected airplanes, a special corrosion protection finish used on the fuel tank acts as a partial insulator. Given a lightning strike or pump electrical fault, arcing can occur at this existing interface, which is inside the fuel tank. This condition, if not corrected, could result in ignition of fuel vapor in the fuel tanks, which could result in a fuel tank explosion.

Relevant Service Information

We have reviewed Boeing Alert Service Bulletin 747-28A2033, Revision 1, dated December 18, 2003, which is divided into two parts. Part 1 of the service bulletin describes procedures for installing bonding clips and bonding jumpers from the housing of each fuel pump to airplane structure outside the fuel tanks, including installing "caution" markers next to each pump, and measuring the resistance between the mounting flanges of each fuel pump and the airplane structure. Part 2 of the service bulletin is optional and describes procedures for removing existing bonding jumpers from the

housing of each fuel pump, and applying a corrosion resistant finish. Accomplishing the actions specified in Part 1 of the service information is intended to adequately address the unsafe condition.

FAA's Determination and Requirements of the Proposed AD

We have evaluated all pertinent information and identified an unsafe condition that is likely to exist or develop on other airplanes of this same type design. Therefore, we are proposing this AD, which would require installing bonding clips and bonding jumpers from the housing of each fuel pump to airplane structure outside the fuel tanks. The proposed AD would require you to use Part 1 of the service information described previously to perform these actions.

Costs of Compliance

This proposed AD would affect about 158 airplanes worldwide. The following table provides the estimated costs for U.S. operators to comply with this proposed AD.

ESTIMATED COSTS

Action	Work hours	Average labor rate per hour	Parts	Cost per airplane	Number of U.S.-registered airplanes	Fleet cost
Installation of Bonding Clips/Jumpers	8	\$65	\$0	\$520	23	\$11,960

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. See the ADDRESSES section for a location to examine the regulatory evaluation.

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 airworthiness directive (AD):

Boeing: Docket No. FAA-2004-18729; Directorate Identifier 2004-NM-24-AD.

Comments Due Date

- (a) The Federal Aviation Administration (FAA) must receive comments on this AD action by September 20, 2004.

Affected ADs

- (b) None.

Applicability: (c) This AD applies to Boeing Model 747-100 and -200B series airplanes having line numbers 1 through 167 inclusive, certificated in any category.

Unsafe Condition

(d) This AD was prompted by the results of fuel system reviews conducted by the manufacturer. We are issuing this AD to ensure adequate electrical bonding between the housing of each fuel pump and airplane structure outside the fuel tanks. Inadequate electrical bonding, in the event of a lightning strike or pump electrical fault, could cause electrical arcing and ignition of fuel vapor in the wing fuel tank, which could result in a fuel tank explosion.

Compliance: (e) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Installation of Bonding Clips and Bonding Jumpers

- (f) Within 60 months after the effective date of this AD, install bonding clips and bonding jumpers from the housing of each fuel pump to airplane structure located

outside the fuel tanks by doing all of the actions in Part 1 of the Accomplishment Instructions of Boeing Alert Service Bulletin 747-28A2033, Revision 1, dated December 18, 2003.

Actions Done in Accordance With Previous Service Bulletin Revision

(g) Installations done before the effective date of this AD in accordance with Boeing Service Bulletin 747-28-2033, dated December 15, 1971, are acceptable for compliance with the requirements of this AD.

Alternative Methods of Compliance (AMOCs)

(h) The Manager, Seattle Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

Issued in Renton, Washington, on July 29, 2004.

Ali Bahrami,

Manager, Transport Airplane Directorate,
Aircraft Certification Service.

[FR Doc. 04-17990 Filed 8-5-04; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-208254-90 and REG-136481-04]

RIN 1545-AO72 and RIN 1545-BD62

Source of Compensation for Labor or Personal Services

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed rulemaking and notice of proposed rulemaking.

SUMMARY: This document contains new proposed rules that describe the proper basis for determining the source of compensation from labor or personal services performed partly within and partly without the United States. The new proposed rules will affect individuals that earn compensation from labor or personal services performed partly within and partly without the United States and are needed to provide appropriate guidance regarding the determination of the proper source of that compensation. This document also withdraws the notice of proposed rulemaking (REG-208254-90) published in the **Federal Register** on January 21, 2000 (65 FR 3401).

DATES: Written or electronic comments and requests for a public hearing must be received by November 4, 2004. The notice of proposed rulemaking

published on January 21, 2000, is withdrawn as of August 6, 2004.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-208254-90), room 5203, Internal Revenue Service, POB 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-208254-90), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington DC or sent electronically, via the IRS Internet site at: <http://www.irs.gov/regs> or Federal eRulemaking Portal at <http://www.regulations.gov> (IRS and REG-208254-90).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, David Bergquist, (202) 622-3850 (not a toll-free number); concerning the submissions of comments, Lanita Van Dyke (202) 622-7180 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information contained in this notice of proposed rulemaking have been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collections 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 October 5, 2004. Comments are specifically requested concerning:

Whether the proposed collections of information are necessary for the proper performance of the functions of the IRS, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collections of information (see below);

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

How the burden of complying with the proposed collections 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 collections of information in this proposed regulation are in § 1.861-4(b)(2) (ii)(C)(1)(i), (b)(2)(ii)(D), and (b)(2)(ii)(D)(6). The information required in § 1.861-4(b)(2) (ii)(C)(1)(i) will enable an individual, where appropriate, to use an alternative basis other than that described in § 1.861-4(b)(2)(ii)(A) or (B) to determine the source of his or her compensation as an employee for labor or personal services performed partly within and partly without the United States. The information required in § 1.861-4(b)(2)(ii)(D) and (D)(6) will enable an employee to source certain fringe benefits on a geographical basis. The collections of information will, likewise, allow the IRS to verify these determinations.

The collections of information and responses to these collections of information are required to obtain and maintain benefits. The likely respondents are individuals who perform labor or personal services partly within and partly without the United States, some of which may receive certain fringe benefit compensation for those services.

Estimated total annual recordkeeping burden: 10,000 hours.

The estimated annual burden per recordkeeper varies from 15 minutes to one hour, depending on the circumstances of the individual, with an estimated average of 30 minutes.

Estimated number of recordkeepers: 20,000.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

This document contains proposed amendments (the new proposed regulations) 26 CFR part 1 under section 861 of the Internal Revenue Code (Code). On January 21, 2000, a notice of proposed rulemaking was published in the **Federal Register** at 65 FR 3401 (REG-208254-90; 2000-1 C.B. 577) (the previously proposed regulations). The previously proposed regulations would have modified the existing final regulations relating to the determination of the source of income from the