

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 AD will not have federalism implications under Executive Order 13132. This AD will 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 AD:

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 AD and placed it in the AD docket.

### List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

### Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 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:

**2011-23-12 Rolls-Royce plc:** Amendment 39-16863; Docket No. FAA-2011-1109; Directorate Identifier 2011-NE-33-AD.

### Effective Date

(a) This airworthiness directive (AD) becomes effective November 29, 2011.

### Affected ADs

(b) None.

### Applicability

(c) This AD applies to Rolls-Royce plc RB211-524G2-19; -524G2-T-19; -524G3-19; 524G3-T-19; 524H2-19; -524H2-T-19; -524H-36; and -524H-T-36 turbofan engines.

### Reason

(d) This AD results from mandatory continuing airworthiness information (MCAI) issued 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 instances of fan blade cracking have been reported. The results of the subsequent technical investigation concluded that the cracking was caused by fan blade flutter at certain engine settings during prolonged ground running.

This condition, if not corrected, could affect the integrity of the fan blades, leading to cracking of multiple fan blades and could possibly result in engine failure and release of uncontained high energy debris.

We are issuing this AD to prevent fan blade flutter, which could result in an uncontained engine failure and damage to the airplane.

### Actions and Compliance

(e) Unless already done, do the following actions.

(1) Within 40 months after the effective date of this AD, modify the engine by installing a full-authority fuel controller (FAFC) featuring software at Issue 17, in accordance with Accomplishment Instructions paragraphs 3.A. through 3.B. of Rolls-Royce plc Alert Service Bulletin (ASB) No. RB.211-73-AG054, Revision 2, dated June 29, 2011.

(2) Engines which have been modified before the effective date of this AD, in accordance with previous revisions of ASB No. RB.211-73-AG054 are compliant with the requirement of paragraph (e)(1) of this AD.

(3) From the effective date of this AD, do not install an FAFC on an engine if the FAFC incorporates software prior to Issue 17.

### FAA AD Differences

(f) None.

### Alternative Methods of Compliance (AMOCs)

(g) The Manager, Engine Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

### Related Information

(h) Refer to European Aviation Safety Agency AD 2011-0175, dated September 8, 2011, for related information.

(i) Contact Alan Strom, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA

01803; telephone: (781) 238-7143; fax: (781) 238-7199; email: [alan.strom@faa.gov](mailto:alan.strom@faa.gov), for more information about this AD.

### Material Incorporated by Reference

(j) You must use Rolls-Royce plc Alert Service Bulletin No. RB.211-73-AG054, Revision 2, dated June 29, 2011, to do the actions required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register approved the incorporation by reference of this service information under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) For service information identified in this AD, contact Rolls-Royce plc, Corporate Communications, P.O. Box 31, Derby, England, DE248BJ; phone: 011-44-1332-242424; fax: 011-44-1332-245418 or email from [http://www.rolls-royce.com/contact/civil\\_team.jsp](http://www.rolls-royce.com/contact/civil_team.jsp), or download the publication from <https://www.aeromanager.com>.

(3) You may review copies at the FAA, New England Region, 12 New England Executive Park, Burlington, MA; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741-6030, or go to: <http://www.archives.gov/federal-register/cfr/ibr-locations.html>. For information on the availability of this material at the FAA, call (781) 238-7125.

Issued in Burlington, Massachusetts, on November 2, 2011.

**Peter A. White,**

*Manager, Engine and Propeller Directorate, Aircraft Certification Service.*

[FR Doc. 2011-29208 Filed 11-10-11; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### 15 CFR Parts 738, 740 and 748

[Docket No. 110818514-1531-01]

RIN 0694-AF33

### Exports and Reexports to the Principality of Liechtenstein

**AGENCY:** Bureau of Industry and Security, Commerce.

**ACTION:** Final rule.

**SUMMARY:** The Bureau of Industry and Security (BIS) publishes this final rule to amend certain requirements in the Export Administration Regulations (EAR) that apply to the Principality of Liechtenstein (Liechtenstein). In this final rule, BIS aligns license requirements and licensing policy under the EAR for Liechtenstein with those for Switzerland. As a result, for purposes of the EAR, Liechtenstein will be treated the same as Switzerland.

By virtue of a Customs Union Treaty with Switzerland, Liechtenstein has

adopted the export controls implemented under Swiss law, including controls equivalent to those prescribed under multilateral regimes, and has authorized Switzerland to administer and enforce export controls within Liechtenstein's territory. As a result of this arrangement, Liechtenstein and Switzerland serve as one territory for customs and export purposes. Having recently been made aware of the full scope of this arrangement and its consequences on export controls, BIS has determined that it is appropriate to codify the treatment of Liechtenstein and Switzerland as one territory for purposes of the EAR. This treatment of Liechtenstein is consistent with the effort of the United States to streamline licensing requirements where export controls prescribed by the multilateral regimes are implemented.

**DATES:** This rule is effective November 14, 2011.

**FOR FURTHER INFORMATION CONTACT:** Sheila Quarterman, Regulatory Policy Division, Office of Exporter Services, Bureau of Industry and Security, U.S. Department of Commerce at (202) 482-2440 or by email [Sheila.Quarterman@bis.doc.gov](mailto:Sheila.Quarterman@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:**

**Background**

By virtue of a Customs Union Treaty with Switzerland, Liechtenstein has adopted the export controls implemented under Swiss law, and has authorized Switzerland to administer and enforce export controls within Liechtenstein's territory. The Bureau of Industry and Security (BIS) recognizes that this arrangement results in the implementation of export controls in Liechtenstein that are equivalent to those in Switzerland, and in accordance with the multilateral export control regimes. By virtue of the Customs Union Treaty of 1923 between Switzerland and Liechtenstein (Customs Union Treaty),<sup>1</sup> Liechtenstein is a part of the "Swiss customs territory" and Switzerland acts on behalf of Liechtenstein regarding issues of trade in goods. The Customs Union Treaty empowers Switzerland to conclude and incur undertakings that apply automatically and directly to Liechtenstein. As a result of this arrangement, Swiss export control law applies equally to exporters from Switzerland and Liechtenstein. Further, Switzerland is responsible for administering export controls and enforcing export controls in

Liechtenstein. Consequently, in this final rule, BIS aligns its treatment of Liechtenstein with that of Switzerland, resulting in the treatment of Liechtenstein and Switzerland as one territory for purposes of the Export Administration Regulations (EAR). Therefore, license requirements and licensing policy under the EAR for Liechtenstein are effectively the same as those for Switzerland. This treatment of Liechtenstein is consistent with the effort of the United States to streamline licensing requirements where export controls prescribed by the multilateral regimes are implemented.

**Specific Amendments to the EAR That Align Liechtenstein With Switzerland for Purposes of Licensing Requirements**

In this rule, BIS amends the EAR by adding a sentence to paragraph (b) (Countries) of Section 738.3 (Commerce Country Chart Structure) that states that Liechtenstein, which serves as one territory with Switzerland for customs and export purposes, will be accorded the same licensing treatment as Switzerland under the EAR.

In addition and consistent with the purpose of this rule, BIS amends the EAR by adding a footnote for "Liechtenstein" on the Commerce Country Chart in Supplement No. 1 to Part 738 that states, "Refer to Switzerland for licensing requirements for Liechtenstein under the EAR."; and by removing the "X" in chemical and biological weapons column 2, nuclear nonproliferation column 1, national security column 2, and regional stability column 2. BIS also amends the EAR by removing Liechtenstein from the group of Computer Tier 1 Destinations in paragraph (c)(1) of Section 740.7 (License Exception Computers (APP)); Country Group B in Supplement No. 1 to Part 740; the group of countries for which an Import Certificate or End-User Statement may be required in paragraph (b)(2) of Section 748.9 (Support Documents for License Applications); and the Authorities Administering Import Certificate/Delivery Verification and End-User Statement Systems in Foreign Countries in Supplement No. 4 to part 748. Finally, in this rule, BIS removes and reserves paragraph (g), which expressly permitted reexports between Liechtenstein and Switzerland, in License Exception Additional Permissive Reexports (APR).

Since August 21, 2001, the Export Administration Act (the Act) has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp., p. 783 (2002)), as extended most recently by the Notice of August 12, 2011, 76 FR

50661 (August 16, 2011), has continued the EAR in effect under the International Emergency Economic Powers Act. BIS continues to carry out the provisions of the Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222.

**Rulemaking Requirements**

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been designated a "significant regulatory action" although not economically significant, under section 3(f) of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget (OMB).

2. Notwithstanding any other provisions of law, no person is required to respond to nor be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid OMB Control Number. This rule involves two collections of information subject to the PRA. This collection has been approved by OMB under control number 0694-0088, "Multi-Purpose Application," which carries a burden hour estimate of 43.8 minutes to prepare and submit form BIS-748. The other collection has been approved by OMB under control number 0694-0106, "Reporting and Recordkeeping Requirements under the Wassenaar Arrangement," and carries a burden hour estimate of 21 minutes for a manual or electronic submission. Total burden hours associated with the PRA and OMB control numbers 0694-0088 and 0694-0106 are not expected to increase as a result of this rule.

3. This rule does not contain policies with Federalism implications as that term is defined under Executive Order 13132.

4. Pursuant to 5 U.S.C. 553(a)(1), the provisions of the Administrative Procedure Act requiring notice of proposed rulemaking, the opportunity for public participation, and a delay in effective date, are inapplicable because this regulation involves a military or

<sup>1</sup> Customs Union Treaty of 29 March 1923 between the Principality of Liechtenstein and Switzerland, 21 League of Nations Treaty Series 233 (1924).

foreign affairs function of the United States. (See 5 U.S.C. 553(a)(1)). Immediate implementation of these amendments furthers United States policies and goals toward allies and cooperating and like-minded countries with regard to export controls and reduces the burden on exporters in relation to licensing obligations. This rule will positively impact regional stability by promoting greater responsibility in the transfer of dual-use goods, technologies, thus preventing destabilizing effects. This action also reconciles any inconsistencies in the treatment of Liechtenstein in light of its Treaty and export control arrangement with Switzerland and therefore is consistent with the effort of the United States to streamline licensing requirements where export controls prescribed by the multilateral regimes are implemented. Failure to immediately implement this rule would result in an unnecessary licensing burden on businesses, especially small businesses. Thus, in light of the United States' understanding of how export controls are administered in Liechtenstein, the United States seeks to assist businesses and prevent confusion by immediately removing licensing requirements that are unnecessary in light of the fact the international regime requirements are otherwise being met. No other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5

U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, are not applicable. Therefore, this regulation is issued in final form. In addition, the Department finds good cause under 5 U.S.C. 553(d)(3) to waive the 30-day delay in effectiveness for the reasons provided above. Accordingly, this regulation is made effective immediately upon publication.

**List of Subjects**

15 CFR Part 738

Exports.

15 CFR Part 740

Administrative practice and procedure, Exports, Reporting and recordkeeping requirements.

15 CFR Part 748

Administrative practice and procedure, Exports, Reporting and recordkeeping requirements.

Accordingly, parts 738, 740 and 748 of the Export Administration Regulations (15 CFR parts 730 through 774) are amended as follows:

**PART 738—[AMENDED]**

■ 1. The authority citation for Part 738 continues to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 22 U.S.C. 287c; 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. app. 5; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001

Comp., p. 783; Notice of August 12, 2011, 76 FR 50661 (August 16, 2011).

■ 2. Amend § 738.3 by revising paragraph (b) to read as follows:

**§ 738.3 Commerce Country Chart structure.**

\* \* \* \* \*

(b) *Countries.* The first column of the Country Chart lists countries in alphabetical order. There are a number of destinations that are not listed in the Country Chart contained in Supplement No. 1 to part 738. If your destination is not listed on the Country Chart and such destination is a territory, possession, dependency or department of a country included on the Country Chart, the EAR accords your destination the same licensing treatment as the country of which it is a territory, possession, dependency or department. For example, if your destination is the Cayman Islands, a dependent territory of the United Kingdom, refer to the United Kingdom on the Country Chart for licensing requirements. In addition, if your destination is Liechtenstein, which serves as one territory with Switzerland for purposes of the EAR, refer to Switzerland on the Country Chart for licensing requirements.

\* \* \* \* \*

■ 3. Amend Supplement No. 1 to part 738 by

■ a. Revising the entry for “Liechtenstein” to read as set forth below; and

■ c. Adding footnote 5 to read as set forth below.

**SUPPLEMENT NO. 1 TO PART 738—COMMERCE COUNTRY CHART**  
[Reason for control]

Countries	Chemical & biological weapons			Nuclear nonproliferation		National security		Missile tech	Regional stability		Firearms convention	Crime control			Anti-terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	EC 1	CC 1	CC 2	CC 3	AT 1	AT 2
Liechtenstein <sup>5</sup> .....	X					X		X	X			X		X		
	*					*		*		*		*		*		

<sup>5</sup>Refer to Switzerland for licensing requirements for Liechtenstein under the EAR.

**PART 740—[AMENDED]**

■ 4. The authority citation for Part 740 continues to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 7201 *et seq.*; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 12, 2011, 76 FR 50661 (August 16, 2011).

**§ 740.7 [Amended]**

■ 5. Amend § 740.7 by removing “Liechtenstein,” from the group of countries in paragraph (c)(1).

**§ 740.16 [Amended]**

■ 6. Amend § 740.16 by removing and reserving paragraph (g).

**Supplement No. 1 to Part 740 [Amended]**

■ 7. Amend Country Group B of Supplement No. 1 to Part 740 by removing “Liechtenstein”.

**PART 748—[AMENDED]**

■ 8. The authority citation for Part 748 continues to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 12, 2011, 76 FR 50661 (August 16, 2011).

**§ 748.9 [Amended]**

■ 9. Amend § 748.9 by removing “Liechtenstein” from the group of countries listed in alphabetical order in paragraph (b)(2).

**Supplement No. 4 to Part 748 [Amended]**

■ 10. Amend Supplement No. 4 to Part 748 by removing the entire entry for “Liechtenstein”.

Dated: November 7, 2011.

**Kevin J. Wolf,**

*Assistant Secretary for Export Administration.*

[FR Doc. 2011-29357 Filed 11-10-11; 8:45 am]

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**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Parts 26 and 301**

[TD 9556]

RIN 1545-BG89

**Generation-Skipping Transfers (GST) Section 6011 Regulations and Amendments to the Section 6112 Regulations**

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

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations that provide rules relating to the disclosure of listed transactions and transactions of interest with respect to the generation-skipping transfer tax under section 6011 of the Internal Revenue Code (Code), conforming amendments under sections 6111 and 6112, and rules relating to the preparation and maintenance of lists with respect to reportable transactions under section 6112. The regulations affect taxpayers participating in listed transactions and transactions of interest and material advisors to such transactions. The final regulations also contain rules under section 6112 that affect material advisors to reportable transactions. These regulations provide guidance regarding the length of time a material advisor has to prepare the list that must be maintained after the list maintenance requirement first arises with respect to a reportable transaction. These regulations also clarify guidance regarding designation agreements.

**DATES:** These regulations are effective November 14, 2011.

**FOR FURTHER INFORMATION CONTACT:** Charles D. Wien, (202) 622-3070 (not a toll-free number).

**Background**

This document contains final regulations that amend 26 CFR part 26 to provide rules for purposes of the generation-skipping transfer tax that require the disclosure of listed

transactions and transactions of interest by certain taxpayers on their Federal tax returns under section 6011. This document also contains final regulations that modify and clarify some of the rules under 26 CFR part 301 relating to the disclosure obligations of material advisors under section 6111 and the list maintenance requirements of material advisors with respect to reportable transactions under section 6112.

On July 31, 2007, the IRS and Treasury Department issued final regulations under section 6011 (TD 9350; 72 FR 43146), 6111 (TD 9351; 72 FR 43157) and 6112 (TD 9352; 72 FR 43154) (the July 2007 regulations) that were published in the **Federal Register** on August 3, 2007. In the July 2007 regulations, the IRS and Treasury Department amended 26 CFR parts 20, 25, 31, 53, 54, and 56 to provide that certain taxpayers would be required to disclose transactions of interest, in addition to listed transactions, on their Federal tax returns under section 6011. On September 10, 2009, the IRS and Treasury Department issued a notice of proposed rulemaking under sections 6011, 6111, and 6112 (REG-136563-07) (the September 2009 proposed regulations). The September 2009 proposed regulations were published in the **Federal Register** (74 FR 46705) on September 11, 2009.

In response to the September 2009 proposed regulations, the IRS and Treasury Department received two written public comments. A public hearing was not requested. After consideration of the comments received, the IRS and Treasury Department are adopting the proposed regulations without change.

**Explanation of Comments**

Two commentators expressed concern that if the IRS and Treasury Department designate a transaction involving gift, estate, or generation-skipping transfer taxes as a listed transaction or transaction of interest, that a corporate fiduciary, merely by acting as an executor or trustee with respect to an estate or trust that is incidental to the transaction, would be treated as a material advisor under section 6112 and the regulations thereunder. One of the commentators proposed that the September 2009 proposed regulations and existing final regulations under sections 6011, 6111, and 6112 be amended to require public comment before a transaction involving Chapters 11, 12, and 13 of the Code can be designated as a listed transaction or transaction of interest.

The IRS and Treasury Department believe that in the situation described

by the commentators the existing regulations under sections 6111 and 6112 properly address which parties are material advisors, and transactions involving gift, estate, or generation-skipping transfer taxes should not be treated differently than other transactions. A fiduciary will not be treated as a material advisor merely by acting as an executor or trustee with respect to an estate or trust that is incidental to a transaction. A fiduciary will be treated as a material advisor only if the fiduciary provides material aid, assistance or advice as described in § 301.6111-3(b)(2), the fiduciary directly or indirectly derives gross income in excess of the threshold amount as described in § 301.6111-3(b)(3), and the transaction is entered into by the taxpayer.

In addition, the regulations are not amended to require advance notice before designating a transaction as a transaction of interest or as a listed transaction as suggested by a commentator. In appropriate circumstances, the IRS and Treasury Department may choose to publish advance notice of a transaction of interest and request comments in certain circumstances. The IRS and Treasury Department will determine whether to provide advance notice and a request for comments on a transaction by transaction basis. Accordingly, the proposed regulations will be adopted without change.

**Special Analyses**

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. It is hereby certified that the collection of information in these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that most of the material advisors affected by these regulations are not small entities and for those material advisors that are small entities most of the information is already required under the current regulations. Any additional recordkeeping burdens on material advisors that result from this regulation are insubstantial. Also, the collection of information referenced in these regulations has been approved under OMB control number 1545-1686. The clarification and new information required by these final regulations add little or no new burden to those existing