

parties. The FAA will also reach out to our bilateral partners (i.e., Transport Canada Civil Aviation and the European Aviation Safety Agency) and invite their participation in this effort. Parties interested in this initiative may look forward to future public announcements on upcoming developments.

Issued in Fort Worth, TX, on July 10, 2014.

**Kimberly K. Smith,**

*Manager, Rotorcraft Directorate, Aircraft Certification Service.*

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**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 33

[Docket No. FAA-2014-0376; Notice No. 33-14-01-SC]

#### **Special Conditions: SNECMA, Silvercrest-2 SC-2D; Rated 10-Minute One Engine Inoperative Takeoff Thrust at High Ambient Temperature**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed special conditions.

**SUMMARY:** This action proposes special conditions for the SNECMA, Silvercrest-2 SC-2D engine model. This engine will have a novel or unusual design feature—an additional takeoff rating that increases the exhaust gas temperature (EGT) limit to maintain takeoff thrust in certain high ambient temperature conditions with one engine inoperative (OEI) for a maximum of 10 minutes. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. The proposed special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

**DATES:** Send your comments on or before September 2, 2014.

**ADDRESSES:** Send comments identified by docket number [FAA-2014-0376] using any of the following methods:

- *Federal eRegulations Portal:* Go to <http://www.regulations.gov> and follow the online instructions for sending your comments electronically.

- *Mail:* Send comments to Docket Operations, M-30, U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE., Room W12-140, West Building Ground Floor, Washington, DC, 20590-0001.

- *Hand Delivery of Courier:* Take comments to Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE., Washington, DC, between 8 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- *Fax:* Fax comments to Docket Operations at 202-493-2251.

**Privacy:** Docket Operations will post all comments it receives, without change, to <http://regulations.gov>, including any personal information the commenter provides. Using the search function of the docket Web site, anyone can find and read the electronic form of all comments received into any FAA docket, including the name of the individual sending the comment (or signing the comment for an association, business, labor union, etc.). DOT's complete Privacy Act Statement can be found in the **Federal Register** published on April 11, 2000 (65 FR 19477-19478), as well as at <http://DocketsInfo.dot.gov>.

**Docket:** You may read background documents or comments received at <http://www.regulations.gov> at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except federal holidays.

**FOR FURTHER INFORMATION CONTACT:** For technical questions concerning this proposed rule, contact Tara Fitzgerald, ANE-111, Engine and Propeller Directorate, Aircraft Certification Service, 12 New England Executive Park, Burlington, Massachusetts, 01803-5213; telephone (781) 238-7130; facsimile (781) 238-7199. For legal questions concerning this proposed rule, contact Vincent Bennett, ANE-7, Engine and Propeller Directorate, Aircraft Certification Service, 12 New England Executive Park, Burlington, Massachusetts, 01803-5299; telephone (781) 238-7044; facsimile (781) 238-7055; email [vincent.bennett@faa.gov](mailto:vincent.bennett@faa.gov).

#### **SUPPLEMENTARY INFORMATION:**

##### **Comments Invited**

We invite interested persons to participate in this rulemaking by submitting written comments, data, or views. The agency also invites comments relating to the economic, environmental, energy, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain

duplicate comments, commenters should send only one copy of written comments, or if comments are filed electronically, commenters should submit only one time.

We will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, we will consider comments filed late if it is possible to do so without incurring expense or delay. We may change these special conditions based on the comments we receive.

##### **Background**

On April 19, 2011, SNECMA applied for a new type certificate (TC) for the Silvercrest-2 SC-2D engine model. On April 30, 2014, SNECMA requested an extension to their original TC application, which the FAA granted through June 30, 2015.

For their Silvercrest-2 SC-2D engine model, SNECMA requests an additional takeoff rating to maintain takeoff thrust in certain high ambient temperature conditions with OEI. Therefore, the Silvercrest-2 SC-2D engine model would have two different takeoff ratings. The first rating corresponds with the rated takeoff thrust of the engine. The second takeoff rating maintains the takeoff thrust in certain high ambient temperature conditions for a maximum of 10 minutes. This additional takeoff rating is named, "Rated 10-Minute OEI Takeoff Thrust at High Ambient Temperature" (Rated 10-minute OEI TOTHT).

These special conditions are necessary because the applicable airworthiness regulations do not contain adequate or appropriate safety standards for the additional takeoff rating.

##### **Type Certification Basis**

Under the provisions of Title 14, Code of Federal Regulations (14 CFR) 21.17, SNECMA must show that the Silvercrest-2 SC-2D meets the applicable provisions of the applicable regulations in effect on the date of application, except as detailed in paragraphs 21.101(b) and (c). The FAA has determined the following certification basis for the Silvercrest-2 SC-2D engine model:

1. 14 CFR part 33, "Airworthiness Standards Aircraft Engines," dated February 1, 1965, with Amendments 33-1 through 33-31, dated July 18, 2011.

If the FAA finds that the regulations in effect on the date of the application for the change do not provide adequate or appropriate safety standards for the

Silvercrest-2 SC-2D because of a novel or unusual design feature, special conditions are prescribed under the provisions of § 21.16.

Special conditions are initially applicable to the model for which they are issued. Should the type certificate for that model be amended later to include any other model that incorporates the same or similar novel or unusual design feature, the special conditions would also apply to the other model under § 21.101.

In addition to complying with the applicable product airworthiness regulations and the requirements of these special conditions, the Silvercrest-2 SC-2D engine model must also comply with the fuel vent and exhaust emission requirements of 14 CFR part 34 and the noise certification requirements of 14 CFR part 36 in accordance with the "Noise Control Act of 1972."

The FAA issues special conditions, as defined in 14 CFR 11.19, per § 11.38, and they become part of the type certification basis under § 21.17(a)(2).

#### **Novel or Unusual Design Features**

The Silvercrest-2 SC-2D engine model will incorporate the following novel or unusual design feature:

The SNECMA Silvercrest-2 SC-2D engine model will incorporate an additional takeoff rating to maintain takeoff thrust in certain high ambient temperature OEI takeoff conditions for a maximum of 10 minutes. The result will be two different takeoff ratings, one for the rated takeoff thrust of the engine and the other to maintain the takeoff thrust in certain high ambient temperature OEI takeoff conditions for a maximum of 10 minutes. The additional takeoff rating is referred to as "Rated 10-Minute OEI Takeoff Thrust at High Ambient Temperature" (Rated 10-minute OEI TOTHAT).

The Rated 10-minute OEI TOTHAT is a novel and unusual design feature that requires additional airworthiness standards for type certification of the SNECMA Silvercrest-2 SC-2D engine model.

#### **Discussion**

These proposed special conditions are necessary because current part 33 regulations do not contain airworthiness standards for airplane applications of OEI ratings. For an airplane application, the OEI rating is the same as the rated thrust of the engine. All OEI ratings in current part 33 regulations are only applicable to rotorcraft applications.

These proposed special conditions were modeled based on the rotorcraft requirements for the 30-second and 2-

minute OEI ratings, and modified to represent the airplane application. The Rated 10-minute OEI TOTHAT is similar to the 30-second and 2-minute OEI ratings available in part 33 for rotorcraft engines. The Rated 10-minute OEI TOTHAT shares common features, such as the need to notify the pilot and maintenance personnel about the rating's use, provides data needed for power assurance check, and continued validation of the related maintenance procedures.

The Rated 10-minute OEI TOTHAT is for use during OEI events that occur during takeoff in high ambient temperature conditions, up to 5 degrees Celsius hotter than the rated takeoff thrust corner point. Under these unique conditions (extreme hot day and OEI), the Rated 10-minute OEI TOTHAT leads to an increase in EGT to maintain the takeoff thrust of the engine. These proposed special conditions contain additional mandatory post-flight inspection and maintenance action requirements associated with any use of the Rated 10-minute OEI TOTHAT. These requirements add a rating definition in part 1.1 and mandates mandatory inspections in the ICA; instructions for installing and operating the engine; engine rating and operating limitations; instrument connection; and endurance testing.

The current requirements of the endurance test under § 33.87 represent a typical airplane flight profile and the severity of the takeoff rating. Therefore, the endurance test under § 33.87 covers normal all-engines-operating takeoff conditions for which the engine control system limits the engine to the takeoff thrust rating. The proposed special conditions for the endurance testing requirements are intended to represent the airplane flight profile when an OEI event occurs during takeoff under specified ambient temperatures, and until the mandatory inspection and maintenance actions can be performed. These proposed special conditions require endurance testing that is not less than 135 minutes in duration and demonstrates the engine is capable of the additional Rated 10-minute OEI TOTHAT rating at the higher EGT limit following completion of the tests required by § 33.87(b), without disassembly or modification.

The associated engine deterioration after use of the Rated 10-minute OEI TOTHAT is not known without the intervening mandatory inspections in these special conditions. The mandatory inspections ensure the engine will continue to comply with its certification basis after any use of the Rated 10-minute OEI TOTHAT. The applicant is

expected to assess the deterioration from use of the Rated 10-minute OEI TOTHAT. The Airworthiness Limitations section must prescribe the mandatory post-flight inspections and maintenance actions associated with any use of the Rated 10-minute OEI TOTHAT.

These requirements maintain a level of safety equivalent to the level intended by the applicable airworthiness standards in effect on the date of application.

#### **Applicability**

As discussed above, these special conditions are applicable to the Silvercrest-2 SC-2D engine model. Should SNECMA apply at a later date for a change to the type certificate to include another engine model incorporating the same novel or unusual design feature, these special conditions would apply to that model as well.

#### **Conclusion**

This action affects only the Rated 10-minute OEI TOTHAT features on the Silvercrest-2 SC-2D engine model. It is not a rule of general applicability and applies only to SNECMA, who requested FAA approval of this engine feature.

#### **List of Subjects in 14 CFR Part 33**

Air Transportation, Aircraft, Aviation, Aviation safety, Safety.

The authority citation for these special conditions is as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701, 44702, 44704.

#### **The Proposed Special Conditions**

Accordingly, the FAA proposes the following special conditions as part of the type certification basis for the SNECMA Silvercrest-2 SC-2D engine model.

##### **1. Part 1.1 Definitions.**

"Rated 10-Minute One Engine Inoperative Take-off Thrust at High Ambient Temperature" (Rated 10-minute OEI TOTHAT) means the approved engine thrust developed under specified altitudes and temperatures within the operating limitations established for the engine, and for continuation of flight operation after failure or shutdown of one engine in a multi-engine airplane during takeoff operation. Use is limited to two periods, no longer than 10 minutes each in any one flight, and followed by mandatory inspection and maintenance actions.

##### **2. Part 33 Requirements.**

In addition to the airworthiness standards in 14 CFR part 33, effective

February 1, 1965, Amendments 33–1 through 33–31 applicable to the engine and the Rated 10-minute OEI TOTHAT, the following special conditions apply:

**§ 33.4 Instructions for Continued Airworthiness.**

(a) The Airworthiness Limitations section must prescribe the mandatory post-flight inspections and maintenance actions associated with any use of the Rated 10-minute OEI TOTHAT.

(b) The applicant must validate the adequacy of the inspections and maintenance actions required under paragraph § 33.4(a) of these special conditions.

(c) The applicant must establish an in-service engine evaluation program to ensure the continued adequacy of the instructions for mandatory post-flight inspections and maintenance actions prescribed under paragraph § 33.4(a) of these special conditions, and of the data for thrust assurance procedures required by § 33.5(b)(1) of these special conditions. The program must include service engine tests or equivalent service engine test experience on engines of similar design and evaluations of service use of the Rated 10-minute OEI TOTHAT.

**§ 33.5 Instruction manual for installing and operating the engine.**

(a) Installation Instructions:

(1) The applicant must identify the means, or provisions for means, provided in compliance with the requirements of § 33.29 of these special conditions.

(2) The applicant must specify that the engine thrust control system automatically resets the thrust on the operating engine to the Rated 10-minute OEI TOTHAT level when one engine fails during takeoff at specified altitudes and temperatures, and that the Rated 10-minute OEI TOTHAT is not available when all engines are operational.

(b) Operating Instructions:

(1) The applicant must provide data on engine performance characteristics and variability to enable the airplane manufacturer to establish airplane thrust assurance procedures.

**§ 33.7 Engine ratings and operating limitations.**

(a) The Rated 10-minute OEI TOTHAT and the associated operating limitations are established as follows:

(1) The thrust is the same as the engine takeoff rated thrust with extended flat rating corner point,

(2) The rotational speed limits are the same as those associated with the engine takeoff rated thrust,

(3) The applicant must establish a gas temperature steady-state limit and, if

necessary, a transient gas overtemperature limit for which the time duration is no longer than 30 seconds, and

(4) The use is limited to two periods of no longer than 10 minutes each in any one flight, and followed by mandatory inspection and maintenance actions prescribed by § 33.4(a) of these special conditions.

(b) The applicant must propose language to include in the type certificate data sheet specified in § 21.41 for the following:

(1) The Rated 10-minute OEI TOTHAT and associated limitations.

(2) As required by § 33.5(b), Operating instructions, include a note stating that “Rated 10-Minute One Engine Inoperative Take-off Thrust at High Ambient Temperature” (Rated 10-minute OEI TOTHAT) means the approved engine thrust developed under specified altitudes and temperatures within the operating limitations established for the engine, and for continuation of flight operation after failure or shutdown of one engine in multi-engine airplane during takeoff operation. Use is limited to two periods, no longer than 10 minutes each in any one flight, and followed by mandatory inspection and maintenance actions.

(3) As required by § 33.5(b), Operating instructions, include a note stating that the engine thrust control system automatically resets the thrust on the operating engine to the Rated 10-minute OEI TOTHAT level when one engine fails during takeoff at specified altitudes and temperatures, and that the Rated 10-minute OEI TOTHAT is not available when all engines are operational.

**§ 33.28 Engine control systems.**

(a) The engine must incorporate a means, or a provision for a means, for automatic availability and automatic control of the Rated 10-minute OEI TOTHAT.

(b) The engine controls managing the OEI takeoff thrust for all ambient conditions must assure that:

(1) The approved rated takeoff thrust is available to the pilot at all times by throttle selection, and

(2) The Rated 10-minute OEI TOTHAT is only available in an OEI condition at specified altitudes and temperatures.

**§ 33.29 Instrument connection.**

(a) The engine must:

(1) Have means or provisions for means, to alert the pilot when the Rated 10-minute OEI TOTHAT is in use, when the event begins, and when the time interval expires.

(2) Have means, or provision for means, which cannot be reset in flight, to:

(i) Automatically record each use and duration of the Rated 10-minute OEI TOTHAT, and

(ii) Alert maintenance personnel that the engine has been operated at the Rated 10-minute OEI TOTHAT, and permit retrieval of recorded data.

(iii) Have means, or provision for means, to enable routine verification of the proper operation of the means in §§ 33.29(1) and (2) of these special conditions.

**§ 33.85(b) Calibration tests.**

The applicant must base the calibration test on the thrust check at the end of the endurance test required by § 33.87 of these special conditions.

**§ 33.87 Endurance test.**

(a) Following completion of the tests required by § 33.87(b), and without intervening disassembly, except as needed to replace those parts described as consumables in the ICA, the applicant must conduct the following test sequence for a total time of not less than 135 minutes:

(1) Ten minutes at Rated 10-minute OEI TOTHAT,

(2) Sixty-five minutes at maximum continuous thrust,

(3) One minute at 50 percent of takeoff thrust,

(4) Ten minutes at Rated 10-minute OEI TOTHAT,

(5) One minute at flight idle,

(6) Ten minutes at Rated 10-minute OEI TOTHAT,

(7) Five minutes at maximum continuous thrust,

(8) One minute at 50 percent of takeoff thrust,

(9) Five minutes at Rated 10-minute OEI TOTHAT,

(10) One minute at flight idle,

(11) Ten minutes at Rated 10-minute OEI TOTHAT,

(12) Five minutes at maximum continuous thrust,

(13) One minute at 50 percent of takeoff thrust,

(14) Nine minutes at Rated 10-minute OEI TOTHAT, and

(15) One minute at flight idle

(b) The test sequence of §§ 33.87(a)(1) through (a)(15) of these special conditions must be run continuously. If a stop occurs during these tests, the interrupted sequence must be repeated unless the applicant shows that the severity of the test would not be reduced if the current tests were continued.

(c) Where the engine characteristics are such that acceleration to the Rated

10-minute OEI TOTHAT results in a transient overtemperature in excess of the steady-state temperature limit identified in § 33.7(a)(3) of these special conditions, the transient gas overtemperature must be applied to each acceleration to the Rated 10-minute OEI TOTHAT of the test sequence in § 33.87(a) of these special conditions.

#### § 33.93 Teardown inspection.

The applicant must perform the teardown inspection required by § 33.93(a) after completing the endurance test prescribed by § 33.87 of these special conditions.

#### § 33.201 Design and test requirements for Early ETOPS eligibility.

In addition to the requirements of § 33.201(c)(1), the simulated ETOPS mission cyclic endurance test must include two cycles of 10 minute duration, each at the Rated 10-minute OEI TOTHAT; one before the last diversion cycle and one at the end of the ETOPS test.

Issued in Burlington, Massachusetts, on July 11, 2014.

Kimberly K. Smith,

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

[FR Doc. 2014-18074 Filed 7-30-14; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-105067-14]

RIN 1545-BM17

#### Segregation Rule Effective Date

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

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

**SUMMARY:** In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations that modify the effective date provision of recently published final regulations under Section 382 of the Internal Revenue Code. The temporary regulations affect corporations whose stock is or was acquired by the Department of the Treasury (Treasury) pursuant to certain programs under the Emergency Economic Stabilization Act of 2008 (EESA). The text of those temporary regulations published in this issue of

the **Federal Register** also serves as the text of these proposed regulations.

**DATES:** Written or electronic comments and requests for a public hearing must be submitted by October 29, 2014.

**ADDRESSES:** Send submissions to CC:PA:LPD:PR (REG-105067-14), Room 5203, Internal Revenue Service, P.O. 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-105067-14), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224, or sent electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-105067-14).

#### FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Stephen R. Cleary, (202) 317-5353; concerning submission of comments and requests for a public hearing, Oluwafumnilayo Taylor, (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

#### Background and Explanation of Provisions

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend 26 CFR Part 1. The temporary regulations modify the effective date provision for TD 9638 [78 FR 62418], published on October 22, 2013, which provided final regulations that altered the operation of certain of the public group segregation rules under section 382. The temporary regulations apply to stock acquired by Treasury pursuant to certain programs under EESA (Programs). In particular, the temporary regulations apply to the subsequent sale by Treasury of that stock. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

#### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that, if the regulations apply to any small entities, the effect will not be to increase their tax liability, but to prevent a potential increase in tax

liability that might otherwise occur. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Code, these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

#### Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic copies that are submitted timely to the IRS. The IRS and the Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be made available for public inspection and copying at [www.regulations.gov](http://www.regulations.gov) or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

#### Drafting information

The principal author of these regulations is Stephen R. Cleary, Office of Associate Chief Counsel (Corporate). However, other personnel from the IRS and the Treasury Department participated in their development.

#### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

#### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*  
Section 1.382-3 also issued under 26 U.S.C. 382(g)(4)(C) and 26 U.S.C. 382(m).  
\* \* \*

■ **Par. 2.** Section 1.382-3 is amended by revising paragraph (j)(17) to read as follows:

#### § 1.382-3 Definitions and Rules Relating to a 5-percent Shareholder.

\* \* \* \* \*

(j) \* \* \*

(17) *Effective/applicability date.* [The text of the proposed amendment to