

Boeing: Docket 2002–NM–238–AD.

Applicability: Model 737–200 series airplanes modified by Supplemental Type Certificate (STC) ST00516AT, certificated in any category.

Compliance: Required as indicated, unless accomplished previously.

To eliminate the possibility that the airplane crew could be unable to remove power from the IFE system during a non-normal or emergency situation, which could result in the airplane crew's inability to control smoke or fumes in the airplane flight deck or cabin, accomplish the following:

Removal of IFE System

(a) Within 18 months after the effective date of this AD, remove the IFE system installed by STC ST00516AT per the procedure in Kosola and Associates Service Bulletin 2002–1, dated July 16, 2003. The procedure includes disconnecting the power line that leads from the IFE system control unit to the P6 panel, capping and stowing all related wiring or removing related wiring from the airplane, removing the IFE system circuit breaker from the P6 panel, and removing all components of the IFE system from the airplane.

Inspections Accomplished Per Previous Issue of Service Bulletin

(b) Removal of the IFE system installed by STC ST00516AT before the effective date of this AD per Kosola and Associates Service Bulletin 2002–1, dated June 5, 2002, is considered acceptable for compliance with paragraph (a) of this AD.

Parts Installation

(c) As of the effective date of this AD, no person may install an IFE system approved by STC ST00516AT on any airplane.

Alternative Methods of Compliance

(d) In accordance with 14 CFR 39.19, the Manager, Atlanta Aircraft Certification Office (ACO), FAA, is authorized to approve alternative methods of compliance for this AD.

Issued in Renton, Washington, on August 27, 2003.

Ali Bahrami,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–132760–03]

RIN 1545–BC38

Guidance Under Section 1502; Application of Section 108 to Members of a Consolidated Group

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 govern the application of section 108 when a member of a consolidated group realizes discharge of indebtedness income. The text of those regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments must be received by December 3, 2003.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG–132760–03), 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–132760–03), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically directly to the IRS Internet site at <http://www.irs.gov/regs>.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Amber Renee Cook or Marie C. Milnes-Vasquez at (202) 622–7530; concerning submission of comments, Treena Garrett at (202) 622–3401 (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 the Income Tax Regulations (26 CFR part 1) relating to section 1502. The temporary regulations govern the application of section 108 when a member of a consolidated group realizes discharge of indebtedness income. The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

Special Analysis

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. Further, 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 these regulations will primarily affect affiliated groups of corporations that have elected to file consolidated returns,

which tend to be larger businesses. Moreover, the number of taxpayers affected and the average burden are minimal. Accordingly, 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 Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and 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 comments that are submitted timely to the IRS. The IRS and Treasury Department specifically request comments on the clarity of the proposed regulations and how they may be made easier to understand. All comments will be available for public inspection and copying. 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 hearing will be published in the **Federal Register**.

Drafting Information

Various personnel from the IRS and Treasury Department participated in the development of these regulations.

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 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *
Section 1.1502–28 also issued under 26 U.S.C. 1502. * * *

Par. 2. Section 1.1502–19 is amended as follows:

1. Paragraph (b)(1) is revised.
 2. The headings for paragraphs (h)(2) and (h)(2)(i) are revised.
 3. Paragraph (h)(2)(ii) is redesignated as paragraph (h)(2)(iii).
 4. New paragraph (h)(2)(ii) is added.
- The revisions and addition read as follows:

§ 1.1502–19 Excess loss accounts.

[The text of this proposed section is the same as the text of § 1.1502–19T