

action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption ADDRESSES.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (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. Section 39.13 is amended by adding the following new airworthiness directive:

International Aero Engines AG: Docket No. 98-ANE-76-AD.

Applicability: International Aero Engines AG (IAE) Models V2500-A1 series turbofan engines, installed on Airbus A320 series aircraft.

Note 1: This airworthiness directive (AD) applies to each engine identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For engines that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (d) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent high pressure turbine (HPT) disk fracture, which could result in an uncontained engine failure and damage to the aircraft, accomplish the following:

(a) Ultrasonic inspect for subsurface anomalies those HPT stage 1 and stage 2 disks, with serial numbers listed in Tables 1, 2, 3, and 4 of IAE Service Bulletin (SB) V2500-ENG-72-0344, dated December 18, 1998, at the first opportunity when the engine is disassembled sufficiently to afford access to the High Pressure Turbine (HPT) subassembly, or no later than 10,000 cycles in service (CIS) from the effective date of this AD, whichever occurs first, in accordance with Paragraphs F (1) and (2) of IAE SB V2500-ENG-72-0344, dated December 18, 1998.

(b) Thereafter, repetitively ultrasonic inspect for subsurface anomalies those HPT disks identified in paragraph (a) whenever the engine is disassembled sufficiently to afford access to the HPT subassembly, or no later than 12,000 CIS since last ultrasonic inspection, whichever occurs first, in accordance with Paragraph F (1) and (2) of IAE SB V2500-ENG-72-0344, dated December 18, 1998.

(c) Those HPT disks rejected at inspection may not be reinstalled and must be replaced with a serviceable part.

(d) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office. Operators shall submit their request through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Engine Certification Office.

Note 2: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Engine Certification Office.

(e) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

Issued in Burlington, Massachusetts, on December 30, 1998.

Jay J. Pardee,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 99-254 Filed 1-5-99; 8:45 am]

BILLING CODE 4910-13-U

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 161, 250, and 284

[Docket Nos. RM98-10-000 and RM98-12-000]

Regulation of Short-Term Natural Gas Transportation Services Regulation of Interstate Natural Gas Transportation Services; Correction: Order Granting Extension of Time for Filing Comments

December 30, 1998.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Correction of order granting extension of time for filing comments.

SUMMARY: On December 30, 1998, the Commission published in the **Federal Register** an Order Granting Extension of Time for Filing Comments (63 FR 71806, December 30, 1998) on its Notice of Proposed Rulemaking (NOPR) in Docket No. RM98-10-000 and its Notice of Inquiry (NOI) in Docket No. RM98-12-000 which dealt with the regulation

of short-term and interstate natural gas transportation services. The dates for filing comments which were shown under the **DATES** caption in the preamble are being corrected to provide for one filing date for submitting comments on both the Commission's NOPR and the NOI. This date will conform with the correct date which was shown in the order itself.

DATES: Comments on both the NOPR and the NOI are due on or before April 22, 1999.

ADDRESSES: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT: David P. Boergers, Secretary, 888 First Street, NE, Washington, DC 20426.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 99-162 Filed 1-5-99; 8:45 am]

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DEPARTMENT OF STATE

22 CFR Part 171

[Public Notice 2952]

Privacy Act of 1974; Implementation

AGENCY: Department of State.

ACTION: Proposed rule.

SUMMARY: The Department of State proposes to amend its Privacy Act regulations exempting portions of a newly created record system from certain provisions of the Privacy Act of 1974, as amended (5 U.S.C. 552a). Certain portions of the Records of the Office of White House Liaison (STATE-34) contain confidential source information and are exempted from 5 U.S.C. 552a (c)(3), (d), (e)(1), (e)(4) (G), (H) and (I), and (f) pursuant to 5 U.S.C. 552a(k)(5).

DATES: Comments must be submitted on or before February 16, 1999.

ADDRESSES: Written comments may be mailed or delivered to Rosemary Melendy, Acting Chief, Programs and Policies Division; Office of IRM Programs and Services; Room 1239; Department of State; 2201 C Street, NW; Washington, DC 20520-1512.

FOR FURTHER INFORMATION CONTACT: Rosemary Melendy, 202-647-6020.

SUPPLEMENTARY INFORMATION: A notice of a proposal to create a new system of records (Public Notice 2953) is published elsewhere in this **Federal Register**. This system principally supports the Office of White House Liaison's role in processing applicants and candidates for non-career

Presidential appointments in the Department of State. The Records of the Office of White House Liaison contain information relating to the application and ultimate appointment of non-career Presidential appointments including, but not limited to, communications between: The Department of State and the White House and/or the applicant and his/her references; and the Office of White House Liaison and other internal bureaus of the Department.

This system of records contains investigatory material compiled for the purpose of determining suitability, eligibility or qualifications for federal civilian employment and may contain the identity of a source who provided information with an expressed or implied promise that their identity would be kept confidential.

List of Subjects in 22 CFR Part 171

Privacy.

Title 22, part 171 covering certain records in STATE-34 is proposed to be amended as follows:

PART 171—[AMENDED]

1. The authority citation for part 171 continues to read as follows:

Authority: The Freedom of Information Act, 5 U.S.C. 552; the Privacy Act, 5 U.S.C. 552a; the Administrative Procedures Act, 5 U.S.C. 551, *et seq.*; the Ethics in Government Act, 5 U.S.C. App. 201; Executive Order 12958, 60 FR 19825; and Executive Order 12600, 52 FR 23781.

§ 171.32 [Amended]

2. In § 171.32, paragraph (j)(5) will be amended by adding "Records of the Office of White House Liaison, STATE-34," after "Records of the Inspector General and Automated Individual Cross-Reference System, STATE-53."

Dated: December 23, 1998.

Jerome E. Tolson,

Acting Assistant Secretary for the Bureau of Administration.

[FR Doc. 99-168 Filed 1-5-99; 8:45 am]

BILLING CODE 4710-05-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-114841-98]

RIN 1545-AW57

Separate Share Rules Applicable to Estates

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains proposed regulations that provide that substantively separate and independent shares of different beneficiaries are to be treated as separate estates for purposes of computing the distributable net income. These proposed regulations also provide that a surviving spouse's statutory elective share of a decedent's estate is a separate share. Further, a revocable trust that elects to be treated as part of a decedent's estate is a separate share. Section 1307 of the Taxpayer Relief Act of 1997 amended section 663 of the Internal Revenue Code by extending the separate share rules to estates. These proposed regulations affect estates of decedents. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written and electronic comments must be received by April 6, 1999. Outlines of topics to be discussed at the public hearing scheduled for April 22, 1999, at 10 a.m. must be received by April 1, 1999.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-114841-98), room 5226, 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 5 p.m. to: CC:DOM:CORP:R (REG-114841-98), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html. The public hearing will be held in room 2615, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT:

Concerning the regulations, Laura Howell, (202) 622-3060; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Michael L. Slaughter, Jr., (202) 622-7190 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Prior to amendment by Section 1307 of the Taxpayer Relief Act of 1997, Pub. L. 105-34, August 5, 1997, (TRA 1997), section 663(c) of the Internal Revenue Code (Code) provided that, for the

purpose of determining the amount of distributable net income in the application of sections 661 and 662, in the case of a single trust having more than one beneficiary, substantially separate and independent shares of different beneficiaries (or classes of beneficiaries) of the trust shall be treated as separate trusts. The application of the separate share rule is mandatory where separate shares exist. Section 1.663(c)-1(d) and H.R. Conf. Rep. No. 2014, 105th Cong. 1st Sess. 712-13 and fn. 18.

Section 1307 of TRA 1997 amended section 663(c) of the Code by extending the separate share rule to estates. Prior to this amendment, a distribution to an estate beneficiary in the ordinary course of administration often resulted in the beneficiary being taxed on a disproportionate share of the estate's income. The extension of the separate share rule to estates promotes fairness by more rationally allocating the income of the estate among the estate and its beneficiaries thereby reducing the distortion that may occur when a disproportionate distribution of estate assets is made to one or more estate beneficiaries in a year when an estate has distributable net income. Under the separate share rule, a beneficiary is taxed only on the amount of income that belongs to that beneficiary's separate share.

In addition, section 1305 of TRA 1997 added section 645 to the Code (originally enacted as section 646 and redesignated as section 645 by the Internal Revenue Service Restructuring and Reform Act of 1998). Under section 645, both the executor (if any) of an estate and the trustee of a qualified revocable trust may elect to treat the revocable trust as part of the decedent's probate estate for income tax purposes. The legislative history for section 1305 provides that the separate share rule applicable to estates will apply when a qualified revocable trust elects to be treated as part of the decedent's estate.

Explanation of Provisions

The proposed regulations conform the current regulations to the statutory changes. In addition, the proposed regulations address two specific matters involving separate share treatment of interests in estates: the treatment of the spousal elective share and the treatment of an electing revocable trust under section 645 of the Code.

General Separate Share Rule

If an estate has multiple beneficiaries, substantially separate and independent shares of different beneficiaries (or classes of beneficiaries) are to be treated