unit load device (ULD), in accordance with a method approved by the Manager, Los Angeles ACO. If any vertical side restraint does not provide the required support, within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, modify the vertical side restraint to provide the support appropriate to the ULD's compatible with the cargo handling system, in accordance with a method approved by the Manager, Los Angeles ACO.

(c) For airplanes that have been converted from a passenger- to a cargo-carrying (''freighter'') configuration in accordance with STC ST00309AT: Within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, modify the main deck cargo floor to safely carry the applicable FAA-approved payload limits above and below the main deck cargo floor. The modification and payload distribution shall be accomplished in accordance with a method approved by the Manager, Los Angeles ACO. The modification must comply with the applicable requirements of CAR part 4b for the FAA-approved payload distribution.

(d) For airplanes that have been converted from a passenger- to a cargo-carrying (''freighter'') configuration in accordance with STC ST00309AT, except for those airplanes that have been modified in accordance with paragraph (c) of this AD: Within 1 year or 1,000 flight cycles after the effective date of this AD, whichever occurs first, perform an inspection and evaluation of the venting system of the main deck cargo floor to determine if the system limits decompression loads to a level that can be carried by the floor structure without failure, in accordance with a method approved by the Manager, Los Angeles ACO.

(e) If, based on the evaluation required by paragraph (d) of this AD, the venting system does not limit decompression loads to a level that can be carried by the floor structure without failure, within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, modify the venting system, as necessary, to limit the decompression loads to a level that can be supported successfully by the existing floor structure, in accordance with a method approved by the Manager, Los Angeles ACO.

Actions Addressing Main Deck Cargo 9g Crash Barrier

(f) For airplanes that have been converted from a passenger to a cargo-carrying (''freighter'') configuration in accordance with STC ST00309AT: Within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, install a main deck cargo 9g crash barrier that complies with the applicable requirements of CAR part 4b, in accordance with a method approved by the Manager, Los Angeles ACO.

Alternative Methods of Compliance

(g) 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, Los Angeles ACO. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Los Angeles ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

Special Flight Permit

(h) 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 airplane to a location where the requirements of this AD can be accomplished.

Effective Date

(i) This amendment becomes effective on January 30, 2002.

Issued in Renton, Washington, on December 13, 2001.

Kalene C. Yanamura,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 01–31551 Filed 12–21–01; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000–NM–280–AD; Amendment 39–12565; AD 2001–26–01]

RIN 2120–AA64

Airworthiness Directives; McDonnell Douglas Model DC–8 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain McDonnell Douglas Model DC–8 series airplanes that have been converted from a passenger-to a cargo-carrying (''freighter'') configuration. This amendment requires, among other actions, modification of the main deck cargo door structure and fuselage structure; modification of a main deck cargo door hinge; modification of the main deck cargo floor; and installation of a main deck cargo 9g crash barrier; as applicable. The actions specified by this AD are intended to prevent opening of the cargo door while the airplane is in flight or collapse of the main deck cargo floor, and consequent rapid decompression of the airplane including possible loss of flight control or severe structural damage. These actions are intended to address the identified unsafe condition.

DATES: Effective January 30, 2002.

ADDRESSES: Information pertaining to this amendment may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California.

FOR FURTHER INFORMATION CONTACT: Michael E. O'Neil, Aerospace Engineer, Airframe Branch, ANM–120L, FAA, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California 90712–4137; telephone (562) 627–5320; fax (562) 627–5210.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain McDonnell Douglas Model DC–8 series airplanes that have been converted from a passenger-to a cargo-carrying (''freighter'') configuration was published in the **Federal Register** on September 27, 2000 (65 FR 58185). That action proposed to require, among other actions, modification of the main deck cargo door structure and fuselage structure; modification of a main deck cargo door hinge; modification of the main deck cargo floor; and installation of a main deck cargo 9g crash barrier; as applicable.

Comments

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were submitted in response to the proposal or the FAA's determination of the cost to the public. However, the FAA did receive comments in response to notice of proposed rulemaking (NPRM), Rules Docket 2000–NM–283–AD. Because certain issues raised by the commenter are generally relevant to this AD, those comments are discussed below.

Request To Revise Compliance Times

One commenter requests that the compliance times specified in paragraph (b) of the proposed be revised from ''Within 2 years or 2,000 flight cycles after the effective date of this AD, whichever occurs first'' to ''within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first.'' The commenter contends that if the inspection and evaluation required by that paragraph reveals a discrepancy, the corrective modification will be extensive. The commenter states that such an extension would allow operators to correct discrepancies at one maintenance visit, and thus, minimize airplane downtime.

The FAA agrees. Since issuance of the NPRM, we have gained a better

understanding of the design feature of the original modification relative to the vertical side restraint installation and decompression venting. We have determined that the structure is sufficiently robust, and that accomplishing the required inspection, evaluation, and modification, if necessary, required by paragraph (b) of this AD ''within 3 years or 4,000 flight hours after the effective date of this AD, whichever occurs first,'' will provide an acceptable level of safety. For the same reasons, we also find that the 2-year compliance time for the modification required by paragraph (e) of this AD can be extended to ''within 3 years or 4,000 flight hours after the effective date of this AD, whichever occurs first.'' Therefore, we have revised the compliance times of paragraphs (b) and (e) of the final rule accordingly.

Request To Provide an Alternate Means of Compliance

The commenter also requests that paragraph (a)(2)(i) of the proposed AD be revised to include an option that states: ''Main deck zone loading can be limited as approved by manager LA ACO in such a manner that no modification is required for the main deck floor structure. This will eliminate the requirement for Alternate Means of Compliance.'' The commenter notes that under the heading ''3. Capability of the Unmodified Floor'' in the preamble of the proposed AD, it states ''It is also possible to limit the main deck zone loading to a level that the main deck cargo floor can be supported safely without modification.'' The commenter states that the analysis performed by the DC–8 Cargo Conversion Joint Task Force and FAA has shown that the main deck floor modified per Supplemental Type Certificate (STC) SA1862SO is capable of carrying the zone loads equivalent to Aeronavali modified airplanes.

The FAA consulted with the commenter to clarify its reference to paragraph (a)(2)(i) of the proposed AD. The commenter meant to refer to paragraph (c) of the proposed AD. We do not agree with the commenter's request to revise paragraph (c) of the final rule. We find that the option suggested by the commenter would require operators to obtain a separate approval from the Manager of the Los Angeles Aircraft Certification Office (ACO). Adding the commenter's statement in the AD would not save us or the operators any resources, because, like the requirements of paragraph (c) of this AD, it also would require operators to submit a letter and substantiating data to us for review. The difference between the two letters would be in name only (i.e., alternate method of compliance vs. approved method of compliance). Therefore, no change to paragraph (c) of the final rule is necessary.

Conclusion

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the changes previously described. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

Cost Impact

There are approximately 15 Model DC–8 series airplanes of the affected design in the worldwide fleet. The FAA estimates that 11 airplanes of U.S. registry will be affected by this AD. The following table shows the estimated cost impact for airplanes affected by this AD. The average labor rate is $60 per work hour. The estimated maximum total cost for all airplanes affected by this AD is $2,192,520, or $199,320 per airplane.

STC	Action	Work hours (estimated)	Parts cost (estimated)	Total cost (estimated)
SA1063SO ...	Incorporation of inspections into maintenance or inspection program.	8	N/A	$5,280 or $480 per airplane.
SA1063SO ...	Modification of main deck cargo door structure and fuselage structure.	205	$700	$143,000, or $13,000 per airplane.
SA1063SO ...	Inspection of exposed surfaces of main deck cargo door hinge.	16	N/A	$10,560, or $960 per airplane.
SA1063SO ...	Inspection of mating surfaces of main deck cargo door hinge.	16	N/A	$10,560, or $960 per airplane.
SA1063SO ...	Installation of a main deck cargo door hinge ..	60	$200	$41,800, or $3,800 per airplane.
SA1377SO ...	Inspection and evaluation of the cargo handling system.	16	N/A	$10,560, or $960 per airplane.
SA1377SO ...	Modification of main deck cargo floor	120	$1,000	$90,200, or $8,200 per airplane.
SA1377SO ...	Inspection and evaluation of the venting system.	16	N/A	$10,560, or $960 per airplane.
SA1377SO ...	Installation of main deck cargo 9g crash barrier.	2,000	$50,000	$1,870,000, or $170,000 per airplane.

The cost impact figures discussed above are based on assumptions that no operator has yet accomplished any of the requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These figures typically do not include incidental costs, such as the time required to gain access and close up, planning time, or time necessitated by other administrative actions.

Regulatory Impact

The regulations adopted herein 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. Therefore, it is determined that this final rule does not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that this action (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under 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. A final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from 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.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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:

2001–26–01 McDonnell Douglas: Amendment 39–12565. Docket 2000–NM–280–AD.

Applicability: Model DC–8 series airplanes that have been converted from a passenger- to a cargo-carrying (''freighter'') configuration in accordance with Supplemental Type Certificates (STC) SA1063SO and SA1377SO; certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been otherwise modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes 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 (i) 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 opening of the cargo door while the airplane is in flight or collapse of the main deck cargo floor, and consequent rapid decompression of the airplane including possible loss of flight control or severe structural damage, accomplish the following:

Actions Addressing the Main Deck Cargo Door and Associated Fuselage Structure

(a) For airplanes that have been converted from a passenger-to a cargo-carrying (''freighter'') configuration in accordance with STC SA1063SO: Accomplish the actions specified in paragraphs (a)(1) and (a)(2) of this AD in accordance with a method approved by the Manager, Los Angeles Aircraft Certification Office (ACO), FAA.

(1) Within 1 year or 1,200 flight cycles after the effective date of this AD, whichever occurs first, incorporate inspections into the operator's FAA-approved maintenance or inspection program that ensure the continued operational safety of the airplane. These inspections should be based on a damage tolerance assessment that identifies any principal structural element (PSE) associated with the STC modification and should include associated inspection thresholds, inspection methods, and repetitive inspection intervals.

(2) Within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, accomplish the actions specified in paragraphs (a)(2)(i) and (a)(2)(ii) of this AD.

(i) Modify the main deck cargo door structure and fuselage structure immediately surrounding the main deck cargo door to comply with the applicable requirements of Civil Air Regulations (CAR) part 4b.

(ii) Incorporate inspections into the operator's FAA-approved maintenance or inspection program that ensure the continued operational safety of the airplane. These inspections should be based on a damage tolerance assessment that identifies any PSE associated with the STC modification required by paragraph (a)(2)(i) of this AD and should include associated inspection thresholds, inspection methods, and repetitive inspection intervals.

Actions Addressing the Main Deck Cargo Floor

(b) For airplanes that have been converted from a passenger-to a cargo-carrying (''freighter'') configuration in accordance with STC SA1377SO: Within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, perform an inspection and evaluation of the cargo handling system to determine if the side restraints provide the support required by the unit load device (ULD), in accordance with a method approved by the Manager, Los Angeles ACO. If any vertical side restraint does not provide the required support, within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, modify the vertical side restraint to provide the support appropriate to the ULD's compatible with the cargo handling system, in accordance with a method approved by the Manager, Los Angeles ACO.

(c) For airplanes that have been converted from a passenger-to a cargo-carrying (''freighter'') configuration in accordance with STC SA1377SO: Within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, modify the main deck cargo floor to safely carry the applicable FAA-approved payload limits above and below the main deck cargo floor. The modification and payload distribution shall be accomplished in accordance with a method approved by the Manager, Los Angeles ACO. The modification must comply with the applicable requirements of CAR part 4b for the FAA-approved payload distribution.

(d) For airplanes that have been converted from a passenger-to a cargo-carrying (''freighter'') configuration in accordance with STC SA1377SO, except for those airplanes that have been modified in accordance with paragraph (c) of this AD: Within 1 year or 1,000 flight cycles after the effective date of this AD, whichever occurs first, perform an inspection and evaluation of the venting system of the main deck cargo floor to determine if the system limits decompression loads to a level that can be carried by the floor structure without failure, in accordance with a method approved by the Manager, Los Angeles ACO.

(e) If, based on the evaluation required by paragraph (d) of this AD, the venting system does not limit decompression loads to a level that can be carried by the floor structure without failure, within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, modify the venting system, as necessary, to limit the decompression loads to a level that can be supported successfully by the existing floor structure, in accordance with a method approved by the Manager, Los Angeles ACO.

Actions Addressing Main Deck Cargo Door Hinge

(f) For airplanes that have been converted from a passenger- to a cargo-carrying (''freighter'') configuration in accordance with STC SA1063SO: Within 250 flight cycles after the effective date of this AD, perform a detailed visual inspection to detect cracks of the exposed surfaces of the main deck cargo door hinge (both fuselage and door side hinge elements), in accordance with a method approved by the Manager, Los Angeles ACO. If any crack is detected, prior to further flight, repair in accordance with a method approved by the Manager, Los Angeles ACO, or replace the cracked hinge element with a new, like part.

Note 2: For the purposes of this AD, a detailed visual inspection is defined as: An intensive visual examination of a specific structural area, system, installation, or assembly to detect damage, failure, or irregularity. Available lighting is normally supplemented with a direct source of good lighting at intensity deemed appropriate by the inspector. Inspection aids such as mirror, magnifying lenses, etc., may be used. Surface cleaning and elaborate access procedures may be required.

(g) For airplanes that have been converted from a passenger- to a cargo-carrying (''freighter'') configuration in accordance with STC SA1063SO: Within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, accomplish the actions specified in paragraphs (g)(1) and (g)(2) of this AD in accordance with a method approved by the Manager, Los Angeles ACO.

(1) Perform a detailed visual inspection to detect cracks or other discrepancies (i.e., double or closely drilled holes, corrosion, chips, scratches, or gouges) of the mating surfaces of the main deck cargo door hinge, skin of the main deck cargo door, and external fuselage doubler underlying the hinge. If any discrepancy is detected, prior to further flight, repair the discrepant part.

(2) Install a main deck cargo door hinge that complies with the applicable requirements of CAR part 4b, including fail-safe requirements.

Actions Addressing Main Deck Cargo 9g Crash Barrier

(h) For airplanes that have been converted from a passenger- to a cargo-carrying (''freighter'') configuration in accordance with STC SA1377SO: Within 3 years or 4,000 flight cycles after the effective date of this AD, whichever occurs first, install a main deck cargo 9g crash barrier that complies with the applicable requirements of CAR part 4b, in accordance with a method approved by the Manager, Los Angeles ACO.

Alternative Methods of Compliance

(i) 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, Los Angeles ACO, FAA. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Los Angeles ACO.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

Special Flight Permit

(j) 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 airplane to a location where the requirements of this AD can be accomplished.

Effective Date

(k) This amendment becomes effective on January 30, 2002.

Issued in Renton, Washington, on December 13, 2001.

Kalene C. Yanamura,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 01–31550 Filed 12–21–01; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 8971]

RIN 1545–BA49

New Markets Tax Credit

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations that provide guidance for taxpayers claiming the new markets tax credit under section 45D. A taxpayer making a qualified equity investment in a qualified community development entity that has received a new markets tax credit allocation may claim a 5-percent tax credit with respect to the qualified equity investment on each of the first 3 credit allowance dates and a 6-percent tax credit with respect to the qualified equity investment on each of the remaining 4 credit allowance dates. The text of these temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in REG–119436–01 published elsewhere in this issue of the **Federal Register**.

DATES: *Effective Date:* These regulations are effective December 26, 2001.

Date of Applicability: For date of applicability of § 1.45D–1T, see § 1.45D–1T(h).

FOR FURTHER INFORMATION CONTACT: Paul Handleman, (202) 622–3040.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

These regulations are being issued without prior notice and public procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). For this reason, the collections of information contained in these regulations have been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget under control number 1545–1765. Responses to these collections of information are mandatory.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

For further information concerning these collections of information, and where to submit comments on the collections of information and the accuracy of the estimated burden, and suggestions for reducing this burden, please refer to the preamble to the cross-referencing notice of proposed rulemaking published in the Proposed Rules section of this issue of the **Federal Register**.

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 temporary regulations relating to the new markets tax credit under section 45D of the Internal Revenue Code (Code). This provision was added to the Code by section 121(a) of the Community Renewal Tax Relief Act of 2000 (Pub. L. 106–554). The Secretary has delegated certain administrative, application, allocation, monitoring, and other programmatic functions relating to the new markets tax credit program to the Under Secretary (Domestic Finance), who in turn has delegated those functions to the Community Development Financial Institutions Fund (CDFI Fund).

On May 1, 2001, the IRS published an advance notice of proposed rulemaking in the **Federal Register** (66 FR 21844) inviting comments relating to tax issues arising under section 45D. Numerous comments have been received. The IRS and Treasury Department have reviewed and considered all the comments in the process of preparing this Treasury decision. This preamble to the temporary regulations describes many, but not all, of the comments received by the IRS.

Explanation of Provisions

General Overview

Taxpayers may claim a new markets tax credit on a credit allowance date in an amount equal to the applicable percentage of the taxpayer's qualified equity investment in a qualified community development entity (CDE). The credit allowance date for any qualified equity investment is the date on which the investment is initially made and each of the 6 anniversary dates thereafter. The applicable percentage is 5 percent for the first 3 credit allowance dates and 6 percent for the remaining credit allowance dates.

A CDE is any domestic corporation or partnership if: (1) The primary mission of the entity is serving or providing investment capital for low-income communities or low-income persons; (2) the entity maintains accountability to residents of low-income communities through their representation on any governing board of the entity or on any advisory board to the entity; and (3) the entity is certified by the Secretary for purposes of section 45D as being a CDE.

The new markets tax credit may be claimed only for a qualified equity investment in a CDE. A qualified equity investment is any equity investment in a CDE for which the CDE has received an allocation from the Secretary if, among other things, the CDE uses substantially all of the cash from the investment to make qualified low-income community investments. Under a safe harbor, the substantially-all requirement is treated as met if at least 85 percent of the aggregate gross assets of the CDE are invested in qualified low-income community investments.