

Group	Models	Serial numbers
(1) Group 1 Sailplanes ..	Discus-2a and Discus-2b sailplanes that do not have Shempp-Hirth Technical Note No. 360-16 incorporated.	13 through 22, 24, 27, 30 through 48, 50, 51, 53, 54, 55, 57 through 63, 65, 67, 68, 71 through 79, 81, and 82.
(2) Group 2 Sailplanes ..	Ventus-2a, Ventus-2b, Discus-2a, and Discus-2b sailplanes.	<i>Ventus-2a and Venus-2b</i> :: 1, 2, 31, 32, 48, 54, 71, 117, 124 through 151, and 153; and all serial numbers that incorporate Modification Bulletin 349-42 or are equipped with a new tail unit per Shempp-Hirth Technical Note No. 349-27. <i>Discus-2a and Discus-2b</i> : 1 through 185, 187, 188, and 189.

#### What Is the Unsafe Condition Presented in This AD?

(d) This AD is the result of is the result of mandatory continuing airworthiness information (MCAI) issued by the

airworthiness authority for Germany. The actions of this AD are intended to detect and correct problems within the sailplane elevator control system before they lead to flutter and sailplane instability. This could eventually result in loss of sailplane control.

#### What Must I Do To Address This Problem?

(e) To address this problem, you must do the following:

Actions	Compliance	Procedures
(1) <i>For Group 1 sailplanes</i> : Add a mass balance to the elevators and install an elevator pushrod in the vertical fin.	Within the next 25 hours time-in-service (TIS) after the effective date of this AD, unless already done.	Follow Schempp-Hirth Technical Note No. 360-19, dated December 20, 2002.
(2) <i>For Group 2 sailplanes</i> : Modify the mass balance weights.	Within the next 25 hours TIS after the effective date of this AD, unless already done.	Follow Schempp-Hirth Technical Note No. 349-28 (No. 360-20, No. 863-8), dated September 16, 2003.

#### May I Request an Alternative Method of Compliance?

(f) You may request a different method of compliance or a different compliance time for this AD by following the procedures in 14 CFR 39.19. Unless FAA authorizes otherwise, send your request to your principal inspector. The principal inspector may add comments and will send your request to the Manager, Standards Office, Small Airplane Directorate, FAA. For information on any already approved alternative methods of compliance, contact Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; facsimile: (816) 329-4090.

#### May I Get Copies of the Documents Referenced in This AD?

(g) You may get copies of the documents referenced in this AD from Schempp-Hirth Flguzeugbau GmbH, Postfach 14 43, D-73230 Kirchheim/Teck, Federal Republic of Germany; telephone : 011 49 7021 7298-0; facsimile: 011 49 7021 7298-199. You may view these documents at FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106.

#### Is There Other Information That Relates to This Subject?

(h) German AD No. 2003-048, effective date: March 6, 2003, and German AD No. 2003-280, effective date: October 2, 2003, also address the subject of this AD.

Issued in Kansas City, Missouri, on February 10, 2004.

**James E. Jackson,**

*Acting Manager, Small Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 04-3353 Filed 2-13-04; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 2003-CE-62-AD]

RIN 2120-AA64

#### Airworthiness Directives; Glasflugel Models Mosquito and Club Libelle 205 Sailplanes

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

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The FAA proposes to adopt a new airworthiness directive (AD) for all Glasflugel Models Mosquito and Club Libelle 205 sailplanes. This proposed AD would require you to replace the rudder actuator arm with an improved design rudder actuator arm. This proposed AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany. We are issuing this proposed AD to prevent the rudder attachment actuator arm from failing due to ground handling damage. This

failure could eventually result in reduced or loss of sailplane control.

**DATES:** We must receive any comments on this proposed AD by March 22, 2004.

**ADDRESSES:** Use one of the following to submit comments on this proposed AD:

- *By mail:* FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-CE-62-AD, 901 Locust, Room 506, Kansas City, Missouri 64106.
- *By fax:* (816) 329-3771.
- *By e-mail:* 9-ACE-7-Docket@faa.gov.

Comments sent electronically must contain "Docket No. 2003-CE-62-AD" in the subject line. If you send comments electronically as attached electronic files, the files must be formatted in Microsoft Word 97 for Windows or ASCII.

You may get the service information identified in this proposed AD from Glasflugel, Glasfaser-Flugzeug-Service GmbH, Hansjory Steifeneder, Hofener Weg, 72582 Grabenstetten, Federal Republic of Germany; telephone: 011 49 7382 1032.

You may view the AD docket at FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-CE-62-AD, 901 Locust, Room 506, Kansas City, Missouri 64106. Office hours are 8 a.m. to 4 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4130; facsimile: (816) 329-4090.

**SUPPLEMENTARY INFORMATION:****Comments Invited**

*How do I comment on this proposed AD?* We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include "AD Docket No. 2003-CE-62-AD" in the subject line of your comments. If you want us to acknowledge receipt of your mailed comments, send us a self-addressed, stamped postcard with the docket number written on it. We will date-stamp your postcard and mail it back to you.

*Are there any specific portions of this proposed AD I should pay attention to?* We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. If you contact us through a nonwritten communication and that contact relates to a substantive part of this proposed AD, we will summarize the contact and place the summary in the docket. We will consider all comments received by the closing date and may amend this proposed AD in light of those comments and contacts.

**Discussion**

*What events have caused this proposed AD?* The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, recently notified FAA that an unsafe condition may exist on all Glasflugel Models Mosquito and Club Libelle 205 sailplanes. The LBA reports incidents of rudder actuator arm failure. This failure is occurring through lifting the fuselage by the rudder.

Glasflugel has manufactured a new improved design rudder actuator arm that is less susceptible to such damage.

*What are the consequences if the condition is not corrected?* Rudder attachment actuator arm failure could eventually result in reduced or loss of sailplane control.

*Is there service information that applies to this subject?* Glasflugel has issued Technical Note No. 205-22 and No. 206-21, dated October 14, 2002 (German original dated October 11, 2002). The technical note includes procedures for replacing the rudder actuator arm with an improved design rudder actuator arm.

*What action did the LBA take?* The LBA classified this technical note as mandatory and issued German AD No. 2003-004, effective date: January 9, 2003, to ensure the continued airworthiness of these sailplanes in Germany.

*Did the LBA inform the United States under the bilateral airworthiness agreement?* These Glasflugel Models Mosquito and Club Libelle 205 sailplanes are manufactured in Germany and are type-certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement.

Under this bilateral airworthiness agreement, the LBA has kept us informed of the situation described above.

**FAA's Determination and Requirements of This Proposed AD**

*What has FAA decided?* We have examined the LBA's findings, reviewed all available information, and

determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Since the unsafe condition described previously is likely to exist or develop on other Glasflugel Models Mosquito and Club Libelle 205 sailplanes of the same type design that are registered in the United States, we are proposing AD action to prevent the rudder attachment actuator arm from failing due to ground handling damage. This failure could eventually result in reduced or loss of sailplane control.

*What would this proposed AD require?* This proposed AD would require you to incorporate the actions in the previously-referenced technical note.

*How does the revision to 14 CFR part 39 affect this proposed AD?* On July 10, 2002, we published a new version of 14 CFR part 39 (67 FR 47997, July 22, 2002), which governs FAA's AD system. This regulation now includes material that relates to altered products, special flight permits, and alternative methods of compliance. This material previously was included in each individual AD. Since this material is included in 14 CFR part 39, we will not include it in future AD actions.

**Costs of Compliance**

*How many sailplanes would this proposed AD impact?* We estimate that this proposed AD affects 80 sailplanes in the U.S. registry.

*What would be the cost impact of this proposed AD on owners/operators of the affected sailplanes?* We estimate the following costs to accomplish this proposed replacement:

Labor cost	Parts cost	Total cost per sailplane	Total cost on U.S. operators
3 workhours at \$65 per hour = \$195 .....	\$90 per sailplane .....	\$285 per sailplane .....	\$22,800

**Regulatory Findings**

*Would this proposed AD impact various entities?* We have determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would 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.

*Would this proposed AD involve a significant rule or regulatory action?* For the reasons discussed above, I certify that this proposed 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 summary of the costs to comply with this proposed AD and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under **ADDRESSES**. Include "AD Docket No. 2003-CE-62-AD" in your request.

**List of Subjects in 14 CFR Part 39**

Air transportation, Aircraft, Aviation safety, Safety.

**The Proposed Amendment**

Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 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 airworthiness directive (AD):

**Glasflugel:** Docket No. 2003–CE–62–AD.

*When Is the Last Date I Can Submit Comments on This Proposed AD?*

(a) We must receive comments on this proposed airworthiness directive (AD) by March 22, 2004.

*What Other ADs Are Affected by This Action?*

(b) None.

*What Sailplanes Are Affected by This AD?*

(c) This AD affects the Models Mosquito and Club Libelle 205 sailplanes, all serial numbers, that are certificated in any category:

*What Is the Unsafe Condition Presented in This AD?*

(d) This AD is the result of mandatory continuing airworthiness information (MCAI)

issued by the airworthiness authority for Germany. The actions of this AD are intended to prevent the rudder attachment actuator arm from failing due to ground handling damage. This failure could eventually result in reduced or loss of sailplane control.

*What Must I do to Address This Problem?*

(e) To address this problem, you must do the following:

Actions	Compliance	Procedures
(1) Replace the rudder actuator arm (manufactured following drawing No. 203–45–10) with an improved design arm that is manufactured following drawing No. 203–45–10–2.	Within the next 25 hours time-in-service (TIS) after the effective date of this AD, unless already done.	Follow Glasflugel Technical Note No. 205–22 and No. 206–21, dated October 14, 2002 (German original dated October 11, 2002).
(2) Do not install any rudder actuator arm that is not manufactured following drawing No. 203–45–10–2.	As of the effective date of this AD .....	Not Applicable.

*May I Request an Alternative Method of Compliance?*

(f) You may request a different method of compliance or a different compliance time for this AD by following the procedures in 14 CFR 39.19. Unless FAA authorizes otherwise, send your request to your principal inspector. The principal inspector may add comments and will send your request to the Manager, Standards Office, Small Airplane Directorate, FAA. For information on any already approved alternative methods of compliance, contact Greg Davison, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4130; facsimile: (816) 329–4090.

*May I Get Copies of the Documents Referenced in This AD?*

(g) You may get copies of the documents referenced in this AD from Glasflugel, Glasfaser-Flugzeug-Service GmbH, Hansjory Steifeneder, Hofener Weg, 72582 Grabenstetten, Federal Republic of Germany; telephone: 011 49 7382 1032. You may view these documents at FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106.

*Is There Other Information That Relates to This Subject?*

(h) German AD No. 2003–004, effective date: January 9, 2003, also addresses the subject of this AD.

Issued in Kansas City, Missouri, on February 10, 2004.

**James E. Jackson,**

*Acting Manager, Small Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 04–3352 Filed 2–13–04; 8:45 am]

**BILLING CODE 4910–13–P**

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Part 1**

**[REG–126967–03]**

**RIN 1545–BC20**

**Value of Life Insurance Contracts When Distributed From a Qualified Retirement Plan**

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

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

**SUMMARY:** This document contains proposed amendments to the regulations under section 402(a) of the Internal Revenue Code regarding the amount includible in a distributee's income when life insurance contracts are distributed by a qualified retirement plan and the treatment of property sold by a qualified retirement plan to a plan participant or beneficiary for less than fair market value. This document also contains proposed amendments to the regulations under sections 79 and 83 conforming the language in those regulations to the language in the proposed amendments to the section 402(a) regulations. These regulations will affect administrators of, participants in, and beneficiaries of qualified employer plans. These regulations also provide guidance to employers who provide group-term life insurance to their employees that is includible in the gross income of the employees and to employers who transfer life insurance contracts to persons in connection with the performance of services. This document

also provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by May 17, 2004. Requests to speak and outlines of topics to be discussed at the public hearing scheduled for June 9, 2004, at 10 a.m., must be received by May 19, 2004.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–126967–03), 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 4 p.m. to: CC:PA:LPD:PR (REG–126967–03), 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>. The public hearing will be held in the Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed amendments to the section 79 regulations, Betty Clary at (202) 622–6080; concerning the proposed amendments to the section 83 regulations, Robert Misner at (202) 622–6030; concerning the proposed amendments to the 402 regulations, Linda Marshall at (202) 622–6090; concerning submissions and the hearing and/or to be placed on the building access list to attend the hearing, Robin Jones at (202) 622–7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:****Background**

This document contains proposed amendments to the Income Tax