

(iv) Cap the exhaust opening;
 (v) Remove the heater; and
 (vi) Do weight and balance for the aircraft.
 (vii) If you install an applicable combustion heater, you must perform one of the actions in paragraphs (f)(1) through (3) of this AD.

(l) Special Flight Permit

Special flight permits are permitted in accordance with 14 CFR 39.23 with the following limitation: Use of the heater is not allowed.

(m) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Chicago Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in paragraph (o)(1) of this AD.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(3) AMOCs approved for AD 81-09-09 (46 FR 24936, May 4, 1981) are not approved as AMOCs for this AD.

(n) Related Information

(1) For more information about this AD, contact Chung-Der Young, Aerospace Engineer, Chicago Aircraft Certification Office, FAA, Small Airplane Directorate, 2300 East Devon Avenue, Des Plaines, IL 60018-4696; telephone (847) 294-7309; fax (847) 294-7834 email: chung-der.young@faa.gov.

(2) For service information identified in this AD, contact Meggitt Control Systems, 3 Industrial Drive, Troy, Indiana 47588; telephone: (812) 547-7071; fax: (812) 547-2488; email: infotroy@meggitt.com; Internet: www.stewart-warner.com. You may view this referenced service information at the FAA, Small Airplane Directorate, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329-4148.

Appendix 1 to Docket No. FAA-2016-0603

The following service information applies to certain combustion heater models affected by this AD, but the service information can not be required by the AD. You may use this service information for procedural guidance when applying for an alternative method of compliance.

—South Wind Service Manual P.M. 35710 Aircraft Heaters 8240-E, 8259-HL1, HL2, -L, supplements attached HR2.JR2.M;
 —South Wind Service Manual PM35710 Aircraft Heaters
 —Stewart-Warner Corporation South Wind Division Service Manual South Wind Aircraft Heaters Series 921 and 930, Ind-506, Revision 4-53;
 —Stewart-Warner Corporation South Wind Division Service Manual South Wind Series 940 Heater, PM-10035, Revision 3-82;

—Stewart-Warner Corporation South Wind Division Service Manual South Wind Model 978 Personal Heater, Form No. PM6348 (12-56);
 —South Wind Service Manual Model 979-B1 Aircraft Heater, South Wind Division of Stewart-Warner Corporation, (3-51);
 —Navion Model 977-B Installation Manual Section I, Section II, Section III, and Section IV.

Issued in Kansas City, Missouri, on October 27, 2016.

Pat Mullen,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2016-26428 Filed 11-2-16; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2015-0165; Directorate Identifier 2015-NE-02-AD]

RIN 2120-AA64

Airworthiness Directives; General Electric Company Turbofan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to supersede airworthiness directive (AD) 2015-15-03, which applies to all General Electric Company (GE) GENx turbofan engine models. AD 2015-15-03 precludes the use of certain full authority digital engine control (FADEC) software on GENx turbofan engines. Since we issued AD 2015-15-03, GE implemented final design changes that remove the unsafe condition. This proposed AD would require removing a specific part and replacing it with a part eligible for installation and specifying the FADEC software version for the affected GENx turbofan engines. We are proposing this AD to prevent engine failure, loss of thrust control, and damage to the airplane.

DATES: We must receive comments on this proposed AD by January 3, 2017.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Fax:* 202-493-2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room

W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.

• *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this NPRM, contact General Electric Company, GE Aviation, Room 285, 1 Neumann Way, Cincinnati, OH 45215; phone: 513-552-3272; email: gae.aoc@ge.com. You may view this service information at the FAA, Engine & Propeller Directorate, 1200 District Avenue, Burlington, MA. For information on the availability of this material at the FAA, call 781-238-7125.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2015-0165; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (phone: 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Christopher McGuire, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 1200 District Avenue, Burlington, MA 01803; phone: 781-238-7120; fax: 781-238-7199; email: chris.mcguire@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2015-0165; Directorate Identifier 2015-NE-02-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this NPRM. We will consider all comments received by the closing date and may amend this NPRM because of those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this NPRM.

Discussion

On July 13, 2015, we issued AD 2015–15–03, Amendment 39–18212 (80 FR 42707, July 20, 2015), (“AD 2015–15–03”), for all GE GENx–1B turbofan engines with FADEC software, version B175 or earlier, installed, and all GE GENx–2B turbofan engines with FADEC software, version C065 or earlier, installed. AD 2015–15–03 precludes the use of FADEC software, version B175 or earlier, in GENx–1B engines, and the use of FADEC software, version C065 or earlier, in GENx–2B engines. AD 2015–15–03 resulted from engine power loss due to ice crystal icing conditions. We issued AD 2015–15–03 to prevent engine failure, loss of thrust control, and damage to the airplane.

Actions Since AD 2015–15–03 Was Issued

Since we issued AD 2015–15–03, GE implemented final design changes that remove the unsafe condition.

Related Service Information

We reviewed GE GENx–2B Service Bulletin (SB) 72–0241 R00, dated March 16, 2016 that describes removal and installation procedures for fan hub stator assembly booster outlet guide vane (BOGV); GE GENx–2B SB 73–0041 R00, dated July 2, 2015 that describes reprogramming procedures for electronic engine control (EEC) software version C075; and GE GENx–1B SB 73–0044 R00, dated July 1, 2015 that describes reprogramming procedures for EEC software version B185.

FAA’s Determination

We are proposing this AD because we evaluated all the relevant information and determined the unsafe condition described previously is likely to exist or develop in other products of the same type design.

Proposed AD Requirements

This NPRM would require removing from service the GENx–2B fan hub stator assembly BOGV, P/N B1316–00720, and replacing with a part eligible for installation. This NPRM would also specify the FADEC software version for GENx–1B and GENx–2B engines.

Costs of Compliance

We estimate that this proposed AD affects 130 engines installed on airplanes of U.S. registry. We estimate that it would take about 1 hour per engine to comply with the software installation proposed by this AD. We also estimate that 32 engines would require hardware replacement, which would take about 60 hours per engine. Required parts cost about \$390,000 per

engine. The average labor rate is \$85 per hour. Based on these figures, we estimate the cost of this proposed AD on U.S. operators to be \$12,654,250.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA’s authority to issue rules on aviation safety. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency’s authority.

We are issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, “General requirements.” Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

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.

For the reasons discussed above, I certify that the proposed regulation:

- (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),
- (3) Will not affect intrastate aviation in Alaska to the extent that it justifies making a regulatory distinction, and
- (4) 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.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA 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 removing airworthiness directive (AD) 2015–15–03, Amendment 39–18212 (80 FR 42707, July 20, 2015), and adding the following new AD:

General Electric Company: Docket No. FAA–2015–0165; Directorate Identifier 2015–NE–02–AD.

(a) Comments Due Date

The FAA must receive comments on this AD action by January 3, 2017.

(b) Affected ADs

This AD replaces AD 2015–15–03, Amendment 39–18212 (80 FR 42707, July 20, 2015).

(c) Applicability

This AD applies to all General Electric Company (GE) GENx–1B and GENx–2B turbofan engines.

(d) Unsafe Condition

This AD was prompted by final design changes that remove the unsafe condition. We are issuing this AD to prevent engine failure, loss of thrust control, and damage to the airplane.

(e) Compliance

Comply with this AD within the compliance times specified, unless already done.

(1) Thirty days after the effective date of this AD, do not operate any GE GENx–1B engine with electronic engine control (EEC) full authority digital engine control (FADEC) software, version B180 or earlier, installed.

(2) Thirty days after the effective date of this AD, do not operate any GE GENx–2B engine with EEC FADEC software, version C068 or earlier, installed.

(3) At the next shop visit after the effective date of this AD, remove from service all GE GENx–2B67, –2B67B, and –2B67/P fan hub stator assembly booster outlet guide vanes, part number B1316–00720, and replace with a part eligible for installation.

(f) Installation Prohibition

After removing any software, version B180 or earlier, for the GE GENx–1B engines; or software, version C068 or earlier, for the GE GENx–2B engines, do not operate those engines with any software, version earlier than B180 or C068.

(g) Definition

For the purpose of this AD, an “engine shop visit” is the induction of an engine into the shop for maintenance involving the separation of pairs of major mating engine case flanges, except for the following situations which do not constitute an engine shop visit:

- (1) Separation of engine flanges solely for the purposes of transportation without

subsequent maintenance does not constitute an engine shop visit.

(2) Separation of engine flanges solely for the purpose of replacing the fan or propulsor without subsequent maintenance does not constitute an engine shop visit.

(h) Alternative Methods of Compliance (AMOCs)

The Manager, Engine Certification Office, FAA, may approve AMOCs for this AD. Use the procedures found in 14 CFR 39.19 to make your request. You may email your request to: ANE-AD-AMOC@faa.gov.

(i) Related Information

For more information about this AD, contact Christopher McGuire, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 1200 District Avenue, Burlington, MA 01803; phone: 781-238-7120; fax: 781-238-7199; email: chris.mcguire@faa.gov.

Issued in Burlington, Massachusetts, on October 24, 2016.

Colleen M. D'Alessandro,

Manager, Engine & Propeller Directorate, Aircraft Certification Service.

[FR Doc. 2016-26011 Filed 11-2-16; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 33, 40, 45, 153, 157, 340-347, 380

[Docket No. AD12-6-002]

Retrospective Analysis of Existing Rules; Notice of Staff Memorandum

Take notice that the Commission staff is issuing a memorandum setting forth certain proposed revisions to the Commission's regulations affecting interlocking directorates, seismic data requirements for liquefied natural gas facilities, and oil pipeline rates. The memorandum is being issued pursuant to the November 8, 2011 *Plan for Retrospective Analysis of Existing Rules* prepared in response to Executive Order 13579, which requested independent regulatory agencies issue plans for periodic retrospective analysis of their existing regulations.

The Staff Memorandum is being placed in the record in the above-referenced administrative docket. The Staff Memorandum will also be available on the Commission's Web site at <http://www.ferc.gov>.

Comments on the Staff Memorandum should be filed within 30 days of the issuance of this Notice. The Commission encourages electronic submission of comments in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file

electronically should submit an original of the comment to the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426.

All filings in this docket are accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link. There is an "eSubscription" link on the Web site that enables subscribers to receive email notification when a document is added to a subscribed docket. For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Questions regarding this Notice should be directed to: Kenneth Yu, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, 202-502-8482, Kenneth.Yu@ferc.gov.

Dated: October 28, 2016.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2016-26539 Filed 11-2-16; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-114734-16]

RIN 1545-BN51

United States Property Held by Controlled Foreign Corporations Through Partnerships With Special Allocations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that provide rules regarding the determination of the amount of United States property treated as held by a controlled foreign corporation (CFC) through a partnership. The proposed regulations affect United States shareholders of CFCs.

DATES: Written or electronic comments and requests for a public hearing must be received by February 1, 2017.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-114734-16), 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-114734-16), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW.,

Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-114734-16).

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Rose E. Jenkins, (202) 317-6934; concerning submissions of comments or requests for a public hearing, Regina Johnson, (202) 317-6901 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

In the Rules and Regulations section of this issue of the **Federal Register**, the Department of Treasury (Treasury Department) and the IRS are issuing final regulations that amend the Income Tax Regulations (26 CFR part 1) relating to sections 954 and 956. Under § 1.956-4(b), a CFC that is a partner in a partnership determines its share of United States property held by the partnership in accordance with the CFC's liquidation value percentage in the partnership, or, when relevant, based on a special allocation of income (or, where appropriate, gain) from the property. This document proposes to amend § 1.956-4(b) so that a CFC that is a partner in a controlled partnership determines its share of United States property held by the partnership under the liquidation value percentage method, regardless of the existence of any special allocation of income or gain from the property.

Explanation of Provisions

Section 956 determines the amount that a United States shareholder (as defined in section 951(b)) of a CFC must include in gross income with respect to the CFC under section 951(a)(1)(B). This amount is determined, in part, based on the average of the amounts of United States property held, directly or indirectly, by the CFC at the close of each quarter during its taxable year. For this purpose, in general, the amount taken into account with respect to any United States property is the adjusted basis of the property, reduced by any liability to which the property is subject. See section 956(a) and § 1.956-1(e). Section 956(e) grants the Secretary authority to prescribe such regulations as may be necessary to carry out the purposes of section 956, including regulations to prevent the avoidance of section 956 through reorganizations or otherwise.

Under § 1.956-4(b), a CFC that is a partner in a partnership generally is treated as holding its share of United States property held by the partnership