

link by adding an "F" to the part number, using an electro chemical deep etch method; or a new upper lock link assembly, P/N 5965065-507; all made from die forged aluminum material; per the applicable service bulletin. Accomplishment of the replacement constitutes terminating action for the requirements of this AD.

#### Etch Inspection

(c) Perform a one-time etch inspection of the NLG upper lock link to determine whether the lock link is made from die forged aluminum material (Condition 2), or from plate or bar material (Condition 3); per the applicable Boeing (McDonnell Douglas) service bulletin listed in Table 1 of this AD.

#### Condition 2 (Die Forged Aluminum Material)

(1) If the upper lock link is made from die forged aluminum material, before further flight, restore the finish and reidentify the lock link by adding an "F" to the part number, using an electro chemical deep etch method, per the applicable service bulletin. Identification of the lock link as being made from die forged aluminum material constitutes terminating action for the requirements of this AD.

#### Condition 3 (Plate or Bar Material)

(2) If the NLG upper lock link is made from plate or bar material, before further flight, do either Condition 3, Option 1, as specified by paragraph (c)(2)(i) of this AD, or Condition 3, Option 2, as specified by paragraphs (c)(2)(ii) and (c)(2)(iii) of this AD.

#### Condition 3, Option 1

(i) Permanently remove any discrepant upper lock link and replace with a new upper lock link, P/N 3914464-507; a reidentified upper lock link by adding an "F" to the part number, using an electro chemical deep etch method; or a new upper lock link assembly, P/N 5965065-507; all made from die forged aluminum material; per the applicable service bulletin. Accomplishment of the replacement constitutes terminating action for the requirements of this AD.

#### Condition 3, Option 2

(ii) Restore the link finish and reidentify the upper lock link by adding a black paint stripe adjacent to the part number, indicating that the part is not made from die forged aluminum material, per the applicable service bulletin.

(iii) Do a high frequency eddy current (HFEC) or Type I fluorescent penetrant inspection of the upper lock link assembly, P/N 3914464—(any configuration), to detect cracking of the assembly; per McDonnell Douglas Alert Service Bulletin DC9-32A298, Revision 02 [for Model DC-9, DC-9-80, and C-9 (military) series airplanes; and Model MD-88 airplanes], or Alert Service Bulletin MD90-32A019, Revision 02 (for Model MD-90 airplanes), both dated October 29, 1997; as applicable.

#### Actions Following the Inspection Required by Paragraph (c)(2)(iii)

(d) If no crack is detected during the HFEC or Type I fluorescent penetrant inspection required by paragraph (c)(2)(iii) of this AD,

within 2,500 landings on the NLG since accomplishment of the inspection performed per paragraph (c)(2)(iii) of this AD, as applicable, do that inspection a second time. If no crack is detected during this second inspection, within 2,500 landings after accomplishment of the second inspection, replace the upper lock link with a new upper lock link, P/N 3914464-507; a reidentified upper lock link by adding an "F" to the part number, using an electro chemical deep etch method; or a new upper lock link assembly, P/N 5965065-507; all made from die forged aluminum material; per the applicable Boeing (McDonnell Douglas) service bulletin listed in Table 1 of this AD. Accomplishment of the replacement action constitutes terminating action for the requirements of this AD.

(e) If any crack is detected during the HFEC or Type I fluorescent penetrant inspection required by paragraph (c)(2)(iii) or (d) of this AD, before further flight, replace the discrepant NLG upper lock link with a new upper lock link, P/N 3914464-507; a reidentified upper lock link by adding an "F" to the part number, using an electro chemical deep etch method; or a new upper lock link assembly, P/N 5965065-507; all made from die forged aluminum material; per the applicable Boeing (McDonnell Douglas) service bulletin listed in Table 1 of this AD. Accomplishment of the replacement constitutes terminating action for the requirements of this AD.

#### Alternative Methods of Compliance

(f)(1) 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 Aircraft Certification Office (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 2:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

(2) Alternative methods of compliance, approved previously in accordance with AD 97-02-10, amendment 39-9895, are approved as alternative methods of compliance with paragraph (f)(1) of this AD.

#### Special Flight Permits

(g) 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.

Issued in Renton, Washington, on February 8, 2001.

#### Donald L. Riggins,

*Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.*  
[FR Doc. 01-3700 Filed 2-13-01; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 1, 31 and 301

[REG-107186-00]

RIN 1545-AY50

#### Electronic Payee Statements

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

**ACTION:** Notice of proposed rulemaking by cross reference to temporary regulations and notice of public hearing.

**SUMMARY:** The IRS is proposing regulations under sections 6041 and 6051 relating to the voluntary electronic furnishing of payee statements on Forms W-2. The proposed regulations also provide rules under section 6050S relating to the voluntary electronic furnishing of statements to individuals for whom Forms 1098-T, "Tuition Payments Statement," and Forms 1098-E, "Student Loan Interest Statement," are filed. The proposed regulations will affect persons required by the foregoing Internal Revenue Code sections to furnish these statements (furnishers) who wish to furnish these statements electronically. The proposed regulations will also affect individuals, principally employees, students, and borrowers (recipients), who consent to receive these statements electronically. The text of temporary regulations published in the Rules and Regulations section of this issue of the **Federal Register** serves as the text of these proposed regulations. These proposed regulations do not affect the requirement to file copy A of Forms W-2 with the Social Security Administration or the requirement to file Forms 1098-T or Forms 1098-E with the IRS.

**DATES:** Written or electronic comments and requests to speak (with outlines of oral comments) at a public hearing scheduled for June 4, 2001, at 10 a.m. must be submitted by May 14, 2001.

**ADDRESSES:** Send submissions to: CC:M&SP:RU (REG-107186-00), 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:M&SP:RU (REG-107186-00), 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 Regulations" option on the IRS Home Page, or by submitting comments directly to the IRS Internet

site at [http://www.irs.gov/tax\\_regs/regslst.html](http://www.irs.gov/tax_regs/regslst.html). The public hearing will be held in the IRS Auditorium, Seventh Floor, Internal Revenue Service Building, 1111 Constitution Avenue, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Concerning the regulations, Laura C. Nash (202) 622-4910; concerning submission of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Sonya Cruse (202) 622-7180 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:**

**Paperwork Reduction Act**

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, W:CAR:MP:FP:S:O, Washington, DC 20224. Comments on the collection of information should be received by April 16, 2001. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

The collections of information in these proposed regulations are in §§ 1.6041-2(a)(5), 1.6050S-1(a), 1.6050S-2(a), and 31.6051-1(i). These temporary regulations state that furnishers may provide the written statements required by sections 6041(d), 6050S(d), and 6051 in an electronic format in lieu of a paper format. In

addition, the proposed regulations provide furnishers with a method to furnish a statement in connection with a Form 1098-T or Form 1098-E under section 6050S(d), or a Form W-2 under section 6041(d) or 6051, electronically using website technology. In general, a furnisher may furnish the statement electronically using the method described in the proposed regulations if the recipient consents to receive the statement electronically, and if the furnisher makes certain disclosures to the recipient, annually notifies the recipient that the statement is available on a website, and provides access to the statement on that website for a prescribed period of time. This collection of information is required only for persons who wish to furnish the statements electronically using the method described in the proposed regulations. The likely respondents are businesses, other for-profit institutions, and eligible educational institutions.

*Estimated total annual reporting/recordkeeping burden:* 2,844,950 hours.

*Estimated average annual burden hours per response:* 6 minutes.

*Estimated number of responses:* 28,449,495.

*Estimated annual frequency of responses:* Once.

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 assigned by the Office of Management and Budget.

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**

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Regulations on Income Taxes (26 CFR part 1) relating to sections 6041 and 6050S(d), the Regulations on Employment Taxes and Collection of Income Tax at Source (26 CFR part 31) relating to section 6051, and the Regulations on Procedure and Administration (26 CFR part 301) relating to section 6724. The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the regulations.

**Special Analyses**

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. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. Chapter 5) does not apply to these regulations. An initial regulatory flexibility analysis has been prepared for this notice of proposed rulemaking under 5 U.S.C. 603 and is set forth under the heading "Initial Regulatory Flexibility Act Analysis" in this preamble. Pursuant to section 7805(f), 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.

**Initial Regulatory Flexibility Act Analysis**

This initial analysis is required under the Regulatory Flexibility Act. (5 U.S.C. chapter 6). The collection of information contained in §§ 1.6041-2(a)(5), 1.6050S-1(a), 1.6050S-2(a), and 31.6051-1(i) is required if a furnisher implements the method described in the proposed regulations to furnish statements electronically.

The types of small entities to which the proposed regulations may apply are small eligible educational institutions (such as colleges and universities), certain payees of interest on qualified education loans, and small employers. It is estimated that furnishers will seek consents from approximately 28,449,495 individuals to receive these statements electronically. There are no known Federal rules that duplicate, overlap, or conflict with these proposed regulations. The regulations proposed are considered to have the least economic effect on small entities of all alternatives considered.

**Comments and Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any electronic or written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying.

A public hearing has been scheduled for June 4, 2001, beginning at 10 a.m., in the IRS Auditorium of the Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. Due to

building security procedures, visitors must enter at the 10th Street entrance, located between Constitution and Pennsylvania Avenues, NW. In addition, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 15 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit written comments and an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by May 14, 2001. A period of ten minutes will be allotted to each person for making comments. An agenda showing the scheduling of speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

#### Drafting Information

The principal author of these proposed regulations is Eric Lucas, formerly of the Office of Associate Chief Counsel (Procedure and Administration). However, other personnel from the IRS and Treasury Department participated in their development.

#### List of Subjects

##### 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

##### 26 CFR Part 31

Employment taxes, Income taxes, Penalties, Pensions, Railroad retirement, Reporting and recordkeeping requirements, Social security, Unemployment compensation.

##### 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

#### Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1, 31, and 301 are proposed to be amended as follows:

### PART 1—INCOME TAXES

**Paragraph 1.** The authority citation for part 1 is amended by adding entries

in numerical order to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

Section 1.6041–2 also issued under 26 U.S.C. 6041(d). \* \* \*

Section 1.6050S–1 also issued under 26 U.S.C. 6050S(g).

Section 1.6050S–2 also issued under 26 U.S.C. 6050S(g). \* \* \*

**Par. 2.** Section 1.6041–2 is amended by adding a new paragraph (a)(5) to read as follows:

#### § 1.6041–2 Return of information as to payments to employees.

(a) \* \* \*

(5) [The text of proposed paragraph (a)(5) is the same as the text of § 1.6041–2T(a)(5) published elsewhere in this issue of the **Federal Register**.  
\* \* \* \* \*

**Par. 3.** Sections 1.6050S–1 and 1.6050S–2 are added to read as follows:

#### § 1.6050S–1 Information reporting for payments and reimbursements or refunds of qualified tuition and related expenses.

[The text of these proposed regulations is the same as the text of § 1.6050S–1T published elsewhere in this issue of the **Federal Register**.  
\* \* \* \* \*

#### § 1.6050S–2 Information reporting for payments of interest on qualified education loans.

[The text of these proposed regulations is the same as the text of § 1.6050S–2T published elsewhere in this issue of the **Federal Register**.  
\* \* \* \* \*

### PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE

**Par. 4.** The authority citation for part 31 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

**Par. 5.** Section 31.6051–1 is amended by:

1. Redesignating paragraph (i) as paragraph (j).

2. Adding a new paragraph (i).

The addition reads as follows:

#### § 31.6051–1 Statements for employees.

\* \* \* \* \*

(i) [The text of proposed paragraph (i) is the same as the text of § 31.6051–1T(j) published elsewhere in this issue of the **Federal Register**.  
\* \* \* \* \*

### PART 301—PROCEDURE AND ADMINISTRATION

**Par. 6.** The authority citation for part 301 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

**Par. 7.** Section 301.6724–1 is amended by adding a new paragraph (d)(3) to read as follows:

#### § 301.6724–1 Reasonable cause.

\* \* \* \* \*

(d) \* \* \*

(3) [The text of proposed paragraph (d)(3) is the same as the text of § 301.6724–1T(d)(3) published elsewhere in this issue of the **Federal Register**.  
\* \* \* \* \*

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

[FR Doc. 01–1293 Filed 2–13–01; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 301

[REG–101520–97]

RIN 1545–AV01

#### Return of Property in Certain Cases

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations relating to the return of property in certain cases. The proposed regulations reflect changes made to section 6343 of the Internal Revenue Code of 1986 by the Taxpayer Bill of Rights 2. The proposed regulations also reflect certain changes affecting levies enacted by the Internal Revenue Service Restructuring and Reform Act of 1998. The proposed regulations affect taxpayers seeking the return of property from the IRS.

**DATES:** Written comments and requests for a public hearing must be received by May 15, 2001.

**ADDRESSES:** Send submissions to: CC:M&SP:RU (REG–101520–97), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered to: CC:M&S:RU (REG–101520–97), room 5226, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC. Taxpayers may also 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.gov/prod/tax\\_regs/regslist.html](http://www.irs.gov/prod/tax_regs/regslist.html).

**FOR FURTHER INFORMATION CONTACT:** Kevin B. Connelly, (202) 622–3630 (not a toll-free number).