Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96–NM–123–AD]

RIN 2120–AA64

Airworthiness Directives; Construcciones Aeronauticas, S.A. (CASA) Model C–212 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to all CASA C–212 series airplanes. This proposal would require the implementation of a corrosion prevention and control program either by accomplishing specific inspections or by revising the maintenance inspection program to include such a program. This proposal is prompted by reports of incidents involving corrosion and fatigue cracking in transport category airplanes that are approaching or have exceeded their economic design goal; these incidents have jeopardized the airworthiness of the affected airplanes. The actions specified by the proposed AD are intended to prevent degradation of the structural capabilities of the airplane due to the problems associated with corrosion.

DATES: Comments must be received by March 17, 1997.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM–103, Attention: Rules Docket No. 96–NM–123–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Construcciones Aeronauticas, S.A., Getafe, Madrid, Spain. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Greg Dunn, Aerospace Engineer, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (206) 227–2799; fax (206) 227–1149.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: ‘‘Comments to Docket Number 96–NM–123–AD.’’ The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Transport Airplane Directorate, ANM–103, Attention: Rules Docket No. 96–NM–123–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056.

Discussion: Background

In April 1988, a high-cycle transport category airplane (specifically, a Boeing Model 737) was involved in an accident in which the airplane suffered major structural damage during flight. Investigation of this accident revealed that the airplane had numerous fatigue cracks and a great deal of corrosion. Subsequent inspections conducted by the operator on other high-cycle transport category airplanes in its fleet revealed that other airplanes had extensive fatigue cracking and corrosion.

Prompted by the data gained from this accident, the FAA sponsored a conference on aging airplanes in June 1988, which was attended by representatives from the aviation industry and airworthiness authorities from around the world. It became obvious that, because of the tremendous increase in air travel, the relatively slow pace of new airplane production, and the apparent economic feasibility of continuing to operate older technology airplanes rather than retire them, increased attention needed to be focused on the aging airplane fleet and maintaining its continued operational safety.

The Air Transport Association (ATA) of America and the Aerospace Industries Association (AIA) of America agreed to undertake the task of identifying and implementing procedures to ensure the continued structural airworthiness of aging transport category airplanes. An Airworthiness Assurance Working Group (AAWG) was established in August 1988, with members representing aircraft manufacturers, operators, regulatory authorities, and other aviation industry representatives worldwide. The objective of the AAWG was to sponsor groups to:

1. Select service bulletins, applicable to each airplane model in the transport fleet, to be recommended for mandatory modification of aging airplanes;
2. Develop corrosion-directed inspections and prevention programs;
3. Review the adequacy of each operator’s structural maintenance program;
4. Review and update the Supplemental Inspection Documents (SID); and
5. Assess repair quality.

Development of Relevant Service Document

CASA has completed its work on Item 2 and has developed a baseline program

for controlling corrosion on the CASA Model C–212 fleet. The program is contained in CASA Document CPCP C–212–PV01, ''C–212 Corrosion Prevention and Control Program Document,'' dated March 31, 1995. (Hereafter, this publication is referred to as ''the Document.'') The Dirección General de Aviación (DGAC), which is the airworthiness authority for Spain, classified this Document as mandatory and issued Spanish Airworthiness Directive 01/96, dated April 30, 1996, in order to assure the continued airworthiness of these airplanes in Spain.

Detailed Description of the Document

Section 2 of the Document defines three levels of corrosion: Level 1 corrosion is that which does not exceed certain limits; Level 2 corrosion is that which exceeds those limits; and Level 3 corrosion is significant corrosion which is potentially an urgent airworthiness concern.

Section 4 of the Document provides general rules for developing and applying a corrosion prevention and control program. Among other things, these guidelines provide an outline of the baseline program, a general description of ''Implementation Ages'' and (repetitive) ''Intervals,'' and description of situations necessitating a fleet inspection.

Section 5 addresses establishing a ''baseline program,'' whose main objective is to control corrosion to a Level 1 or better. Specifically:

Section 5.1. describes the procedures that entail each of the corrosion inspections to be accomplished in each area of the airplane zones as part of the baseline program. As defined in this section, a ''corrosion inspection'' includes, among other actions:

a. Gaining access for inspection,

b. Performing the actual inspection for corrosion,

c. Removing corrosion,

d. Clearing blocked drains, and

e. Applying corrosion inhibitors and/or water displacement fluid.

Section 5.2. describes the baseline program instructions, including an explanation of the form used to describe the program and a definition of the ''levels of inspection'' to be accomplished. The different inspection levels defined are: General Visual Inspection (GVI), Detailed Inspection (DET), and Special Detailed Inspection (SDET).

Section 5.3. contains the baseline corrosion and prevention and control program, including description of each airplane zone, description of the areas of each airplane zone to be inspected, the inspection level, the Implementation Age (IA), and the (repeat) Interval. Unless otherwise indicated, the inspections of each aircraft zone are required on all CASA Model C–212 series airplanes whose age has reached or exceeded the IA specified for that area. For airplanes that have not reached or exceeded the IA of the specific area, the particular inspection has to be performed before the airplane has reached the IA for the specific area, or before the (repeat) Interval of the inspection area is exceeded. For airplanes that have already reached or exceeded the IA of the specific area, the particular inspection has to be performed before the (repeat) Interval of the inspection is exceeded.

Section 6 of the Document includes a flow diagram that provides guidance for determining the level of corrosion detected during the required inspections of airplane zones.

Section 7 of the Document establishes the procedures for reporting to CASA the results of the inspections conducted under the corrosion prevention and control program.

Section 8 of the Document contains a glossary of terms and definitions. The Document also contains appendices that provide guidelines for evaluating corrosion damage.

FAA's Conclusion

This airplane model is manufactured in Spain and is type certificated for operation in the United States under the provisions of Section 21.29 of the Federal Aviation Regulations and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the DGAC has kept the FAA informed of the situation described above. The FAA has examined the findings of the DGAC, 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.

Explanation of Proposed Requirements of the Rule

Since corrosion is likely to exist or develop on airplanes of this type design, an AD is proposed which would require adoption of a corrosion prevention and control program that is equivalent to or better than the program specified in the Document previously described. Operators would be permitted to accomplish this either by performing the specific inspections described in the Document (the ''task-by-task method''), or by revising their FAA-approved maintenance program to include such a program.

Paragraph (a): Option 1, The Task-by-Task Method

Paragraph (a) of the proposal sets forth the proposed compliance times for the initial corrosion inspections of each area of the affected airplane zones. These compliance times are measured from a date one year after the effective date of the final rule. (The proposed compliance times are consistent with those of other similar AD's that the FAA has issued on this subject.) Generally, operators would be required to complete the initial inspection before reaching the IA for the area, as detailed in the Document. The inspection would be required to be repeated at a time interval not to exceed the (repeat) Interval for that area, as detailed in the Document.

Paragraph (a) includes paragraph (a)(1)(iv), which states that, once the initial compliance period has been established for each airplane area, accomplishment of the initial inspections by each operator must occur at a minimum rate equivalent to one airplane per year, beginning one year after the effective date of the final rule. The FAA recognizes that this may cause a hardship on some small operators; in those circumstances, the FAA anticipates evaluating requests for adjustment to the implementation rate on a case-by-case basis under the provisions of paragraph (h) of the proposed rule. (A note to this effect is included in the proposal.)

Operators should note that the proposal does not contain a paragraph specifically to address repair actions. The FAA considers that any repairs would be carried out necessarily as a part of each inspection action, as it is defined in the Document. As discussed previously, the procedures that entail a ''corrosion inspection,'' as defined in Section 5.1. of the Document, include not only the inspection itself, but any necessary repairs, application of corrosion inhibitors, and other follow-on procedures, as well. Paragraph (a) contains a note to reference the portion of the Document that defines an inspection, and to emphasize the importance of these corrective actions.

Paragraph (b): Option 2, Revising the Maintenance Program

Paragraph (b) of the proposal provides for an optional method of complying with the rule. In lieu of performing the task-by-task requirements proposed in paragraph (a), operators may revise their FAA-approved maintenance/inspection programs to include the corrosion prevention and control program defined in the Document or an equivalent program approved by the FAA.

Recordkeeping Under Option 2

Paragraph (b) also would require that, subsequent to the accomplishment of the initial inspection, any extensions of the repeat inspection Intervals specified in the Document must be approved by the FAA.

Any operator electing to comply with proposed paragraph (b) would be permitted to use an alternative recordkeeping method to that otherwise required by Federal Aviation Regulations (FAR) section 91.417 or section 121.380, provided it is approved by the FAA and is included in a revision to the FAA-approved maintenance/inspection program. In response to questions raised previously concerning recordkeeping and record retention requirements as they relate to the programmatic approach proposed in this AD action and other similar proposals that have been issued applicable to other airplane models, the FAA offers the following:

Sections 91.417(a)(2)(v) and 121.380(a)(2)(v) of the FAR require that a record be made of the current status of applicable AD's. With regard to proposed paragraph (b), such a record would be required to be made when the maintenance/inspection program is revised to incorporate the program specified in the Document; at that time, paragraph (b) of the AD would be fully complied with. Regarding paragraphs (d) through (g) of this proposal, those paragraphs would impose separate requirements; therefore, except as discussed below, separate entries would have to be made to reflect compliance with each of those paragraphs.

Section 121.380(a)(2)(iv) of the FAR concerns recording ''the identification of the current inspection status of the aircraft.'' Section 91.417(a)(2)(iv) contains a similar requirement. Because proposed paragraph (b) would require operators to revise their maintenance/inspection program to include the program specified in the Document, each operator's program would be required to identify each inspection (e.g., ''C'' check) at which each inspection specified in the Document will be performed on each airplane. By recording the current inspection status of each airplane, and by maintaining a cross-reference system between these records and the maintenance/inspection program revision, it will be possible to determine the current status of each required inspection on each airplane. Once this cross-reference system has been established, this recording provision of FAR sections 91 and 121 requires no additional recording beyond what would otherwise be required normally.

Section 121.380(a)(1) of the FAR concerns ''records necessary to show that all requirements for the issuance of an airworthiness release under FAR section 121.709 have been met.'' Section 91.417(a)(1) contains a similar requirement. These are also referred to as ''dirty fingerprint records.'' This provision of sections 91 and 121 requires most of the recording that would result from this proposed AD. Each time an inspection is performed in accordance with the corrosion prevention and control program, the operator would be required to make a ''dirty fingerprint'' record of the task, identifying what actions were accomplished. It should be noted, however, that these records are not different from the records made for any other actions taken under the operator's maintenance/inspection program.

In addition to the record making requirements, discussed above, sections 91 and 121 of the FAR impose requirements for record retention:

FAR sections 121.380(b)(1) and 91.417(b)(1) require that the ''dirty fingerprint'' records be retained until the work is repeated or superseded by other work, or for one year after the work is performed. Therefore, most of the records resulting from this proposed AD would not have to be retained indefinitely. However, such retention might facilitate subsequent transfers, or substantiate requests for repetitive interval escalations, and therefore, may be in the operator's interest.

Section 121.380(b)(2) requires that the records specified in paragraph 121.380(a)(2) (current status of AD's and current inspection status) be retained and transferred with the airplane at the time it is sold. Section 91.417(b)(2) contains a similar requirement.

These recording requirements are not considered to be unduly burdensome and are considered the minimum necessary to enable the cognizant FAA Maintenance Inspector to perform proper surveillance and to ensure that the objectives of the proposed rule are being fulfilled.

However, because of the numerous concerns expressed previously by operators regarding the recordkeeping obligations imposed by section 121.380 with regard to similar rulemaking on corrosion prevention and control programs, the FAA has included in this proposal certain provisions for alternative recordkeeping methods. Proposed paragraph (b)(1) would provide for the development and implementation of such alternative methods, which must be approved by the FAA. For example, operators may choose to submit proposals to record compliance with paragraphs (d) through (g) of the AD by a means other than they normally use to record AD status. [The FAA has developed guidance material that will contain information to be considered by FAA Principal Maintenance Inspectors (PMI) when reviewing proposals for alternative recordkeeping methods.]

Paragraph (c): Increasing Inspection Intervals

Paragraph (c) of the proposal provides for increasing the IA or (repeat) Interval by up to 10% (but not to exceed 3 months) in order to accommodate unanticipated scheduling requirements. Operators would be required to inform the FAA within 30 days of such increases.

This provision is intended to provide flexibility to operators in the maintenance scheduling of individual airplanes on a case-by-case basis. It is not intended to allow operators to escalate repetitive inspection intervals for their entire fleets.

Paragraph (d): Reporting Requirements

Paragraph (d)(1) of the proposal sets forth the reporting actions that are necessary to be accomplished when Level 3 corrosion is determined to exist on an airplane in the operator's fleet, the operator would be required to accomplish one of the following actions within 7 days after such a determination is made:

1. submit a report of the determination to the FAA and conduct the relevant corrosion inspection in the affected area on the remainder of the Model C–212 series airplanes in the operator's fleet (within the 7-day period); or

2. submit, for approval by the FAA, either:

—A proposed schedule for performing the relevant corrosion inspection in the affected area on the remainder of the operator's Model C–212 series fleet; or

—Data substantiating that the Level 3 corrosion was an isolated occurrence.

Paragraph (d)(2) of the proposal specifies that the FAA may impose schedules different from what an operator has proposed under paragraph (d)(1), if it is found that changes are necessary to ensure that any other Level 3 corrosion in the operator's Model C–212 series fleet is detected in a timely manner.

Paragraph (d)(3) of the proposal would require that, within the time schedule approved by the FAA, the

operator must accomplish the inspections in the affected areas on the remaining airplanes in its Model C–212 series fleet to ensure that any other Level 3 corrosion is detected.

Paragraph (e): Procedures for Adjusting the Program

Paragraph (e) would require that, upon finding corrosion exceeding Level 1 during a repetitive inspection, an operator must adjust its program to ensure that future corrosion findings are limited to Level 1 or better. Where corrective action is necessary to reduce corrosion to Level 1 or better, an operator must submit a proposal for a means of corrective action for the FAA's approval within 30 days after the determination of corrosion is made. That means, approved by the FAA, must then be implemented to reduce future findings of corrosion in that area to Level 1 or better.

With regard to paragraph (e), it should be noted that if corrosion is found and it is not considered representative of the operator's fleet, no further corrective action may be necessary, since a means to reduce any corrosion to Level 1 or better will have already been implemented in the operator's program in accordance with proposed paragraph (a) or (b). For example, if a finding of corrosion is attributable to a particular spill of mercury or other unique event, or if corrosion is found on an airplane recently acquired from another operator, the means specified in the existing program may be adequate for controlling corrosion in the remainder of the operator's fleet. Similarly, if an operator has already implemented means to reduce corrosion in an airplane area based on previous findings, no additional corrective action may be necessary. In reviewing the reports submitted in accordance with the AD, the FAA will monitor the effectiveness of the operator's means to reduce corrosion. If the FAA determines that an operator has failed to implement adequate means to reduce corrosion to Level 1 or better, appropriate action will be taken to ensure compliance with this paragraph.

Paragraph (f): Provisions Regarding Newly Acquired Airplanes

Paragraph (f) of the proposal concerns adding airplanes to an operator's fleet, and the procedures that must be followed with regard to corrosion prevention and control. This paragraph differentiates between procedures applicable to added airplanes that previously were maintained in accordance with this AD and those that were not so maintained. For airplanes that previously have been maintained in accordance with the proposed requirements of this AD action, the first inspection in each airplane area to be performed by the new operator would be required to be performed in accordance with either the previous operator's or the new operator's inspection schedule, whichever would result in the earlier accomplishment date for that task. For airplanes that have not been maintained in accordance with the proposed requirements of this AD action, the first inspection in each airplane area to be performed by the new operator would be required to be performed before the airplane is placed in service, or in accordance with a schedule approved by the FAA.

With regard to the requirements of paragraph (f), the FAA considers it essential that operators ensure that transferred airplanes are inspected in accordance with the baseline corrosion prevention and control program on the same basis as if there were continuity in ownership. Scheduling of the inspections for each airplane must not be delayed or postponed due to a transfer of ownership; in some cases, such postponement could continue indefinitely if an airplane is transferred frequently from one owner to another. The proposed rule would require that the specified procedures be accomplished before any operator places into service any airplane subject to the requirements of the proposed AD.

Paragraph (g): Reporting Level 2 and Level 3 Corrosion Findings

Paragraph (g) of the proposal would require that reports of Level 2 and Level 3 corrosion be submitted to CASA within certain time periods after such corrosion is detected. Operators are not relieved, however, from reporting corrosion findings as required by FAR section 121.703 (14 CFR 121.703).

Cost Impact

The FAA estimates that 41 airplanes of U.S. registry would be affected by this proposed AD. It would take an average of approximately 7 work hours per inspection to accomplish the inspections of the 59 airplane areas called out in the Document; this represents a total average of 413 work hours. The average labor rate is $60 per work hour. Based on these figures, the cost impact of the proposed AD on U.S. operators over a 4-year average inspection cycle is estimated to be $1,015,980, or $24,780 per airplane.

The cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

The FAA recognizes that the obligation to maintain aircraft in an airworthy condition is vital, but sometimes expensive. Because AD's require specific actions to address specific unsafe conditions, they appear to impose costs that would not otherwise be borne by operators. However, because of the general obligation of operators to maintain aircraft in an airworthy condition, this appearance is deceptive. Attributing those costs solely to the issuance of this AD is unrealistic because, in the interest of maintaining safe aircraft, most prudent operators would accomplish the required actions even if they were not required to do so by the AD.

A full cost-benefit analysis has not been accomplished for this proposed AD. As a matter of law, in order to be airworthy, an aircraft must conform to its type design and be in a condition for safe operation. The type design is approved only after the FAA makes a determination that it complies with all applicable airworthiness requirements. In adopting and maintaining those requirements, the FAA has already made the determination that they establish a level of safety that is cost-beneficial. When the FAA, as in this proposed AD, makes a finding of an unsafe condition, this means that the original cost-beneficial level of safety is no longer being achieved and that the proposed actions are necessary to restore that level of safety. Because this level of safety has already been determined to be cost-beneficial, a full cost-benefit analysis for this proposed AD would be redundant and unnecessary.

Regulatory Impact

The regulations proposed herein would not have substantial direct effects 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, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this 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); and (3) if promulgated, 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 copy of the draft regulatory evaluation prepared for this 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:

CASA: Docket 96–NM–123–AD.

Applicability: All Model C–212 series airplanes, certificated in any category.

Compliance: Required as indicated, unless accomplished previously.

Note 1: This AD references CASA Document Number CPCP C–212–PV01,''Corrosion Prevention and Control Program Document,'' dated March 31, 1995, for inspections, compliance times, and reporting requirements. In addition, this AD specifies inspection and reporting requirements beyond those included in the Document. Where there are differences between the AD and the Document, the AD prevails.

Note 2: As used throughout this AD, the term ''the FAA'' is defined differently for different operators, as follows:

—For those operators complying with paragraph (a), OPTION 1, of this AD, *the FAA* is defined as ''the Manager of the Standardization Branch, ANM–113, FAA, Transport Airplane Directorate.''

—For those operators operating under Federal Aviation Regulations (FAR) part 121 or 129 (14 CFR part 121 or part 129), and complying with paragraph (b), OPTION 2, of this AD, *the FAA* is defined as ''the cognizant Principal Maintenance Inspector (PMI).''

—For those operators operating under FAR part 91 or 125 (14 CFR part 91 or part 125), and complying with paragraph (b), OPTION 2, of this AD, *the FAA* is defined as ''the cognizant Maintenance Inspector at the appropriate FAA Flight Standards office.''

To prevent degradation of the structural capabilities of the airplane due to the problems associated with corrosion damage, accomplish the following:

(a) *Option 1.* Except as provided in paragraph (b) of this AD: Complete each of the corrosion inspections specified in section 5.3 of CASA Document Number CPCP C–212–PV01, ''Corrosion Prevention and Control Program Document,'' dated March 31, 1995 (hereafter, referred to as ''the Document), in accordance with the procedures defined in the Document and the schedule specified in paragraphs (a)(1) and (a)(2) of this AD.

Note 3: A ''corrosion inspection'' as defined in Section 5.1. of the Document includes, among other things, gaining access for inspection, performing the actual inspection for corrosion, removing corrosion, clearing blocked drains, applying corrosion inhibitors and/or water displacement fluid, and other follow-on actions.

Note 4: Corrosion inspections completed in accordance with the Document before the effective date of this AD may be credited for compliance with the initial corrosion inspection requirements of paragraph (a)(1) of this AD.

Note 5: Where non-destructive inspection (NDI) methods are employed when performing a Special Detailed Inspection (DET), in accordance with Section 5.3 of the Document, the standards and procedures used must be acceptable to the FAA Administrator in accordance with FAR section 43.13 (14 CFR section 43.13).

(1) Complete the initial corrosion inspection of each area of each airplane zone specified in Section 5.3 of the Document as follows:

(i) For airplane areas that have not yet reached the ''Implementation Age'' (IA) as of one year after the effective date of this AD, initial compliance must occur no later than the IA plus the (repeat) ''Interval.''

(ii) For airplane areas that have exceeded the IA as of one year after the effective date of this AD, initial compliance must occur within the (repeat) Interval for the area, measured from a date one year after the effective date of this AD.

(iii) For airplanes that are 15 years or older as of one year after the effective date of this AD, initial compliance must occur for all airplane areas within one (repeat) Interval, or within 4 years, measured from a date one year after the effective date of this AD, whichever occurs first.

(iv) Notwithstanding paragraphs (a)(i)(i), (a)(1)(ii), and (a)(1)(iii), in all cases, once the initial compliance period has been established for each airplane area, accomplishment of the initial corrosion inspections by each operator must occur at a minimum rate equivalent to one airplane per year.

Note 6: This minimum rate requirement may cause a hardship on some small operators. In those circumstances, requests for adjustments to the implementation rate will be evaluated on a case-by-case basis under the provision of paragraph (h) of this AD.

(2) Repeat each corrosion inspection at a time interval not to exceed the (repeat) Interval specified in the Document for that inspection.

(b) *Option 2.* As an alternative to the requirements of paragraph (a) of this AD: Prior to one year after the effective date of this AD, revise the FAA-approved maintenance/inspection program to include the corrosion prevention and control program specified in the Document; or to include an equivalent program that is approved by the FAA. In all cases, the initial corrosion inspection of each airplane area must be completed in accordance with the compliance schedule specified in paragraph(a)(1) of this AD.

(1) Any operator complying with paragraph (b) of this AD may use an alternative recordkeeping method to that otherwise required by FAR section 91.417 (14 CFR 91.417) or section 12.380 (14 CFR 121.380) for the actions required by this AD, provided it is approved by the FAA and is included a revision to the FAA-approved maintenance/inspection program.

(2) Subsequent to the accomplishment of the initial corrosion inspection, extensions of the (repeat) Intervals specified in the Document must be approved by the FAA.

(c) To accommodate unanticipated scheduling requirements, it is acceptable for a (repeat) Interval to be increased by up to 10%, but not to exceed 3 months. The FAA must be informed, in writing, of any such extension within 30 days after such adjustment of the schedule.

(d)(1) If, as a result of any corrosion inspection conducted in accordance with paragraph (a) or (b) of this AD, Level 3 corrosion is determined to exist in any airplane area, accomplish either paragraph (d)(1)(i) or (d)(1)(ii) of this AD within 7 days after such determination:

(i) Submit a report of that determination to the FAA and complete the corrosion inspection in the affected airplane area(s) on all Model C–212 series airplanes in the operator's fleet; or

(ii) Submit to the FAA for approval one of the following:

(A) A proposed schedule for performing the corrosion inspection(s) in the affected airplane area(s) on the remaining Model C–212 series airplanes in the operator's fleet, which is adequate to ensure that any other Level 3 corrosion is detected in a timely manner, along with substantiating data for that schedule; or

(B) Data substantiating that the Level 3 corrosion found is an isolated occurrence.

Note 7: Notwithstanding the provisions of Section 2 of the Document, which would permit corrosion that otherwise meets the definition of Level 3 corrosion (i.e., which is determined to be a potentially urgent airworthiness concern requiring expeditious action) to be treated as Level 1 if the operator finds that it ''can be attributed to an event not typical of the operator's usage of airplanes in the same fleet,'' this paragraph requires that data *substantiating* any such finding be submitted to the FAA (ref. Note 2 of this AD) for approval.

(2) The FAA may impose schedules other than those proposed, upon finding that such changes are necessary to ensure that any other Level 3 corrosion is detected in a timely manner.

(3) Within the time schedule approved under paragraph (d)(1) or (d)(2) of this AD, accomplish the corrosion inspections in the affected airplane areas of the remaining Model C–212 series airplanes in the operator's fleet.

(e) If, as a result of any inspection after the initial corrosion inspection conducted in accordance with paragraph (a) or (b) of this AD, it is determined that corrosion findings exceed Level 1 in any area, within 30 days after such determination, implement a means, approved by the FAA, to reduce future findings of corrosion in that area to Level 1 or better.

(f) Before any operator places into service any newly acquired airplane that is subject to the requirements of this AD, a schedule for the accomplishment of the corrosion inspections required by this AD must be established in accordance with either paragraph (f)(1) or (f)(2) of the AD, as applicable:

(1) For airplanes previously maintained in accordance with this AD, the first corrosion inspection in each airplane area to be performed by the operator must be accomplished in accordance with either the previous operator's schedule or the new operator's schedule, whichever would result in the earlier accomplishment date for that inspection. After each corrosion inspection has been performed once, each subsequent inspection must be performed in accordance with the new operator's schedule.

(2) For airplanes that have not been previously maintained in accordance with this AD, the first corrosion inspection for each airplane area to be performed by the new operator must be accomplished prior to further flight or in accordance with a schedule approved by the FAA.

(g) Within 7 days after the date of detection of any Level 3 corrosion, and within 3 months after the date of detection of any Level 2 corrosion, submit a report to CASA of such findings, in accordance with Section 7 of the Document.

(h) 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, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Standardization Branch, ANM–113.

Note 8: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Standardization Branch, ANM–113.

(i) 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 January 30, 1997.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97–2851 Filed 2–4–97; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–209817–96]

RIN 1545–AU19

Treatment of Obligation-Shifting Transactions; Hearing

AGENCY: Internal Revenue Service, Treasury.

ACTION: Proposed rule; change of date and location of public hearing.

SUMMARY: This document changes the date and location of the public hearing on proposed regulations relating to the treatment of certain multiple-party financing transactions in which one party realizes income from leases or similar agreements and another party claims deductions related to that income.

DATES: The public hearing is being held on Wednesday, May 14, 1997, beginning at 10:00 a.m. Requests to speak and outlines of oral comments must be received by April 23, 1997.

ADDRESSES: The public hearing originally scheduled in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue NW, Washington, DC is changed to room 2615, Internal Revenue Building, 1111 Constitution Avenue NW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Christina Vasquez of the Regulations Unit, Assistant Chief Counsel (Corporate), (202) 622–7180 (not a toll-free number).

SUPPLEMENTARY INFORMATION: A notice of proposed rulemaking and notice of public hearing appearing in the Federal Register on Friday, December 27, 1996 (61 FR 68175), announced that a public hearing on proposed regulations relating to the treatment of certain multiple-party financing transactions in which one party realizes income from leases or similar agreements and another party claims deductions related to that income would be held on Tuesday, April 29, 1997, beginning at 10:00 a.m. in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue NW, Washington, DC and that requests to speak and outlines of oral comments should be received by Tuesday, April 8, 1997.

The date and location of the pubic hearing has changed. The hearing is scheduled for Wednesday, May 14, 1997, beginning at 10:00 a.m. in room 2615, Internal Revenue Building, 1111 Constitution Avenue NW, Washington, DC. We must receive the requests to speak and outlines of oral comments by Wednesday, April 23, 1997. Because of controlled access restrictions, attenders are not admitted beyond the lobby of the Internal Revenue Building until 9:45 a.m.

The Service will prepare an agenda showing the scheduling of the speakers after the outlines are received from the persons testifying and make copies available free of charge at the hearing.

Cynthia E. Grigsby,

Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206 and 208

RIN 1010–AC09

Meeting on Proposed Rule—Oil Valuation Establishment; Federal Royalty and Federal Leases Royalty Oil Sales

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of meetings.

SUMMARY: The Minerals Management Service (MMS) will hold public meetings in Denver, Colorado, and Houston, Texas, to discuss a proposed rulemaking regarding the valuation of crude oil and royalty oil sales produced from mineral leases on Federal land. The proposal was published in the Federal Register on January 24, 1997 (62 FR 3741). The proposed rule would replace existing valuation regulations and represents the recommendations of the MMS Oil Valuation Rulemaking Committee. This proposed rule also contains a new MMS form and solicits comments on this information collection. Comments on this rule must be submitted to MMS by March 25, 1997. The purpose of these meetings is to explain the proposed changes to the regulations governing the valuation for royalty purposes of crude oil produced from Federal leases and allow all interested parties to discuss the