

a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on June 14, 2002.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-NM-377-AD]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Supplemental notice of proposed rulemaking; reopening of comment period.

SUMMARY: This document revises an earlier proposed airworthiness directive (AD), applicable to certain Boeing Model 747 series airplanes, that would have required repetitive inspections for cracking of the skin, bear strap, and sill chord of the lower lobe cargo door cutout, and repair, if necessary. For certain airplanes, the proposed AD also would have provided an optional modification of the lower lobe cargo door cutout, which would have ended the pre-modification repetitive inspections, but would have necessitated new post-modification repetitive inspections after a certain time. This new action, prompted by new crack findings, revises the proposed rule by expanding the optional modification of the lower lobe cargo door cutout and reducing the compliance threshold for the post-modification inspections. The proposed actions are necessary to find and fix cracking of the skin, bear strap, and sill chord of the lower lobe cargo door cutout, which could lead to reduced structural integrity of the lower lobe cargo door cutout, and result in rapid depressurization of the airplane. This action is intended to address the identified unsafe condition.

DATES: Comments must be received by July 26, 2002.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2000-NM-377-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. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: 9-anm-nprmcomment@faa.gov. Comments sent via fax or the Internet must contain "Docket No. 2000-NM-377-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 for Windows or ASCII text.

The service information referenced in the proposed rule may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT:

Technical Information: Rick Kawaguchi, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-1153; fax (425) 227-1181.

Other Information: Judy Golder, Airworthiness Directive Technical Editor/Writer; telephone (425) 687-4241, fax (425) 227-1232. Questions or comments may also be sent via the Internet using the following address: judy.golder@faa.gov. Questions or comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 for Windows or ASCII text.

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 action may be changed in light of the comments received.

Submit comments using the following format:

- Organize comments issue-by-issue. For example, discuss a request to change the compliance time and a request to change the service bulletin reference as two separate issues.
- For each issue, state what specific change to the proposed AD is being requested.

- Include justification (e.g., reasons or data) for each request.

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 action must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2000-NM-377-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-114, Attention: Rules Docket No. 2000-NM-377-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to add an airworthiness directive (AD), applicable to certain Boeing Model 747 series airplanes, was published as a notice of proposed rulemaking (NPRM) in the **Federal Register** on October 30, 2001 (66 FR 54729). That NPRM would have required repetitive inspections for cracking of the skin, bear strap, and sill chord of the lower lobe cargo door cutout, and repair, if necessary. For certain airplanes, that NPRM also would have provided an optional modification of the lower lobe cargo door cutout, which would have ended the pre-modification repetitive inspections, but would have necessitated new post-modification repetitive inspections after a certain time. That NPRM was prompted by reports of cracking in the upper corners of the lower lobe cargo door cutout. Cracking of the skin, bear strap, and sill chord of the lower lobe cargo door cutout, if not found and fixed, could lead to reduced structural integrity of the lower lobe cargo door cutout, and result in rapid depressurization of the airplane.

Actions Since Issuance of Previous Proposal

The actions proposed in the NPRM are specifically intended to address fatigue cracks of the skin, bear strap,

and sill chord of the cargo door cutout that initiate at the fuselage skin fastener holes common to the hinge fairing strip. Since the issuance of the NPRM, the FAA has received reports of cracks that initiated in the skin at additional fastener holes and from the edge of the cargo door cutout.

Based on these new reports, we have determined that the modification of the lower lobe cargo door cutout and post-modification inspections per Boeing Alert Service Bulletin 747-53A2448, including Appendix A, dated September 28, 2000, which were provided in the NPRM as one option for compliance for certain airplanes, are no longer adequate.

Explanation of New Relevant Service Information

Boeing has issued Alert Service Bulletin 747-53A2448, Revision 1, dated April 4, 2002. Revision 1 differs from the original issue of the service bulletin in the following ways:

- The modification has been expanded to include the replacement of several additional fasteners at the forward and aft corners of the aft cargo doors and a new surface high frequency eddy current inspection of the skin and bearstrap.

- The threshold for the initial post-modification inspection has been reduced from 16,000 to 10,000 flight cycles.

- A new alternative modification for airplanes without adequate edge margin has been added.

- References to certain chapters of the Structural Repair Manual (SRM) have been added as acceptable sources of service information for the accomplishment of certain repairs.

Accomplishment of the actions specified in Revision 1 of the service bulletin is intended to adequately address the identified unsafe condition.

Comments

Due consideration has been given to the comments received in response to the NPRM. Two commenters support the proposed rule. Certain comments have resulted in changes to the proposed AD.

Provide Service Information for Repairs and an Alternative Modification

Two commenters request that the FAA refer to certain chapters of the SRM for instructions for accomplishing repairs. Paragraph (b) of the NPRM specifies that repairs are to be accomplished per a method approved by the FAA or per data approved by an authorized Boeing Company Designated

Engineering Representative (DER). The commenters state that the proposed AD relates to an area that is the subject of existing SRM repairs. The commenters assert that such repairs should terminate the inspections that would be required by paragraph (a) of the proposed AD.

Further, the same commenters also ask us to refer to certain chapters of the SRM for a modification of airplanes without adequate edge margins. Note 3 of the NPRM states that no modification is available for airplanes without adequate edge margin distance. One of the commenters notes that it is likely that there will be a significant number of airplanes with short edge margins.

The FAA concurs. We have revised this supplemental NPRM to refer to Revision 1 of the service bulletin, discussed previously, which refers to certain chapters of the SRM for instructions to repair certain cracks. We find that the repairs in the SRM are sufficient for certain types of cracks and have revised paragraph (b) of this supplemental NPRM accordingly. Operators will note that, where the service bulletin specifies to contact Boeing for repair data, this proposed AD would require repairs to be accomplished per a method approved by the FAA or per data approved by an authorized Boeing Company DER.

Revision 1 of the service bulletin also includes a new optional modification for airplanes without adequate edge margins. Therefore, we have not included Note 3 of the NPRM in this supplemental NPRM and have reordered subsequent notes accordingly, and we have revised paragraph (c) of this supplemental NPRM to acknowledge this optional modification.

Clarify Language in Discussion Section of NPRM

One commenter requests that the FAA revise the "Discussion" section of the NPRM to indicate that "fatigue cracking of the skin, bear strap, and sill chord of the cargo door CUTOUT initiates at the fuselage skin fastener holes common to the hinge fairing strip." The commenter indicates that this change is needed to clarify that the area of concern is not the cargo door but the fuselage structure at the corner of the cargo door cutout.

We acknowledge that the word "cutout" was inadvertently omitted in the "Discussion" section of the NPRM, but note that it was included elsewhere in the NPRM where we referred to the subject area. Since the "Discussion" section of the NPRM is not restated in this supplemental NPRM, no change is possible in this regard.

Explanation of New Proposed Requirements

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would require accomplishment of inspections and corrective actions, if necessary, per Boeing Alert Service Bulletin 747-53A2448, Revision 1, except as discussed below under "Differences Between Supplemental NPRM and Service Bulletin." The proposed AD would also provide for accomplishment of an optional modification and post-modification inspections per Revision 1 of the service bulletin.

Differences Between Supplemental NPRM and Service Bulletin

The proposed requirements specified in this supplemental NPRM differ from Revision 1 of the service bulletin in the following ways:

- The service bulletin specifies that the manufacturer may be contacted for disposition of certain repairs. However, the proposed AD would require such repairs to be accomplished per a method approved by the FAA, or per data meeting the type certification basis of the airplane approved by a Boeing Company DER who has been authorized by the FAA to make such findings.

- The requirements of the proposed AD would apply only to airplanes with line numbers 1 through 1255 inclusive, as listed in Group 1 in the service bulletin. Airplanes with line numbers 1256 through 1297 inclusive, which are identified as Group 2 in the service bulletin, have cold-worked fastener holes near the edge of the skin panel at the upper corners of the door cutout. Thus, they are not as susceptible to the fatigue cracking addressed by the proposed AD. (Airplanes with line numbers 1298 and subsequent have a redesigned skin panel and increased edge margin at fastener locations. These airplanes are also not subject to the unsafe condition addressed by this proposed AD.)

Conclusion

Since this change expands the scope of the originally proposed rule, the FAA has determined that it is necessary to reopen the comment period to provide additional opportunity for public comment.

Cost Impact

There are approximately 1,129 airplanes of the affected design in the worldwide fleet. The FAA estimates that 275 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 3 work hours

per airplane to accomplish the proposed inspection, and that the average labor rate is \$60 per work hour. Based on these figures, the cost impact of this proposed inspection on U.S. operators is estimated to be \$49,500, or \$180 per airplane, per inspection cycle.

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 proposed AD were not adopted. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These figures typically do not include incidental costs, such as the time required to gain access and close up, planning time, or time necessitated by other administrative actions.

Regulatory Impact

The regulations proposed herein 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. Therefore, it is determined that this proposal would not have federalism implications under Executive Order 13132.

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:

Boeing: Docket 2000–NM–377–AD.

Applicability: Model 747 series airplanes, line numbers 1 through 1255 inclusive, certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (e) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To find and fix cracking of the skin, bear strap, and sill chord of the lower lobe cargo door cutout, which could lead to reduced structural integrity of the lower lobe cargo door cutout, and result in rapid depressurization of the airplane, accomplish the following:

Repetitive Inspections

(a) Perform detailed and high frequency eddy current (HFEC) inspections to find cracking of the skin, bear strap, and sill chord at the upper aft and forward corners of the lower lobe cargo door cutout, per Boeing Alert Service Bulletin 747–53A2448, Revision 1, dated April 4, 2002. Do the initial inspections at the time shown in paragraph (a)(1) or (a)(2) of this AD, as applicable, and repeat the inspections at least every 3,000 flight cycles until paragraph (c) of this AD is accomplished.

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

Note 3: Inspections accomplished prior to the effective date of this AD according to Boeing Alert Service Bulletin 747–53A2448, including Appendix A, dated September 28, 2000, are considered acceptable for compliance with paragraph (a) of this AD.

(1) For airplanes with fewer than 13,000 total flight cycles as of the effective date of this AD: Do the inspection prior to the accumulation of 13,000 total flight cycles or within 1,000 flight cycles after the effective date of this AD, whichever is later.

(2) For airplanes with 13,000 or more total flight cycles as of the effective date of this AD: Do the inspection within 1,000 flight cycles or 1 year after the effective date of this AD, whichever is first.

Repair

(b) If any crack is found during any inspection required by paragraph (a) of this AD: Before the next flight, repair per Boeing Alert Service Bulletin 747–53A2448, Revision 1, dated April 4, 2002, except as provided by paragraph (d) of this AD.

Optional Modification and Post-Modification Inspections

(c) If no crack is found during any inspection required by paragraph (a) of this AD, operators may accomplish paragraphs (c)(1) and (c)(2) of this AD.

(1) Do an optional modification of the lower lobe cargo door cutout (including removing the hinge fairing and its fasteners, oversizing fastener holes, and replacing existing fasteners with new fasteners and the grounding strap with a new strap) per Figure 4 or 7, as applicable, of Boeing Alert Service Bulletin 747–53A2448, Revision 1, dated April 4, 2002, except as provided by paragraph (d) of this AD. Such modification ends the repetitive inspections required by paragraph (a) of this AD.

(2) At the applicable compliance time and repetitive inspection interval specified in Figure 1 of Boeing Alert Service Bulletin 747–53A2448, Revision 1, dated April 4, 2002, perform detailed and HFEC inspections to find cracking of the skin at the upper aft and forward corners of the lower lobe cargo door cutout, per Figure 5 of the service bulletin. If any crack is found, before the next flight, repair per the service bulletin, except as provided by paragraph (d) of this AD.

Repair and Modification: Exception

(d) Where Boeing Alert Service Bulletin 747–53A2448, Revision 1, dated April 4, 2002, specifies to contact Boeing for repair or modification information: Repair per a method approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA; or per data meeting the type certification basis of the airplane approved by a Boeing Company Designated Engineering Representative (DER) who has been authorized by the Manager, Seattle ACO, to make such findings. For a repair method to be approved as required by this paragraph, the approval must specifically refer to this AD.

Alternative Methods of Compliance

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

Note 4: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

Special Flight Permits

(f) 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 June 14, 2002.

Ali Bahrami,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-209114-90]

RIN 1545-AH49

Golden Parachute Payments; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains corrections to a notice of proposed rulemaking and notice of public hearing that was published in the **Federal Register** on Wednesday, February 20, 2002 (67 FR 7630) that will clarify the application of section 280G of the Internal Revenue Code to deny a deduction to a corporation for any excess parachute.

FOR FURTHER INFORMATION CONTACT: Erinn Madden at (202) 622-6060 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking and notice of public hearing that is the subject of these corrections are under section 280G of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking and notice of public hearing (REG-209114-90) contains errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking and notice of public hearing (REG-209114-90), which is the subject of FR Doc. 02-3819, is corrected as follows:

1. On page 7630, column 1, in the preamble under the caption “**SUMMARY:**”, fourth line from the bottom of the paragraph, the language “may rely on the 1989 regulations for any” is corrected to read “may rely on the 1989 proposed regulations for any”.

2. On page 7630, column 2, in the preamble under the caption “**FOR FURTHER INFORMATION CONTACT:**”, line 2, the language “Madden at (202) 622-6030 (not a toll)” is corrected to read “Madden at (202) 622-6060 (not at toll—”.

3. On page 7630, column 2, in the preamble under the paragraph heading “Background”, second paragraph, line 9, the language “section 312(v)(2)(A), which relates to” is corrected to read “section 3121(v)(2)(A), which relates to the.”

4. On page 7630, column 2, in the preamble under the paragraph heading “Background”, second paragraph, line 14, the language “FR 19390 on May 5, 1989 (the 1989)” is corrected to read “FR 19390 on May 5, 1989 and corrected in 54 FR 25879 (June 20, 1989) (the 1989)”.

5. On page 7631, column 1, in the preamble under the paragraph heading “*Disqualified Individuals*”, second paragraph, line 7, the language “1989 regulations provides a de minimis” is corrected to read “1989 proposed regulations provides a de minimis”.

6. On page 7634, column 2, in the preamble under the paragraph heading “*Reasonable Compensation*”, first full paragraph from the top of the column, line 2 from end of paragraph, the language “show to be reasonable compensation” is corrected to read “shown to be reasonable compensation”.

7. On page 7635, column 3, in the preamble under the paragraph heading “*Timing of the Payment of Tax under Section 4999*”, paragraph 1, line 2, the language “section 312(v) and § 1.3121(v)-1(e)(4)” is corrected to read “section 3121(v) and § 31.3121(v)(2)-1(e)(4)”.

8. On page 7635, column 3, in the preamble under the paragraph heading “*Proposed Effective Date*”, line 4, the language “control occurring on or after January 1,” is corrected to read “control that occurs on or after January 1,”.

§ 1.280G-1 [Corrected]

9. On page 7638, column 2, § 1.280G-1, paragraph (g) of A-6:, *Example 4.*, line 10, the language “application of the

exemption described in” is corrected to read “application of the exemption described in”.

10. On page 7638, column 2, § 1.280G-1, paragraph (g) of A-6:, *Example 5.*, line 9, the language “pays or accrues a payment that would” is corrected to read “that would”.

11. On page 7638, column 3, § 1.280G-1, paragraph (b)(1) of A-7:, line 9, the language “A-7, the vote can be no less than the” is corrected to read “A-7, the vote can be on less than the”.

12. On page 7640, column 1, § 1.280G-1, paragraph (e) of A-7:, *Example 7.*, line 16, the language “the payments of \$400,000 to X; \$600,000 to” is corrected to read “and describing the payments of \$400,000 to X; \$600,000 to”.

13. On page 7640, column 1, § 1.280G-1, paragraph (e) of A-7:, *Example 8.*, line 8, the language “the nature of the payments to X, Y, and Z are” is corrected to read “the nature and amount of the payments to X, Y, and Z are”.

14. On page 7641, column 1, § 1.280G-1, paragraph (c) of A-11:, lines 18 and 19 from the top of the column, the language “under section 3121(v) and § 1.312(v)-1(c)(4) or payment related to health” is corrected to read “under section 3121(v) and § 31.3121(v)(2)-1(e)(4) of this chapter, or a payment related to health”.

15. On page 7641, column 2, § 1.280G-1, paragraph (a) of A-13:, lines 13 and 14, the language “value of an option with an ascertainable fair market value at the time the option” is corrected to read “value of an option at the time the option”.

16. On page 7642, column 1, § 1.280G-1, Q-17:, line 3, the language “purposes of paragraph (a)(1) of Q/A-15” is corrected to read “purposes of paragraph (a)(1) and (b) of Q/A-15”.

17. On page 7642, column 3, § 1.280G-1, paragraph (c) of A-18:, line 16, the language “defined in Q/A-20 of this section). If the” is corrected to read “defined in Q/A-20 of this section). The number of employees is determined with regard to the rules in Q/A-19(c). If the”.

18. On page 7642, column 3, § 1.280G-1, paragraph (a) of A-19:, line 13, the language “A-21 of this section) paid during the” is corrected to read “A-21 of this section) earned during the”.

20. On page 7644, column 1, § 1.280G-1, paragraph (c) of A-22:, line 7, the language “that is closely associated and materially” is corrected to read “that is closely associated with and materially”.