

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 39**

[Docket No. 2001-NE-01-AD; Amendment 39-13098; AD 2003-07-02]

RIN 2120-AA64

Airworthiness Directives; Rolls-Royce Corporation (Formerly Allison Engine Company) 501-D Series Turboprop Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), that is applicable to Rolls-Royce Corporation (formerly Allison Engine Company) 501-D series turboprop engines. This amendment requires removal from service of certain turbine rotor components at reduced life limits. This amendment is prompted by the result of recalculated material properties by the manufacturer. The actions specified by this AD are intended to prevent uncontained turbine rotor failure resulting in in-flight engine shutdown and possible damage to the airplane.

DATES: Effective May 7, 2003.

ADDRESSES: The service information referenced in this AD may be obtained from Rolls-Royce Corporation, PO Box 420, Indianapolis, IN 46206-0420; telephone (317) 230-6400; fax (317) 230-4243. This information may be examined, by appointment, at the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

FOR FURTHER INFORMATION CONTACT: Michael Downs, Aerospace Engineer, Chicago Aircraft Certification Office, FAA, 2300 East Devon Avenue, Des Plaines, IL 60018; telephone (847) 294-7870; fax (847) 294-7834.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an AD that is applicable to Rolls-Royce Corporation (formerly Allison Engine Company) 501-D series turboprop engines was published in the **Federal Register** on October 18, 2002 (67 FR 64328). That action proposed to require removal from service of certain turbine rotor components at reduced life limits due to recalculated material properties by the manufacturer. As a result, the manufacturer has reduced the life limits of certain second-stage, third-stage, and fourth-stage turbine wheel assemblies, and certain 1st-2nd stage,

2nd-3rd stage, and 3rd-4th stage turbine spacer assemblies.

Comments

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

AD Not Required

One commenter states that it is a waste of tax dollars to issue the AD when the life limits of Rolls-Royce Customer Service Letter (CSL) 1001, Revision 19, dated July 22, 2002, and the life limit reduction specified by the NRPM are the same. The commenter continues to say that the only possible difference the AD could address would be the "one time exception" permitted by the CSL to operate beyond the revised limits until March 31, 2003, and then only if the AD is adopted as a final rule before March 31, 2003. The commenter believes that the AD does not offer any new information except that the FAA may address the "one time exception" permitted by CSL 1001.

The FAA does not agree. Whenever the FAA lowers the life of critical service parts, an AD is required because the change in service life has become more restricted. The reason CSL 1001 and the NPRM are the same is because Rolls-Royce has already revised the CSL as a result of the NPRM. The AD is not addressing the "one time exception" in CSL 1001, Revision 19, dated July 22, 2002.

Expand the Applicability To Add Airbus Industrie 377S GT-F (Super Guppy)

One commenter requests that the Applicability statement be written to include the Airbus Industrie 377SGT-F (Super Guppy) model.

The FAA agrees. The Applicability statement is revised to reflect this change.

Add Assigned Rework Part Numbers to Table 2

One commenter requests that two additional part numbers (PNs) 23064854 and 23064858, be added to the Supplementary Information section "FAA's Determination of an Unsafe Condition and Proposed Actions" and that the same numbers be added to Table 2 501-D22 Series Life Limits. The two additional PNs are the assigned reworked PNs for 6844632 and 23033463. The reworked PNs have the same life limit as their prior part number; therefore, they should be added to the AD to prevent any confusion

regarding their reduction in life limit to 4,700 cycles-in-service (CIS).

The FAA agrees. The assigned reworked PNs are added to Table 2; however the FAA's Determination of an Unsafe Condition and Proposed Actions section in the NPRM preamble does not appear in the final rule.

Original Life Limit for Part Number 6844794 Rev R and Greater

The same commenter requests an additional change to the Supplementary Information Section "FAA's Determination of an Unsafe Condition and Proposed Actions" and to Table 2. The commenter states that the life limit reduction for the PN 6844794, 3rd and 4th stage turbine spacer is only necessary for those parts which were manufactured prior to part number drawing 6844794 revision letter "R". Tighter dimensional control of the spacer critical life location which was implemented with PN 6844794 revision letter "R" allows PNs identified as Rev "R" and greater to remain at their previous life limits. Therefore, the commenter requests that delineation by PN 6844794 "with serial number (SN) less than and including KK22951 * * *" be replaced by "PN 6844794 prior to revision letter R".

The FAA agrees. Table 2 reflects the change in the AD; however, the FAA's Determination of an Unsafe Condition and Proposed Actions section in the NPRM preamble does not appear in the final rule.

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the changes described previously. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

Economic Analysis

There are approximately 930 Rolls-Royce 501-D series turboprop engines of the affected design in the worldwide fleet. The FAA estimates that 684 engines installed on airplanes of U.S. registry will be affected by this AD. This AD does not impose any additional labor costs if performed at the time of scheduled engine overhaul. Required parts will cost approximately \$45,000 per engine. Based on these figures, the total cost of the AD to U.S. operators is estimated to be \$30,780,000.

Regulatory Analysis

This final rule does not have federalism implications, as defined in Executive Order 13132, because it

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. Accordingly, the FAA has not consulted with state authorities prior to publication of this final rule.

For the reasons discussed above, I certify that this action (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A final evaluation has been prepared for this action and it 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.

Adoption of the Amendment

■ Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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 a new airworthiness directive to read as follows:

2003-07-02 Rolls-Royce Corporation:
Amendment 39-13098. Docket No. 2001-NE-01-AD.

Applicability: This airworthiness directive (AD) is applicable to Rolls-Royce Corporation (formerly Allison Engine Company) 501-D series turboprop engines. These engines are installed on, but not limited to Lockheed 188 series and 382 series turboprop airplanes, Airbus Industrie 377SG5-F (Super Guppy) airplanes, and Convair Models 340 and 440 airplanes which have Rolls-Royce corporation 501-D series turboprop engines

installed under a Supplemental Type Certificate. These models are commonly referred to as Convair 580/580A or 5800 models.

Note 1: This AD applies to each engine 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 engines 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: Compliance with this AD is required as indicated, unless already done.

To prevent uncontained turbine rotor failure, resulting in in-flight engine shutdown and possible damage to the airplane, do the following:

501-D13 Series Engines

(a) For 501-D13 series engines, remove turbine wheels and spacers from service as specified in the following Table 1:

TABLE 1.—501-D13 SERIES LIFE LIMITS

Part name	Part No.	Life limit for wheels that have complied with commercial overhaul information letter (COIL) 401, dated May 1978	Life limit for wheels that have not complied with COIL 401, dated May 1978
(1) Second-stage turbine wheel assembly.	6847142 and 6876892	Remove from service before or upon accumulating 16,000 cycles-in-service (CIS).	Remove from service before or upon accumulating 12,000 CIS.
(2) Third-stage turbine wheel assembly.	6845883 and 6849743	Remove from service before or upon accumulating 13,000 CIS.	Remove from service before or upon accumulating 10,000 CIS.
(3) Fourth-stage turbine wheel assembly.	6876468	Remove from service before or upon accumulating 24,000 CIS.	Remove from service before or upon accumulating 18,000 CIS.

(b) Information on 501-D13 series engine turbine life limits can be found in Rolls-Royce Commercial Service Letter (CSL) No.

CSL-120, Revision No. 52, dated July 22, 2002.

501-D22 Series Engines

(c) For 501-D22 series engines, remove turbine wheels and spacers from service as specified in the following Table 2:

TABLE 2.—501-D22 SERIES LIFE LIMITS

Part name	Part No.	Remove from service:
(1) Third-stage turbine wheel assembly	6855083	Before or upon accumulating 10,000 cycles-in-service (CIS).
(2) 1st-2nd-stage spacer assembly	6844632, 23033463, 23064854, and 23064858.	Before or upon accumulating 4,700 CIS.
(3) 1st-2nd-stage spacer assembly	23056966	Before or upon accumulating 8,000 CIS.
(4) 2nd-3rd-stage spacer assembly	23033456	Before or upon accumulating 4,000 CIS.
(5) 3rd-4th-stage spacer assembly	6844794 prior to revision letter "R"	Before or upon accumulating 5,100 CIS.

(d) Information on 501-D22 series engine turbine life limits can be found in Rolls-Royce Commercial Service Letter (CSL) No. CSL-1001, Revision No. 19, dated July 22, 2002.

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, Chicago Aircraft Certification Office (ACO). Operators

must submit their request through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, ACO.

Note 2: Information concerning the existence of approved alternative methods of

compliance with this airworthiness directive, if any, may be obtained from the ACO.

Special Flight Permits

(f) Special flight permits may be issued in accordance with §§ 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 done.

Effective Date

(g) This amendment becomes effective on May 7, 2003.

Issued in Burlington, Massachusetts, on March 25, 2003.

Francis A. Favara,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 03-7743 Filed 4-1-03; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 228, 229, 244 and 249

[Release Nos. 33-8216; 34-47583; IC-25983; FR-69; File Nos. S7-43-02 and S7-44-02]

RIN 3235-A169 and 3235-A171

Filing Guidance Related to: Conditions for Use of Non-GAAP Financial Measures; and Insider Trades During Pension Fund Blackout Periods

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; interim guidance regarding Form 8-K Item 11 and Item 12 filing requirements.

SUMMARY: The Securities and Exchange Commission is issuing interim guidance regarding the filing of information pursuant to new Items 11 and 12 of Form 8-K. Item 11 requires a registrant to provide public notice of a pension fund blackout period. Final rules related to this disclosure item were published in the **Federal Register** on January 28, 2003 (68 FR 4337). Item 12 requires a registrant to furnish specified disclosure when the registrant, or any person acting on its behalf, makes any public announcement or release disclosing material non-public information regarding the registrant's results of operations or financial condition for a competed quarterly or annual fiscal period. Final rules related to this disclosure item were published in the **Federal Register** on January 30, 2003 (68 FR 4819).

EFFECTIVE DATE: March 28, 2003.

FOR FURTHER INFORMATION CONTACT:

Andrew Thorpe, Special Counsel, with respect to the Form 8-K Item 11

information, or Joseph Babits, Special Counsel, with respect to the Form 8-K Item 12 information, at (202) 942-2910, Division of Corporation Finance, U.S. Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0402.

SUPPLEMENTARY INFORMATION: On January 22, 2003, the Commission issued two separate adopting releases. One of the releases contained final rules to clarify the application and prevent evasion of section 306(a) of the Sarbanes-Oxley Act of 2002.¹ Section 306(a) prohibits any director or executive officer of an issuer of any equity security from, directly or indirectly, purchasing, selling or otherwise acquiring or transferring any equity security of the issuer during a pension plan blackout period that temporarily prevents plan participants or beneficiaries from engaging in equity securities through their plan accounts, if the director or executive officer acquired the equity security in connection with his or her service or employment as a director or executive officer. Among other things, the Commission created new Item 11 of Form 8-K, which requires a registrant to provide public notice of a pension fund blackout period. The Item 11 disclosure requirement is effective on March 31, 2003. The Commission deferred effectiveness until March 31 to allow time for Commission staff to program the addition of Item 11 to the Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system. In recognition of the fact that section 306(a) of the Sarbanes-Oxley Act of 2002, including the notice requirement, became effective on January 26, 2003, the release stated that between January 26 and March 31, 2003, a registrant could provide the required notice to the Commission by disclosing the information described in Item 11 under Item 5 ("Other Information") of Form 10-Q or 10-QSB, in the first quarterly period filed by the registrant after commencement of the blackout period.

The other release contained final rules and amendments to address public companies' disclosure or release of certain financial information that is calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles.² Among other things, the Commission created new Item 12 of Form 8-K, that requires a registrant to furnish specified disclosure when the

registrant, or any person acting on its behalf, makes any public announcement or release disclosing material non-public information regarding the registrant's results of operations or financial condition for a competed quarterly or annual fiscal period. The Item 12 disclosure requirement applies to earnings releases and similar announcements made after March 28, 2003.

Because the necessary programming to add Items 11 and 12 of Form 8-K to the EDGAR system is not yet complete, we are providing the following interim guidance regarding the filing requirement for these Items.

- Registrants should continue to disclose the information required by Item 11 under Item 5 ("Other Information") of Form 10-Q or 10-QSB in the first quarterly report filed by the registrant after commencement of the blackout period.

- Registrants should furnish the information required by Item 12 under Item 9 ("Regulation FD Disclosure") of Form 8-K.

- The text of Item 5 of the Form 10-Q that provides information required under Item 11 should indicate that information is being provided under Item 11.

- The caption in the Form 8-K that provides information required under Item 12 should indicate that information is being provided under Item 12, or under Items 9 and 12, as the case may be.

This procedural guidance does not affect the legal obligations or consequences of providing the information under these items. For example, the information in a Form 8-K report furnished pursuant to Item 9 is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, except if the registrant specifically states that the information is to be considered "filed" under the Exchange Act or incorporates it by reference into a filing under the Securities Act of 1933 or the Exchange Act. As provided in the final rules, a registrant must furnish the information that is required by Item 12 under Item 9 of Form 8-K within five business days after the occurrence of an event specified in Item 12. Information provided under Item 12 also may be required to be provided under the requirements of Regulation FD; in this case, any earlier deadline for Item 9 under Regulation FD would apply.

This interim guidance will remain in effect until we announce that our EDGAR system permits registrants to file or furnish information using the

¹ Release No. 34-47225 (January 22, 2003) [68 FR 4337].

² Release No. 33-8176 (January 22, 2003) [68 FR 4819].