

account for difference in riskiness among exposures that fall into the same category.

FHFA could also consider adopting criteria that reference certain financial or other metrics related to the obligor or counterparty. To be meaningful, the criteria would need to account for or bear a reasonable correlation to the potential riskiness of default among different obligors or counterparties. Any criteria would also need to be readily obtainable by both FHFA and the regulated entities if this approach is to be workable.

*Question 2: What types of objective criteria could be used to differentiate credit exposures and apply meaningful credit risk capital charges? Should different criteria be used for different broad classes of investments or exposures? Could there be perverse incentives or other "downsides" to this approach? What might be the problems with this approach?*

Another approach could be to build on each regulated entity's internal credit review process and allow an entity to assign exposure to various categories and assess risk charges based on qualitative and quantitative standards set by FHFA. For example, FHFA could assign limits or capital requirements based on regulated entities' internal ratings or some modification of such, as reviewed or approved by FHFA. This approach would be more subjective than the alternative discussed above but could allow FHFA to leverage the data collection and analysis already performed by the regulated entities.

*Question 3: What qualitative and quantitative standards would FHFA need to set to implement an approach that relied on the regulated entities to generate internal estimates of credit risk exposures? What are the strengths and weaknesses of such an approach? What would be the strengths and weaknesses of having FHFA itself set credit risk capital charges based on its own estimates of risk?*

*Question 4: In order to apply a meaningful risk-based capital charge, FHFA needs to set forth requirements for the regulated entities to estimate the credit risk of their various exposures. Could an approach be developed that estimates a meaningful risk-based capital charge that avoids requiring a specific credit risk charge or specifying criteria to estimate credit risk? What might such an approach be?*

### 3. Alternative Approaches to Prudential Regulations

FHFA could follow various approaches in replacing the NRSRO-referenced requirements in the

regulations described above. One approach could be to require a regulated entity to analyze and document compliance with certain specific credit-worthiness standards or metrics set forth by FHFA. These standards would need to assure that the investment or activity is not speculative in nature, and instead carries credit risk appropriate for the regulated entity's risk profile and risk management practices. FHFA could also require the regulated entity to consider specific, broader investment criteria that go beyond credit-worthiness considerations in its analysis.

FHFA could also rely on the regulated entity's internal credit assessment process and let the regulated entities decide on what specific investments or exposures may be appropriate. Under this approach, FHFA would likely need to provide regulatory and policy guidance on how any internal credit assessment process is to be structured and to rely heavily on the supervisory process to make sure that the regulated entities are strictly following their own guidelines and are not assuming high levels of credit risk.

Finally, some of the regulations described in this ANPR could be deleted without necessarily exposing the regulated entities to significant risks. At the same time, FHFA could consider other approaches, such as a prohibition on investment in broad categories of instruments or on assumption of particular types of exposures to replace the ratings based requirements.

*Question 5: What are the strengths and weaknesses of these various approaches? Are there any existing, objective tools or approaches that could readily replace references to ratings issued by NRSROs in the regulations discussed in this ANPR? Are there other approaches not discussed above that may be appropriate?*

*Question 6: What specific credit-worthiness or investment criteria should FHFA incorporate into a new regulation, if it decided to adopt such a regulation? For example, should FHFA limit investments by regulated entities to securities that would be eligible investments for money market funds, or to securities with original maturities of one-year or less, or based on other objective criteria? What principles would FHFA need to incorporate into any regulation or policy that was meant to govern a regulated entity's internal credit assessment process?*

*Question 7: Can any of the current prudential requirements that reference NRSROs or credit ratings be eliminated without compromising FHFA's ability to monitor and promote the safe or sound operations of the regulated entities?*

*Question 8: Is it important that FHFA's approach to replacing requirements in its regulations that reference credit ratings issued by NRSROs be consistent with that of other financial regulators, especially federal banking agencies?*

*Question 9: What are some other safeguards or requirements (not necessarily based on credit-worthiness standards) that might provide protections similar to those afforded under FHFA's current regulations that reference ratings issued by NRSROs?*

Dated: January 25, 2011.

**Edward J. DeMarco,**

Acting Director, Federal Housing Finance Agency.

[FR Doc. 2011-2041 Filed 1-28-11; 8:45 am]

**BILLING CODE 8070-01-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Parts 5 and 119

[Docket No. FAA-2009-0671; Notice No. 10-15]

RIN 2120-AJ86

#### Safety Management System for Part 121 Certificate Holders; Extension of Comment Period

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM); Extension of comment period.

**SUMMARY:** This action extends the comment period for an NPRM that was published on November 5, 2010. In that document, the FAA proposed to require each certificate holder operating under 14 CFR part 121 to develop and implement a safety management system (SMS) to improve its aviation related activities. Several trade and membership organizations representing various aviation industry segments have requested that the FAA extend the comment period closing date to allow time to adequately analyze the NPRM and prepare comments.

**DATES:** The comment period for the NPRM published on November 5, 2010, closing on February 3, 2011, is extended until March 7, 2011.

**ADDRESSES:** You may send comments identified by docket number FAA-2010-0997 using any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov> and follow the online instructions for sending your comments electronically.

- *Mail*: Send comments to Docket Operations, M–30; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue, SE., Room W12–140, West Building Ground Floor, Washington, DC 20590–0001.

- *Hand Delivery or Courier*: Take comments to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue, SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- *Fax*: Fax comments to Docket Operations at (202) 493–2251.

*Privacy*: The FAA will post all comments it receives, without change, to <http://www.regulations.gov>, including any personal information the commenter provides. Using the search function of the docket web site, anyone can find and read the electronic form of all comments received into any FAA dockets, including the name of the individual sending the comment (or signing the comment for an association, business, labor union, etc.). DOT's complete Privacy Act Statement can be found in the **Federal Register** published on April 11, 2000 (65 FR 19477–19478), as well as at <http://DocketsInfo.dot.gov>.

*Docket*: Background documents or comments received may be read at <http://www.regulations.gov> at any time. Follow the online instructions for accessing the docket or go to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue, SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:**

Sean Denniston, ARM–200, Office of Rulemaking, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591, telephone (202) 267–3380; facsimile (202) 267–5075, e-mail [sean.denniston@faa.gov](mailto:sean.denniston@faa.gov).

**SUPPLEMENTARY INFORMATION:** See the “Additional Information” section for information on how to comment on this proposal and how the FAA will handle comments received. The “Additional Information” section also contains related information about the docket, privacy, and the handling of proprietary or confidential business information. In addition, there is information on obtaining copies of related rulemaking documents.

**Background**

On November 5, 2010, the FAA published Notice No. 10–15, entitled “Safety Management Systems for Part 121 Certificate Holders” (75 FR 68224).

Comments to that document were to be received on or before February 3, 2011.

In a letter dated January 14, 2011 the Aeronautical Repair Station Association, Aircraft Electronics Association, Aircraft Owners and Pilots Association, Aviation Suppliers Association, Experimental Aircraft Association, Modification and Replacement Parts Association, National Air Transportation Association, and the National Business Aircraft Association requested that the FAA extend the comment period for Notice No. 10–15 for 90 days. The petitioners requested the extension to allow time to adequately assess the impact of the NPRM and prepare comments.

While the FAA concurs with the petitioners' requests for an extension of the comment period on Notice No. 10–15, it does not support a 90-day extension. The FAA finds that providing an additional 30 days is sufficient for commenters to analyze the NPRM and provide meaningful comment to Notice No. 10–15. The *Airline Safety and Federal Aviation Extension Act of 2010* (Pub. L. 111–216) directs the FAA to issue an SMS for part 121 final rule by July 30, 2012. In order to fulfill the final rule requirement of Public Law 111–216, the FAA is working on an accelerated schedule to complete the SMS for part 121 final rule.

Absent unusual circumstances, the FAA does not anticipate any further extension of the comment period for this rulemaking.

**Extension of Comment Period**

In accordance with § 11.47(c) of title 14, Code of Federal Regulations, the FAA has reviewed the petitions made by the Aeronautical Repair Station Association, Aircraft Electronics Association, Aircraft Owners and Pilots Association, Aviation Suppliers Association, Experimental Aircraft Association, Modification and Replacement Parts Association, National Air Transportation Association, and the National Business Aircraft Association for extension of the comment period to Notice No. 10–15. These petitioners have shown a substantive interest in the proposed rule and good cause for the extension. The FAA has determined that extension of the comment period is consistent with the public interest, and that good cause exists for taking this action.

Accordingly, the comment period for Notice No. 10–15 is extended until March 7, 2011.

**Additional Information**

*A. Comments Invited*

The FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. The agency also invites comments relating to the economic, environmental, energy, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should send only one copy of written comments, or if comments are filed electronically, commenters should submit only one time.

The FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, the FAA will consider all comments it receives on or before the closing date for comments. The FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. The agency may change this proposal in light of the comments it receives.

**Proprietary or Confidential Business Information:** Do not file proprietary or confidential business information in the docket. Such information must be sent or delivered directly to the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this document, and marked as proprietary or confidential. If submitting information on a disk or CD–ROM, mark the outside of the disk or CD–ROM, and identify electronically within the disk or CD–ROM the specific information that is proprietary or confidential.

Under 14 CFR 11.35(b), when the FAA is aware of proprietary information filed with a comment, the agency does not place it in the docket. It is held in a separate file to which the public does not have access, and the FAA places a note in the docket that it has received it. If the FAA receives a request to examine or copy this information, it treats it as any other request under the Freedom of Information Act (5 U.S.C. 552). The FAA processes such a request under Department of Transportation procedures found in 49 CFR part 7.

*B. Availability of Rulemaking Documents*

An electronic copy of rulemaking documents may be obtained from the Internet by—

1. Searching the Federal eRulemaking Portal (<http://www.regulations.gov>);
2. Visiting the FAA's Regulations and Policies Web page at [http://www.faa.gov/regulations\\_policies](http://www.faa.gov/regulations_policies) or
3. Accessing the Government Printing Office's Web page at <http://www.gpoaccess.gov/fr/index.html>.

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM-1, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267-9680. Commenters must identify the docket or notice number of this rulemaking.

All documents the FAA considered in developing this proposed rule, including economic analyses and technical reports, may be accessed from the Internet through the Federal eRulemaking Portal referenced in item (1) above.

Issued in Washington, DC, on January 26, 2011.

**Pamela Hamilton-Powell,**

*Director, Office of Rulemaking.*

[FR Doc. 2011-2049 Filed 1-28-11; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2011-0088; Directorate Identifier 2010-CE-072-AD]

RIN 2120-AA64

#### **Airworthiness Directives; Empresa Brasileira de Aeronautica S.A. (EMBRAER) Model EMB-500 Airplanes**

**AGENCY:** Federal Aviation Administration (FAA), Department of Transportation (DOT).

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for the products listed above. This proposed AD results from mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

It has been found that moisture may accumulate and freeze, under certain conditions, in the gap between the AOA vane base assembly and the stationary ring of the sensor's body. If freezing occurs both AOA sensors may get stuck and the Stall Warning Protection System (SWPS) will be no longer effective without alerting. This may result in

inadvertent aerodynamic stall and loss of controllability of the airplane.

The proposed AD would require actions that are intended to address the unsafe condition described in the MCAI.

**DATES:** We must receive comments on this proposed AD by March 17, 2011.

**ADDRESSES:** You may send comments by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Fax:* (202) 493-2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this proposed AD, contact EMBRAER Empresa Brasileira de Aeronáutica S.A., Phenom Maintenance Support, Av. Brig. Farina Lima, 2170, Sao Jose dos Campos—SP, CEP: 12227-901—PO Box: 36/2, BRASIL; telephone: ++55 12 3927-5383; fax: ++55 12 3927-2619; E-mail:

[phenom.reliability@embraer.com.br](mailto:phenom.reliability@embraer.com.br);  
Internet: <http://www.embraer.com.br>.

You may review copies of the referenced service information at the FAA, Small Airplane Directorate, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call 816-329-4148.

#### **Examining the AD Docket**

You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (telephone (800) 647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Jim Rutherford, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4165; fax: (816) 329-4090.

#### **SUPPLEMENTARY INFORMATION:**

#### **Comments Invited**

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2011-0088; Directorate Identifier 2010-CE-072-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed AD because of those comments.

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

#### **Discussion**

The AGÊNCIA NACIONAL DE AVIAÇÃO CIVIL—BRAZIL (ANAC), which is the aviation authority for Brazil, has issued AD No.: 2010-11-01, dated December 20, 2010 (referred to after this as "the MCAI"), to correct an unsafe condition for the specified products. The MCAI states:

It has been found that moisture may accumulate and freeze, under certain conditions, in the gap between the AOA vane base assembly and the stationary ring of the sensor's body. If freezing occurs both AOA sensors may get stuck and the Stall Warning Protection System (SWPS) will be no longer effective without alerting. This may result in inadvertent aerodynamic stall and loss of controllability of the airplane.

Since this condition may occur in other airplanes of the same type and affects flight safety, a corrective action is required. Thus, sufficient reason exists to request compliance with this AD in the indicated time limit.

The MCAI requires replacement of both Angle of Attack (AOA) sensors and cover plates. You may obtain further information by examining the MCAI in the AD docket.

#### **Relevant Service Information**

EMBRAER has issued PHENOM Service Bulletin SB No.: 500-27-0006, dated September 2, 2010, and PHENOM Service Bulletin SB No.: 500-27-0006, Revision No.: 01, dated November 29, 2010. The actions described in this service information are intended to correct the unsafe condition identified in the MCAI.

#### **FAA's Determination and Requirements of the Proposed AD**

This product has been approved by the aviation authority of another