

Committee prior to Debenture closing. Only the Board or Executive Committee, if authorized by the Board, may provide credit approval for loans greater than \$2,000,000.

(15) All members of the Board of Directors must annually certify in writing that they have read and understand this section, and copies of the certification must be included in the Annual Report to SBA.

(e) The Board of Directors shall maintain Directors' and Officers' Liability and Errors and Omissions insurance in amounts established by SBA that are based on the size of the CDC's portfolio and other relevant factors.

■ 8. Amend § 120.830 by revising paragraph (a) to read as follows:

§ 120.830 Reports a CDC must submit.

* * * * *

(a) An Annual Report within one hundred-eighty days after the end of the CDC's fiscal year (to include Federal tax returns for that year). A CDC that is certified by SBA within 6 months of the CDC's fiscal year-end is not required to submit an Annual Report for that year. The Annual Report must include, but is not limited to, the following:

(1) Audited or Reviewed Financial Statements as required in § 120.826(c) and (d) for the CDC and any affiliates or subsidiaries of the CDC.

(i) Audited financial statements must, at a minimum, include the following:

- (A) Audited balance sheet;
- (B) Audited statement of income (or receipts) and expenses;
- (C) Audited statement of source and application of funds;
- (D) Such footnotes as are necessary to an understanding of the financial statements;
- (E) Auditor's letter to management on internal control weaknesses; and
- (F) The auditor's report; and

(ii) Reviewed financial statements must, at a minimum, include the following:

- (A) Balance sheet;
- (B) Statement of income (or receipts) and expenses;
- (C) Statement of source and application of funds;
- (D) Such footnotes as are necessary to an understanding of the financial statements;
- (E) The accountant's review report; and

(2) Report on compensation: CDCs are required to provide detailed information on total compensation (including salary, bonuses and expenses) paid within the CDC's most recent tax year for current and former officers and directors, and for current and former employees and

independent contractors with total compensation of more than \$100,000 during that period.

(3) Certification of members of the Board of Directors. Written annual certification by each Board member that he or she has read and understands the requirements set forth in § 120.823.

(4) Report on investment in economic development. Written report on investments in economic development in each State in which the CDC has an outstanding 504 loan.

* * * * *

■ 9. Amend § 120.835 by revising paragraph (c) to read as follows:

§ 120.835 Application to expand an Area of Operations.

* * * * *

(c) A CDC seeking to become a Multi-State CDC must apply to the SBA District Office that services the area within each State where the CDC intends to locate its principal office for that State. A CDC may apply to be a Multi-State CDC only if the State the CDC seeks to expand into is contiguous to the State of the CDC's incorporation and the CDC establishes a loan committee in that State meeting the requirements of § 120.823.

§ 120.852 [Removed and Reserved]

■ 10. Remove and reserve § 120.852.

■ 11. Amend § 120.882 by revising paragraph (a) to read as follows:

§ 120.882 Eligible Project costs for 504 loans.

* * * * *

(a) Costs directly attributable to the Project including expenditures incurred by the Borrower (with its own funds or from a loan) to acquire land used in the Project, or for any other expense directly attributable to the Project, prior to applying to SBA for the 504 loan;

* * * * *

■ 12. Amend § 120.920 by revising paragraph (b) to read as follows:

§ 120.920 Required participation by Third Party Lender.

* * * * *

(b) *Third party loan collateral.* The 504 loan is usually collateralized by a second lien on Project Property. The Third Party Lender may obtain additional collateral or other security for the Third Party Loan ("Additional Collateral") only if in the event of liquidation and unless otherwise approved in writing by SBA:

(1) The Third Party Lender liquidates or otherwise exhausts all reasonable avenues of collection with respect to the Additional Collateral no later than the disposition of the Project Property, and

(2) The Third Party Lender applies any proceeds received as a result of the Additional Collateral to the balance outstanding on the Third Party Loan prior to the application of proceeds from the disposition of the Project Property to the Third Party Loan.

§ 120.925 [Removed and Reserved]

■ 13. Remove and reserve § 120.925.

Marianne O'Brien Markowitz,
Acting Administrator.

[FR Doc. 2014-06237 Filed 3-20-14; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2013-0796; Directorate Identifier 2013-NM-111-AD; Amendment 39-17802; AD 2014-05-30]

RIN 2120-AA64

Airworthiness Directives; The Boeing Company Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: We are superseding Airworthiness Directive (AD) 2013-07-07 for all The Boeing Company Model 737-600, -700, -700C, -800, -900, and -900ER series airplanes. AD 2013-07-07 required inspecting to determine the part number of the attach pins of the horizontal stabilizer rear spar, and replacing certain attach pins. This new AD clarifies the parts installation limitation and prohibition, and adds a new requirement for certain airplanes on which certain attach pins were installed. This AD was prompted by inquiries from affected operators regarding the parts installation limitation and prohibition, and re-installation of certain attach pins that were removed for inspection. We are issuing this AD to prevent premature failure of the attach pins, which could cause reduced structural integrity of the horizontal stabilizer to fuselage attachment, resulting in loss of control of the airplane.

DATES: This AD is effective April 25, 2014.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of May 20, 2013 (78 FR 22182, April 15, 2013).

ADDRESSES: For service information identified in this AD, contact Boeing

Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, WA 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; Internet <https://www.myboeingfleet.com>. You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2013-0796; 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 AD, the regulatory evaluation, any comments received, and other information. The address for the Docket Office (phone: 800-647-5527) is Docket Management Facility, U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Nancy Marsh, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue SW., Renton, WA 98057-3356; phone: 425-917-6440; fax: 425-917-6590; email: Nancy.Marsh@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to supersede AD 2013-07-07, Amendment 39-17411 (78 FR 22182,

April 15, 2013). AD 2013-07-07 applied to all The Boeing Company Model 737-600, -700, -700C, -800, -900, and -900ER series airplanes. The NPRM published in the **Federal Register** on September 25, 2013 (78 FR 58982). The NPRM was prompted by inquiries from affected operators regarding the parts installation limitation and prohibition, and re-installation of certain attach pins that were removed for inspection. The NPRM proposed to continue to require inspecting to determine the part number of the attach pins of the horizontal stabilizer rear spar, and replacing certain attach pins. The NPRM also proposed to clarify the parts installation limitation and prohibition, and add a new requirement for certain airplanes on which certain attach pins were installed. We are issuing this AD to prevent premature failure of the attach pins, which could cause reduced structural integrity of the horizontal stabilizer to fuselage attachment, resulting in loss of control of the airplane.

Comments

We gave the public the opportunity to participate in developing this AD. The following presents the comment received on the proposal (78 FR 58982, September 25, 2013) and the FAA’s response to each comment.

Clarification of Effect of Winglet Installation

Aviation Partners Boeing stated that the installation of winglets per Supplemental Type Certificate (STC) ST00830SE (http://rgl.faa.gov/Regulatory_and_Guidance_Library/rgstc.nsf/0/408E012E008616A7862578880060456C?OpenDocument&Highlight=st00830se) does not affect the accomplishment of the manufacturer’s service instructions.

We concur. Paragraph (c)(2) in AD 2013-07-07, Amendment 39-17411 (78 FR 22182, April 15, 2013), has been restated in this final rule and specifies that STC ST00830SE (http://rgl.faa.gov/Regulatory_and_Guidance_Library/rgstc.nsf/0/408E012E008616A7862578880060456C?OpenDocument&Highlight=st00830se) does not affect the ability to accomplish the actions required by this final rule. Therefore, for airplanes on which STC ST00830SE is installed, a “change in product” alternative method of compliance (AMOC) approval request is not necessary to comply with the requirements of section 39.17 of the Federal Aviation Regulations (14 CFR 39.17).

Conclusion

We reviewed the relevant data, considered the comment received, and determined that air safety and the public interest require adopting this AD as proposed except for minor editorial changes. We have determined that these minor changes:

- Are consistent with the intent that was proposed in the NPRM (78 FR 58982, September 25, 2013) for correcting the unsafe condition; and
- Do not add any additional burden upon the public than was already proposed in the NPRM (78 FR 58982, September 25, 2013).

Costs of Compliance

We estimate that this AD affects 1,050 airplanes of U.S. registry. The new requirements add no significant economic burden over that specified in AD 2013-07-07, Amendment 39-17411 (78 FR 22182, April 15, 2013). Those costs are repeated for the convenience of affected operators, as follows:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspection and attach pin replacement [actions retained from AD 2013-07-07, Amendment 39-17411 (78 FR 22182, April 15, 2013)].	39 work-hours × \$85 per hour = \$3,315.	Up to \$6,312	Up to \$9,627	Up to \$10,108,350.

According to the manufacturer, some of the costs of this AD may be covered under warranty, thereby reducing the cost impact on affected individuals. We do not control warranty coverage for affected individuals. As a result, we have included all costs in our cost estimate.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA’s authority to issue rules on aviation safety. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency’s authority.

We are issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, “General requirements.” Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation

is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We have determined that this AD will not have federalism implications under Executive Order 13132. This AD will 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.

For the reasons discussed above, I certify that this AD:

- (1) Is not a “significant regulatory action” under Executive Order 12866,
- (2) Is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979),
- (3) Will not affect intrastate aviation in Alaska, and
- (4) 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.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 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. The FAA amends § 39.13 by removing Airworthiness Directive (AD) 2013–07–07, Amendment 39–17411 (78 FR 22182, April 15, 2013), and adding the following new AD:

2014–05–30 The Boeing Company:

Amendment 39–17802; Docket No. FAA–2013–0796; Directorate Identifier 2013–NM–111–AD.

(a) Effective Date

This AD is effective April 25, 2014.

(b) Affected ADs

- (1) This AD supersedes AD 2013–07–07, Amendment 39–17411 (78 FR 22182, April 15, 2013).
- (2) This AD affects certain requirements of AD 2004–05–19, Amendment 39–13514 (69 FR 10921, March 9, 2004; corrected April 13, 2004 (69 FR 19313)).

(c) Applicability

(1) This AD applies to all The Boeing Company Model 737–600, –700, –700C, –800, –900, and –900ER series airplanes, certificated in any category.

(2) Installation of Supplemental Type Certificate (STC) ST00830SE (http://rgl.faa.gov/Regulatory_and_Guidance_Library/rgstc.nsf/0/408E012E008616A7862578880060456C?OpenDocument&Highlight=st00830se) does not affect the ability to accomplish the actions required by this AD. Therefore, for airplanes on which STC ST00830SE is installed, a “change in product” alternative method of compliance (AMOC) approval request is not necessary to comply with the requirements of 14 CFR 39.17.

(d) Subject

Air Transport Association (ATA) of America Code 55, Stabilizers.

(e) Unsafe Condition

This AD was prompted by inquiries from affected operators regarding the parts installation limitation and prohibition, and re-installation of certain attach pins that were removed for inspection. We are issuing this AD to prevent premature failure of the attach pins, which could cause reduced structural integrity of the horizontal stabilizer to fuselage attachment, resulting in loss of control of the airplane.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Retained Part Number (P/N) Inspection

This paragraph restates the requirements of paragraph (g) of AD 2013–07–07, Amendment 39–17411 (78 FR 22182, April 15, 2013). For airplanes having line numbers 1 through 3534 inclusive: Before the accumulation of 56,000 total flight cycles, or within 3,000 flight cycles after May 20, 2013 (the effective date of AD 2013–07–07), whichever occurs later, inspect to determine the part number of the attach pins of the horizontal stabilizer rear spar. A review of airplane maintenance records is acceptable in lieu of this inspection if the part number of the attach pin can be conclusively determined from that review.

(h) Retained Replacement

This paragraph restates the requirements of paragraph (h) of AD 2013–07–07, Amendment 39–17411 (78 FR 22182, April 15, 2013). If, during the inspection required by paragraph (g) of this AD, any horizontal stabilizer rear spar attach pin has P/N 180A1612–3 or 180A1612–4, prior to the accumulation of 56,000 total flight cycles on the pin, or within 3,000 flight cycles after May 20, 2013 (the effective date of AD 2013–07–07), whichever occurs later, replace with a new attach pin having P/N 180A1612–7 or 180A1612–8, respectively, in accordance with the Accomplishment Instructions of Boeing Special Attention Service Bulletin 737–55–1093, dated April 9, 2012.

(i) Retained Parts Installation Prohibition

This paragraph restates the requirements of paragraph (i)(2) of AD 2013–07–07, Amendment 39–17411 (78 FR 22182, April 15, 2013). For airplanes having line numbers 3535 and subsequent: As of May 20, 2013 (the effective date of AD 2013–07–07), no person may install an attach pin of the horizontal stabilizer rear spar having P/N 180A1612–3 or 180A1612–4 on any airplane.

(j) Retained Terminating Action for AD 2004–05–19, Amendment 39–13514 (69 FR 10921, March 9, 2004; Corrected April 13, 2004 (69 FR 19313))

This paragraph restates the provisions of paragraph (j) of AD 2013–07–07, Amendment 39–17411 (78 FR 22182, April 15, 2013). Accomplishment of the actions required by paragraphs (g) and (h) of this AD terminates the requirements of paragraphs (a), (b), (c), (d), and (e) of AD 2004–05–19, Amendment 39–13514 (69 FR 10921, March 9, 2004; corrected April 13, 2004 (69 FR 19313)), for the rear spar attach pins only.

(k) New Parts Installation Limitation

For airplanes having line numbers 1 through 3534 inclusive: As of the effective date of this AD, an attach pin of the horizontal stabilizer rear spar having P/N 180A1612–3 or 180A1612–4 may be installed on an airplane, provided it is replaced with an attach pin having P/N 180A1612–7 or 180A1612–8, as applicable, prior to the accumulation of 56,000 total flight cycles on the attach pin. The replacement must be done in accordance with the Accomplishment Instructions of Boeing Special Attention Service Bulletin 737–55–1093, dated April 9, 2012.

(l) New Attach Pin Replacement

For airplanes having line numbers 1 through 3534 inclusive on which an attach pin of the horizontal stabilizer rear spar having P/N 180A1612–7 or 180A1612–8 has been replaced with an attach pin having P/N 180A1612–3 or 180A1612–4 before the effective date of this AD: Prior to the accumulation of 56,000 total flight cycles on the attach pin, or within 1,000 flight cycles on the airplane after the effective date of this AD, whichever occurs later, replace the attach pin having P/N 180A1612–3 or 180A1612–4 with an attach pin having P/N 180A1612–7 or 180A1612–8, as applicable, in accordance with the Accomplishment Instructions of Boeing Special Attention Service Bulletin 737–55–1093, dated April 9, 2012.

(m) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Seattle Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in paragraph (n) of this AD. Information may be emailed to 9-ANM-Seattle-ACO-AMOC-Requests@faa.gov.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(3) An AMOC that provides an acceptable level of safety may be used for any repair required by this AD if it is approved by the Boeing Commercial Airplanes Organization Designation Authorization (ODA) that has been authorized by the Manager, Seattle ACO, to make those findings. For a repair method to be approved, the repair must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

(4) AMOCs approved previously for AD 2013-07-07, Amendment 39-17411 (78 FR 22182, April 15, 2013), are approved as AMOCs for the corresponding provisions of this AD.

(n) Related Information

For more information about this AD, contact Nancy Marsh, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue SW., Renton, WA 98057-3356; phone: 425-917-6440; fax: 425-917-6590; email: Nancy.Marsh@faa.gov.

(o) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(3) The following service information was approved for IBR on May 20, 2013 (78 FR 22182, April 15, 2013).

(i) Boeing Special Attention Service Bulletin 737-55-1093, dated April 9, 2012.

(ii) Reserved.

(4) For Boeing service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, WA 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; Internet <https://www.myboeingfleet.com>.

(5) You may view this service information at FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

(6) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: <http://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued in Renton, Washington, on March 3, 2014.

Michael J. Kaszycki,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2014-05415 Filed 3-20-14; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2013-0089; Directorate Identifier 2012-NM-166-AD; Amendment 39-17806; AD 2014-06-02]

RIN 2120-AA64

Airworthiness Directives; The Boeing Company Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: We are adopting a new airworthiness directive (AD) for certain The Boeing Company Model 747-400 series airplanes. This AD was prompted by reports of auxiliary power unit (APU) faults due to power feeder cable chafing. This AD requires detailed inspections for damage of the APU power feeder cables; replacing the clamps and installing grommets; and related investigative and corrective actions if necessary. We are issuing this AD to detect and correct chafing of the APU power feeder cables within a flammable fluid leakage zone, which, with arcing, could result in fire and structural damage.

DATES: This AD is effective April 25, 2014.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of April 25, 2014.

ADDRESSES: For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, WA 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; Internet <https://www.myboeingfleet.com>. You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2013-0089; 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 AD, the regulatory evaluation, any comments received, and other information. The address for the Docket Office (phone: 800-647-5527) is

Docket Management Facility, U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Georgios Roussos, Aerospace Engineer, Systems and Equipment Branch, ANM-130S, Seattle Aircraft Certification Office, FAA, 1601 Lind Avenue SW., Renton, WA 98057-3356; phone: 425-917-6482; fax: 425-917-6590; email: georgios.roussos@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to certain The Boeing Company Model 747-400 series airplanes. The NPRM published in the **Federal Register** on February 7, 2013 (78 FR 8999). The NPRM was prompted by reports of APU faults due to power feeder cable chafing. The NPRM proposed to require detailed inspections for damage of the APU power feeder cables; replacing the clamps and installing grommets; and related investigative and corrective actions if necessary. We are issuing this AD to detect and correct chafing of the APU power feeder cables within a flammable fluid leakage zone, which, with arcing, could result in fire and structural damage.

Relevant Service Information

Since we issued the NPRM (78 FR 8999, February 7, 2013), we reviewed Boeing Service Bulletin 747-24A2360, Revision 2, dated October 2, 2013. (The NPRM referenced Boeing Service Bulletin 747-24A2360, Revision 1, dated May 2, 2012, as the appropriate source of service information for accomplishing the required actions.) Boeing Service Bulletin 747-24A2360, Revision 2, dated October 2, 2013, among other things, revises the recommended compliance time from 14 months to 18 months. For information on the procedures and compliance times, see this service information at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2013-0089.

We have determined that extending the compliance time, as recommended by the manufacturer, will not adversely affect safety. We have revised the compliance time in paragraph (g) of this AD accordingly. We have also revised paragraphs (c), (g), (h), and (i) of this AD to refer to Boeing Service Bulletin 747-24A2360, Revision 2, dated October 2, 2013.