SUMMARY: We are adopting a new airworthiness directive (AD) for Agusta S.p.A. (Agusta) Model A109A, A109A II, A109C, A109E, A109K2, A109S, and AW109SP helicopters. This AD requires visually inspecting the tail rotor drive shaft assembly (drive shaft) for a crack. This AD was prompted by the discovery of three cracks on the drive shaft of a Model A109S helicopter. The actions of this AD are intended to detect a crack on the drive shaft to prevent failure of the driveshaft, failure of the tail rotor, and subsequent loss of helicopter control.

DATES: This AD is effective October 20, 2016.

The Director of the Federal Register approved the incorporation by reference of certain documents listed in this AD as of October 20, 2016.

ADDRESSES: For service information identified in this final rule, contact AgustaWestland, Product Support Engineering, Via del Gregge, 100, 21015 Linate Pozzolo (VA) Italy, ATTN: Maurizio D’Angelo; telephone 39–0331–664680; or at http://www.agustawestland.com/technical-bulletins. You may review the referenced service information at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Pkwy, Room 6N–321, Fort Worth, TX 76177. It is also available on the Internet at http://www.regulations.gov by searching for and locating Docket No. FAA–2015–3781.

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–2015–3781; or in person at the Docket Operations Office between 9 a.m. and 5 p.m., Monday through Friday, except federal holidays. The AD docket contains this AD, the European Aviation Safety Agency (EASA) AD, any incorporated-by-reference service information, the economic evaluation, any comments received, and other information. The street address for the Docket Operations Office (phone: 800–647–5527) is U.S. Department of Transportation, Docket Operations Office, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Martin R. Crane, Aviation Safety Engineer, Safety Management Group, Rotorcraft Directorate, FAA, 10101 Hillwood Pkwy, Fort Worth, TX 76177; telephone (817) 222–5110; email martin.r.crane@faa.gov.

SUPPLEMENTARY INFORMATION:
Discussion
On March 22, 2016, at 81 FR 15171, the Federal Register published our notice of proposed rulemaking (NPRM), which proposed to amend 14 CFR part 39 by adding an AD that would apply to Agusta S.p.A. Model A109A, A109A II, A109C, A109E, A109K2, A109S, and AW109SP helicopters with a drive shaft part number (P/N) 109–8412–02–1 or 109–8412–02–3 installed. The NPRM proposed to require visually inspecting the drive shaft for a crack. The proposed requirements were intended to detect a crack on the drive shaft to prevent failure of the driveshaft, failure of the tail rotor, and subsequent loss of helicopter control.


EASA advises that during scheduled maintenance on a Model A109S helicopter, three cracks were found on the drive shaft. An investigation could not determine the cause of the cracking but concluded it could not have been caused by fatigue. This condition, if not detected and corrected, could lead to tail rotor failure, possibly resulting in loss of helicopter control, EASA advises. EASA AD No. 2015–0054 consequently requires a one-time inspection of the drive shaft, and replacing the drive shaft if cracks are found.

Comments
We gave the public the opportunity to participate in developing this AD, but we received no comments on the NPRM (81 FR 15171, March 22, 2016).

FAA’s Determination
These helicopters have been approved by the aviation authority of Italy and are approved for operation in the United States. Pursuant to our bilateral agreement with Italy, EASA, its technical representative, has notified us of the unsafe condition described in the EASA AD. We are issuing this AD because we evaluated all information provided by EASA and determined the unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs and that air safety and the public interest require adopting the AD requirements as proposed.

Interim Action
We consider this AD to be an interim action. The design approval holder has not determined the cause of the unsafe
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 helicopters identified in this rulemaking action.

**Regulatory Findings**

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 to the extent that it justifies making a regulatory distinction; 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.

We prepared an economic evaluation of the estimated costs to comply with this AD and placed it in the AD docket.

**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 adding the following new airworthiness directive (AD):


   **(a) Applicability**


   **(b) Unsafe Condition**

   This AD defines the unsafe condition as a crack in a drive shaft. This condition could result in failure of a drive shaft, failure of the tail rotor, and subsequent loss of helicopter control.

   **(c) Effective Date**

   This AD becomes October 20, 2016.

   **(d) Compliance**

   You are responsible for performing each action required by this AD within the specified compliance time unless it has already been accomplished prior to that time.

   **(e) Required Actions**

   Within 50 hours time-in-service:

   1. Visually inspect each drive shaft in accordance with the Compliance Instructions, paragraph 4, of AgustaWestland Bollettino Tecnico (BT) No. 109–147, dated March 25, 2015;
   2. Visually inspect each drive shaft in accordance with the Compliance Instructions, paragraph 4, of AgustaWestland Bollettino Tecnico (BT) No. 109S–067, dated March 25, 2015; and

   **(f) Alternative Methods of Compliance (AMOCs)**

   1. The Manager, Safety Management Group, FAA, may approve AMOCs for this AD. Send your proposal to: Martin R. Crane, Aviation Safety Engineer, Safety Management Group, Rotorcraft Directorate, FAA, 10101 Hillwood Pkwy, Fort Worth, TX 76177; telephone (817) 222–5110; email 9-AISW-FTW-AMOC-Requests@faa.gov.

   2. For operations conducted under a 14 CFR part 119 operating certificate or under 14 CFR part 91, subpart K, we suggest that you notify your principal inspector, or lacking a principal inspector, the manager of the local flight standards district office or certificate holding district office, before operating any aircraft complying with this AD through an AMOC.

   **(g) Additional Information**


   **(h) Subject**

   Joint Aircraft Service Component (JASC) Code: 6510, Tail Rotor Drive Shaft.
(i) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference 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) For Agusta S.p.a. service information identified in this final rule, contact AgustaWestland, Product Support Engineering, Via del Gregge, 100, 21015 Lonate Pozzolo (VA) Italy, ATTN: Maurizio D’Angelo; telephone 39–0331–664757; fax 39–0331–664680; or at http://www.agustawestland.com/technical-bulletins.

(4) You may view this service information at FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Pkwy, Room 6N–321, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

(5) 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 Fort Worth, Texas, on September 1, 2016.

Lance T. Gant,
Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 2016–21707 Filed 9–14–16; 8:45 am]

BILLING CODE 4910–13–P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Chapter I

Comparability Determination for Japan: Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of comparability determination for margin requirements for uncleared swaps under the laws of Japan.

SUMMARY: The following is the analysis and determination of the Commodity Futures Trading Commission ("Commission") regarding a request by the Japan Financial Services Agency ("JFSA") that the Commission determine that laws and regulations applicable in Japan provide a sufficient basis for an affirmative finding of comparability with respect to margin requirements for uncleared swaps applicable to certain swap dealers ("SDs") and major swap participants ("MSPs") registered with the Commission. As discussed in detail herein, with one exception, the Commission has found the margin requirements for uncleared swaps under the laws and regulations of Japan comparable to those under the Commodity Exchange Act ("CEA") and Commission regulations.

DATES: This determination is effective September 15, 2016.

FOR FURTHER INFORMATION CONTACT: Eileen T. Flaherty, Director, 202–418–5326, eflaherty@cftc.gov, or Frank N. Fisianich, Chief Counsel, 202–418–5949, ffisianich@cftc.gov, Division of Swap Dealer and Intermediary Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

I. Introduction

Pursuant to section 4s(e) of the CEA, the Commission is required to promulgate margin requirements for uncleared swaps applicable to each SD and MSP for which there is no Prudential Regulator (collectively, "Covered Swap Entities" or "CSEs"). The Commission published final margin requirements for such CSEs in January 2016 (the "Final Margin Rule"). Subsequently, on May 31, 2016, the Commission published in the Federal Register its final rule with respect to the cross-border application of the Commission’s margin requirements for uncleared swaps applicable to CSEs (hereinafter, the "Cross-Border Margin Rule"). The Cross-Border Margin Rule sets out the circumstances under which a CSE is allowed to satisfy the requirements under the Margin Rule by complying with comparable foreign margin requirements ("substituted compliance"); offers certain CSEs a limited exclusion from the Commission’s margin requirements; and outlined a framework for assessing whether a foreign jurisdiction’s margin requirements are comparable to the Final Margin Rule ("comparability determinations"). The Commission promulgated the Cross-Border Margin Rule after close consultation with the Prudential Regulators and in light of comments from market participants and foreign regulators.

On June 17, 2016, the JFSA (the "applicant") submitted a request that the Commission determine that laws and regulations applicable in Japan provide a sufficient basis for an affirmative finding of comparability with respect to the Final Margin Rule. The applicant provided Commission staff with an updated submission on July 26, 2016. On August 18, 2016, the application was further supplemented with corrections and additional materials. The Commission’s analysis and comparability determination for Japan regarding the Final Margin Rule is detailed below.

* * *

See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants—Cross-Border Application of the Margin Requirements, 81 FR 34818 (May 31, 2016), the Cross-Border Margin Rule, which became effective August 1, 2016, is codified in part 23 of the Commission’s regulations. See 17 CFR 23.160.

In 2014, in conjunction with re-proposing its margin requirements, the Commission requested comment on three alternative approaches to the cross-border application of its margin requirements: (i) A transaction-level approach consistent with the Commission’s guidance on the cross-border application of the CEA’s swap provisions, see Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 FR 45292 (July 26, 2013) (the "Guidance"); (ii) an approach consistent with the Prudential Regulators’ proposed cross-border framework for margin, see Margin and Capital Requirements for Covered Swap Entities, 79 FR 57348 (Sept. 24, 2014); and (iii) an entity-level approach that would apply margin rules on a firm-wide basis (without any exclusion for swaps with non-U.S. counterparties). See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 81 FR 74840 (Nov. 30, 2016) ("Prudential Regulators’ Final Margin Rule").

See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 81 FR 636 (Jan. 6, 2016). The Margin Rule, which became effective April 1, 2016, is codified in part 23 of the Commission’s regulations. See 17 CFR 23.150 through 23.159, and 23.160. The Commission’s regulations are found in chapter I of 17 CFR 1 et seq.

* * *

* * *

1 See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 81 FR 34818 (May 31, 2016), the Cross-Border Margin Rule, which became effective August 1, 2016, is codified in part 23 of the Commission’s regulations. See 17 CFR 23.160.

2 In 2014, in conjunction with re-proposing its margin requirements, the Commission requested comment on three alternative approaches to the cross-border application of its margin requirements: (i) A transaction-level approach consistent with the Commission’s guidance on the cross-border application of the CEA’s swap provisions, see Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 FR 45292 (July 26, 2013) (the "Guidance"); (ii) an approach consistent with the Prudential Regulators’ proposed cross-border framework for margin, see Margin and Capital Requirements for Covered Swap Entities, 79 FR 57348 (Sept. 24, 2014); and (iii) an entity-level approach that would apply margin rules on a firm-wide basis (without any exclusion for swaps with non-U.S. counterparties). See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 81 FR 74840 (Nov. 30, 2016) ("Prudential Regulators’ Final Margin Rule").

Following a review of comments received in response to this release, the Commission’s Global Markets Advisory Committee ("GMAC") hosted a public panel discussion on the cross-border application of margin requirements. See GMAC Meeting (May 14, 2015), transcript and webcast available at http://www.cftc.gov/PressRoom/Events/opaevent_gmac051415.