

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2016-9307; Directorate Identifier 2016-NM-076-AD]

RIN 2120-AA64

#### Airworthiness Directives; The Boeing Company Airplanes

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

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

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for certain The Boeing Company Model 787-9 airplanes. This proposed AD was prompted by a determination that a certain bolt used on the outboard clevis of the ram air turbine (RAT) forward support fitting might not be long enough to allow for proper installation of the RAT. This proposed AD would require inspection of the forward support fitting of the RAT and replacement if cracking is found, and installation of a longer shoulder bolt. We are proposing this AD to address the unsafe condition on these products.

**DATES:** We must receive comments on this proposed AD by January 12, 2017.

**ADDRESSES:** You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, 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:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this NPRM, contact Boeing Commercial

Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110-SK57, Seal Beach, CA 90740; telephone 562-797-1717; 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. It is also available on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2016-9307.

#### 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-2016-9307; 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 (phone: 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Kelly McGuckin, Aerospace Engineer, Systems and Equipment Branch, ANM-130S, FAA, Seattle Aircraft Certification Office (ACO), 1601 Lind Avenue SW., Renton, WA 98057-3356; phone: 425-917-6490; fax: 425-917-6590; email: [kelly.mcguckin@faa.gov](mailto:kelly.mcguckin@faa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2016-9307; Directorate Identifier 2016-NM-076-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://](http://www.regulations.gov)

[www.regulations.gov](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

During production, a determination was made that the shoulder bolt used on the outboard clevis of the RAT forward support fitting might not be long enough to allow for proper installation of the RAT; therefore, the clevis of the joint could be clamped together, resulting in reduced fatigue life and possible fracture of the clevis. The RAT system supplies an emergency source of hydraulic power to operate the minimum flight controls necessary for flight, and an emergency source of electrical power in the case of a dual non-restartable engine loss. Fracture of the clevis of the forward support fitting of the RAT could result in the RAT departing the airplane during a dual non-restartable engine loss, and consequent loss of control of the airplane. The RAT departing the airplane could also result in injury to maintenance crews during periodic RAT ground tests.

#### Related Service Information Under 14 CFR Part 51

We reviewed Boeing Alert Service Bulletin B787-81205-SB290031-00, Issue 001, dated March 25, 2016. The service information describes procedures for inspecting for cracking of the clevis of the forward support fitting of the RAT, installing a longer shoulder bolt, and replacing the forward support fitting with a new fitting if any cracking is found. This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

#### FAA's Determination

We are proposing this AD because we evaluated all the relevant information and determined the unsafe condition described previously is likely to exist or develop in other products of the same type design.

#### Proposed AD Requirements

This proposed AD would require accomplishing the actions specified in the service information described previously. 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-2016-9307.

**Costs of Compliance**

We estimate that this proposed AD affects 2 airplanes of U.S. registry.

We estimate the following costs to comply with this proposed AD:

**ESTIMATED COSTS**

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspection/shoulder bolt replacement .....	3 work-hours × \$85 per hour = \$255 .....	\$152	\$407	\$814

We estimate the following costs to do any necessary replacements of the forward support fitting that would be

required based on the results of the proposed inspection. We have no way of

determining the number of aircraft that might need these replacements:

**ON-CONDITION COSTS**

Action	Labor cost	Parts cost	Cost per product
Forward support fitting replacement .....	15 work-hours × \$85 per hour = \$1,275 .....	\$28,309	\$29,584

According to the manufacturer, some of the costs of this proposed 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 determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD 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.

For the reasons discussed above, I certify 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),
- (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.

**The Proposed Amendment**

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 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):

**The Boeing Company:** Docket No. FAA-2016-9307; Directorate Identifier 2016-NM-076-AD.

**(a) Comments Due Date**

We must receive comments by January 12, 2017.

**(b) Affected ADs**

None.

**(c) Applicability**

This AD applies to The Boeing Company Model 787-9 airplanes, certificated in any category, as identified in Boeing Alert Service Bulletin B787-81205-SB290031-00, Issue 001, dated March 25, 2016.

**(d) Subject**

Air Transport Association (ATA) of America Code 29; Hydraulic power.

**(e) Unsafe Condition**

This AD was prompted by a determination that the shoulder bolt used on the outboard clevis of the ram air turbine (RAT) might not be long enough to allow for proper installation of the RAT; therefore, the clevis of the joint could be clamped together, resulting in reduced fatigue life and possible fracture of the clevis. We are issuing this AD to prevent fracture of the clevis of the forward support fitting of the RAT, which could result in the RAT departing the airplane during a dual non-restartable engine loss, and consequent loss of control of the airplane, or injury to maintenance crews during periodic RAT ground tests.

**(f) Compliance**

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

**(g) Inspection, Replacement of Shoulder Bolt, and Replacement of RAT Forward Support Fitting if Necessary**

Within 12,000 flight hours or 24 months after the effective date of this AD, whichever occurs first: Do a high frequency eddy current inspection for cracking of the clevis of the forward support fitting of the RAT, and install a longer shoulder bolt, in accordance

with the Accomplishment Instructions of Boeing Alert Service Bulletin B787-81205-SB290031-00, Issue 001, dated March 25, 2016. If any cracking is found, before further flight, replace the RAT forward support fitting with a new fitting, in accordance with the Accomplishment Instructions of Boeing Alert Service Bulletin B787-81205-SB290031-00, Issue 001, dated March 25, 2016.

#### (h) Credit for Previous Actions

This paragraph provides credit for the actions specified in paragraph (g) of this AD, if those actions were performed before the effective date of this AD using the service information specified in paragraphs (h)(1), (h)(2), (h)(3), or (h)(4) of this AD.

(1) Boeing Message TBC-ANA-15-0272-01B, dated September 22, 2015.

(2) Boeing Message TBC-ANZ-15-0016-06B, dated October 14, 2015.

(3) Boeing Message TBC-CAL-15-0089-01B, dated September 22, 2015.

(4) Boeing Message TBC-VAA-15-0089-01B dated September 22, 2015.

#### (i) 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 (j)(1) of this AD. Information may be emailed to: [9-ANM-Seattle-ACO-AMOC-Requests@faa.gov](mailto: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, modification, or alteration 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. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

(4) For service information that contains steps that are labeled as Required for Compliance (RC), the provisions of paragraphs (i)(4)(i) and (i)(4)(ii) of this AD apply.

(i) The steps labeled as RC, including substeps under an RC step and any figures identified in an RC step, must be done to comply with the AD. An AMOC is required for any deviations to RC steps, including substeps and identified figures.

(ii) Steps not labeled as RC may be deviated from using accepted methods in accordance with the operator's maintenance or inspection program without obtaining approval of an AMOC, provided the RC steps, including substeps and identified figures, can

still be done as specified, and the airplane can be put back in an airworthy condition.

#### (j) Related Information

(1) For more information about this AD, contact Kelly McGuckin, Aerospace Engineer, Systems and Equipment Branch, ANM-130S, FAA, Seattle ACO, 1601 Lind Avenue SW., Renton, WA 98057-3356; phone: 425-917-6490; fax: 425-917-6590; email: [kelly.mcguckin@faa.gov](mailto:kelly.mcguckin@faa.gov).

(2) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110-SK57, Seal Beach, CA 90740; telephone 562-797-1717; 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.

Issued in Renton, Washington, on November 2, 2016.

**Michael Kaszycki,**

*Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 2016-27308 Filed 11-25-16; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-125946-10]

RIN 1545-BJ66

#### Dollar-Value LIFO Regulations: Inventory Price Index Computation (IPIC) Method Pools

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations that relate to the establishment of dollar-value last-in, first-out (LIFO) inventory pools by certain taxpayers that use the inventory price index computation (IPIC) pooling method. The proposed regulations provide rules regarding the proper pooling of manufactured or processed goods and wholesale or retail (resale) goods. The proposed regulations would affect taxpayers who use the IPIC pooling method and whose inventory for a trade or business consists of manufactured or processed goods and resale goods.

**DATES:** Comments and requests for a public hearing must be received by February 27, 2017.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-125946-10), Room 5205, Internal Revenue Service, PO Box

7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-125946-10), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov/> (IRS REG-125946-10).

#### FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Natasha M. Mulleneaux, (202) 317-7007; concerning submission of comments and requests for a public hearing, Regina Johnson, (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 472 of the Internal Revenue Code permits a taxpayer to account for inventories using the LIFO method of accounting. The LIFO method of accounting for goods treats inventories on hand at the end of the year as consisting first of inventory on hand at the beginning of the year and then of inventories acquired during the year.

Section 1.472-8(a) of the Income Tax Regulations (26 CFR part 1) provides that any taxpayer may elect to determine the cost of its LIFO inventories using the dollar-value method, provided such method is used consistently and clearly reflects income. The dollar-value method of valuing LIFO inventories is a method of determining cost by using "base-year" cost expressed in terms of total dollars rather than the quantity and price of specific goods as the unit of measurement. The "base-year" cost is the aggregate of the cost (determined as of the beginning of the tax year for which the LIFO method is first adopted) of all items in a pool.

Pooling is central to the operation of the dollar-value LIFO method. Pooling requires costs related to different inventory products to be grouped into one or more inventory pools. To determine whether there is an increment or liquidation in a pool for a particular taxable year, the end of the year inventory of the pool expressed in terms of base-year cost is compared with the beginning of the year inventory of the pool expressed in terms of base-year cost. The regulations prescribe rules for determining whether the number and composition of the pools used by the taxpayer are appropriate. The rules vary depending upon whether the taxpayer is engaged in the activity of manufacturing or processing or the activity of wholesaling or retailing.