

TABLE 6—SUMMARY STATISTICS OF SELECTED VARIABLES IN THE PORTFOLIOS OF HYPOTHETICAL LOANS—Continued
[Percent, except as noted]

Variables	Higher-risk	Lower-risk	Typical
Other	20.81	14.02	15.91
Credit rating, share of utilized balance			
AAA	0.00	0.00	0.45
AA	0.00	6.79	1.06
A	0.00	9.72	4.48
BBB	0.00	83.49	41.32
BB	78.68	0.00	40.91
B	20.85	0.00	10.57
CCC or below	0.47	0.00	1.21
Lien position, share of utilized balance			
First-lien senior	82.79	61.31	76.61
Senior unsecured	17.21	38.69	23.39
Other	0.00	0.00	0.00
Interest rate variability, share of utilized balance			
Fixed	16.26	26.36	11.72
Floating	83.44	71.99	86.04
Mixed	0.30	1.64	2.24
Industry, share of utilized balance ¹			
Agriculture, fishing, and hunting	0.42	0.00	0.16
Natural resources, utilities, and construction	10.71	9.34	4.03
Manufacturing	15.46	5.26	18.96
Trade and transportation	19.30	31.32	20.64
Technological and business services	26.36	11.52	13.74
Finance and insurance	16.36	15.51	20.15
Education, health care, and social assistance	6.40	7.67	7.05
Entertainment and lodging	1.96	1.66	1.52
Other services	3.03	17.73	13.75
Guarantor flag, share of utilized balance			
Full guarantee	41.61	50.93	32.40
U.S. government guarantee	1.50	0.00	0.38
Partial guarantee	1.57	0.06	2.15
No guarantee	55.32	49.01	65.08
Domestic obligor, share of utilized balance	93.88	82.34	94.64
Remaining maturity, average in months ^{2,3}	48.57	56.35	39.23
Interest rate, average in percentage ³	3.33	2.75	2.87
Committed exposure, average in millions of dollars	7.87	17.94	17.47
Utilized exposure, average in millions of dollars	5.76	7.35	5.86

¹ Industries are collapsed using the first digit of the NAICS 2007 code, except for finance and insurance.

² Maturity excludes demand loans.

³ Averages for remaining maturity and interest rate are weighted by utilized exposure.

TABLE 7—PROJECTED PORTFOLIO LOSS RATES, 2017:Q1–2019:Q1, DFAST 2017 SCENARIOS
[Percent]

Hypothetical portfolio	Scenario	
	Severely adverse	Adverse
Typical	5.4	3.2
Lower-risk	1.8	1.1
Higher-risk	7.2	4.2

Note: Portfolio loss rates are calculated as sum of the cumulative nine-quarter losses divided by sum of initial utilized balances.

By Order of the Board of Governors of the Federal Reserve System, December 7, 2017.

Ann E. Misback,

Secretary of the Board.

[FR Doc. 2017–26856 Filed 12–14–17; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2017–1184; Product Identifier 2017–CE–029–AD]

RIN 2120–AA64

Airworthiness Directives; Pacific Aerospace Limited 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 Pacific Aerospace Limited Model 750XL airplanes. 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 incorrectly marked and annunciated low oil pressure indication warnings. We are issuing this proposed AD to require actions to address the unsafe condition on these products.

DATES: We must receive comments on this proposed AD by January 29, 2018.

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 Pacific Aerospace Limited, Airport Road, Hamilton, Private Bag 3027, Hamilton 3240, New Zealand; telephone: +64 7 843 6144; facsimile: +64 7 843 6134; email: pacific@aerospace.co.nz; internet: www.aerospace.co.nz. You may review this referenced service information at the FAA, Policy and Innovation Division, 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> by searching for and locating Docket No. FAA-2017-1184; 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: Mike Kiesov, Aerospace Engineer, FAA,

Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4144; fax: (816) 329-4090; email: mike.kiesov@faa.gov.

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-2017-1184; Product Identifier 2017-CE-029-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 Civil Aviation Authority (CAA), which is the aviation authority for New Zealand, has issued AD No. DCA/750XL/19, dated September 7, 2017 (referred to after this as “the MCAI”), to correct an unsafe condition for Pacific Aerospace Limited Model 750XL airplanes and was based on mandatory continuing airworthiness information originated by an aviation authority of another country. The MCAI states:

The low oil pressure warnings are incorrectly marked and annunciated on certain Pacific Aerospace 750XL aircraft. This AD introduces the requirements in Pacific Aerospace Mandatory Service Bulletin (MSB) PACSB/XL/088, dated 11 August 2017, to correct low oil pressure indication warnings.

You may examine the MCAI on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2017-1184.

Related Service Information Under 1 CFR Part 51

Pacific Aerospace Limited has issued Pacific Aerospace Mandatory Service Bulletin (MSB) PACSB/XL/088, dated August 11, 2017; and Pacific Aerospace temporary revisions XL/POH/00/001, XUPOH/02/001, XUPOH/03/001, and XUPOH/03/002 (co-published as one document), all dated August 18, 2017. The service bulletin describes procedures for adjustment or replacement of the low oil pressure light, pressure switch, and indicator. The temporary revisions correct the

reference to the incorrect instrument markings in the Pilots Operating Handbook (POH). 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 of this NPRM.

FAA’s Determination and Requirements of the Proposed AD

This product has been approved by the aviation authority of another country, and is approved for operation in the United States. Pursuant to our bilateral agreement with this State of Design Authority, they have notified us of the unsafe condition described in the MCAI and service information referenced above. We are proposing this AD because we evaluated all information and determined the unsafe condition exists and is likely to exist or develop on other products of the same type design.

Costs of Compliance

We estimate that this proposed AD will affect 22 products of U.S. registry. We also estimate that it would take about 2 work-hours per product to comply with the basic requirements of this proposed AD. The average labor rate is \$85 per work-hour. Required parts would cost about \$500 per product.

Based on these figures, we estimate the cost of the proposed AD on U.S. operators to be \$14,740, or \$670 per product.

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.

This AD is issued in accordance with authority delegated by the Executive Director, Aircraft Certification Service, as authorized by FAA Order 8000.51C.

In accordance with that order, issuance of ADs is normally a function of the Compliance and Airworthiness Division, but during this transition period, the Executive Director has delegated the authority to issue ADs applicable to small airplanes and domestic business jet transport airplanes to the Director of the Policy and Innovation Division.

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 AD:

Pacific Aerospace Limited: Docket No. FAA–2017–1184; Product Identifier 2017–CE–029–AD.

(a) Comments Due Date

We must receive comments by January 29, 2018.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Pacific Aerospace Limited 750XL airplanes, all serial numbers up to XL217, certificated in any category.

(d) Subject

Air Transport Association of America (ATA) Code 79: Engine Oil.

(e) Reason

This AD was prompted by 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 incorrectly marked and annunciated low oil pressure indication warnings. We are issuing this AD to prevent engine oil pressure from dropping below safe limits, which could cause possible engine damage or failure.

(f) Actions and Compliance

Unless already done, do the following actions as appropriate in paragraph (f)(1) through (4) of this AD:

(1) *For airplanes with Pilots Operating Handbook (POH) AIR 2825:* Within the next 30 days after the effective date of this AD, insert Pacific Aerospace temporary revisions XL/POH/00/001, XL/POH/02/001, and XUPOH/03/001 (co-published as one document), all dated August 18, 2017, into the Pacific Aerospace Limited (PAL) 750XL POH AIR 2825.

(2) *For airplanes with Pilots Operating Handbook (POH) AIR 3237:* Within the next 30 days after the effective date of this AD, insert Pacific Aerospace temporary revisions XL/POH/00/001, XUPOH/02/001, XUPOH/03/001, and XUPOH/03/002 (co-published as one document), all dated August 18, 2017, into the PAL 750XL POH AIR 3237.

(3) *For Pacific Aerospace 750XL airplanes up to S/N XL217:* Within the next 100 hours time-in-service (TIS) after the effective date of this AD or within the next 12 months after the effective date of this AD, whichever occurs first, replace the pressure switch for the low oil pressure light per the instructions in Part A of Pacific Aerospace Limited Mandatory Service Bulletin (PALMSB) PACSB/XL/088, dated August 11, 2017.

(4) *For Pacific Aerospace 750XL airplanes up to S/N XL217 fitted with PIN INS 60–8 oil pressure/temperature indicator:* Within the next 100 hours TIS after the effective date of this AD or within the next 12 months after the effective date of this AD, whichever occurs first, replace the oil pressure/temperature indicator per the instructions in Part B of PALMSB PACSB/XL/088, dated August 11, 2017.

(g) Other FAA AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, Small Airplane Standards Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Mike Kiesov, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–

4144; fax: (816) 329–4090; email: mike.kiesov@faa.gov. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) *Contacting the Manufacturer:* For any requirement in this AD to obtain corrective actions from a manufacturer, the action must be accomplished using a method approved by the Manager, Small Airplane Standards Branch, FAA; or The Civil Aviation Authority (CAA), which is the aviation authority for New Zealand.

(h) Related Information

Refer to Civil Aviation Authority (CAA), which is the aviation authority for New Zealand MCAI AD No. DCA/750XL/19, dated September 7, 2017; Pacific Aerospace Mandatory Service Bulletin PACSB/XL/088, dated August 11, 2017, and Pacific Aerospace temporary revisions XL/POH/00/001, XUPOH/02/001, XUPOH/03/001, and XUPOH/03/002 (co-published as one document), all dated August 18, 2017; for related information. You may examine the MCAI on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA–2017–1184. For service information related to this AD, contact Pacific Aerospace Limited, Airport Road, Hamilton, Private Bag 3027, Hamilton 3240, New Zealand; telephone: +64 7 843 6144; facsimile: +64 7 843 6134; email: pacific@aerospace.co.nz; internet: www.aerospace.co.nz. You may review this referenced service information at the FAA, Policy and Innovation Division, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329–4148.

Issued in Kansas City, Missouri, on December 11, 2017.

Melvin J. Johnson,

Deputy Director, Policy & Innovation Division, Aircraft Certification Service.

[FR Doc. 2017–27043 Filed 12–14–17; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2017–1107; Product Identifier 2016–NE–22–AD;]

RIN 2120–AA64

Airworthiness Directives; Pratt & Whitney Division Turbofan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to supersede Airworthiness Directive (AD) 2017–12–03, which applies to certain Pratt & Whitney Division (PW) PW2037,