

industrial bank that is organized as a member-managed limited liability company, limit the Covered Company's representation as a managing member to no more than 25% of the managing member interests of the subsidiary industrial bank, in the aggregate;

(7) Maintain the capital and liquidity of the subsidiary industrial bank at such levels as the FDIC deems appropriate, and take such other actions as the FDIC deems appropriate to provide the subsidiary industrial bank with a resource for additional capital and liquidity including, for example, pledging assets, obtaining and maintaining a letter of credit from a third-party institution acceptable to the FDIC, and providing indemnification of the subsidiary industrial bank; and

(8) Execute a tax allocation agreement with its subsidiary industrial bank that expressly states that an agency relationship exists between the Covered Company and the subsidiary industrial bank with respect to tax assets generated by such industrial bank, and that further states that all such tax assets are held in trust by the Covered Company for the benefit of the subsidiary industrial bank and will be promptly remitted to such industrial bank. The tax allocation agreement also must provide that the amount and timing of any payments or refunds to the subsidiary industrial bank by the Covered Company should be no less favorable than if the subsidiary industrial bank were a separate taxpayer.

(b) The FDIC may require such Covered Company and industrial bank to commit to provide to the FDIC, and, thereafter, implement and adhere to, a contingency plan subject to the FDIC's approval that sets forth, at a minimum, recovery actions to address significant financial or operational stress that could threaten the safe and sound operation of the industrial bank and one or more strategies for the orderly disposition of such industrial bank without the need for the appointment of a receiver or conservator.

(c) The FDIC may, at its sole discretion, require additional commitments by a Covered Company or by an individual who is a controlling shareholder of a Covered Company. Such commitments may be in addition to those set forth in paragraphs (a) and (b) of this section.

#### **§ 354.5 Restrictions on industrial bank subsidiaries of Covered Companies.**

(a) Without the FDIC's prior written approval, an industrial bank that is controlled by a Covered Company shall not:

(1) Make a material change in its business plan after becoming a subsidiary of such Covered Company;

(2) Add or replace a member of the board of directors, board of managers, or a managing member, as the case may be, of the subsidiary industrial bank after becoming a subsidiary of such Covered Company;

(3) Add or replace a senior executive officer after becoming a subsidiary of such Covered Company;

(4) Employ a senior executive officer who is associated in any manner (*e.g.*, as a director, officer, employee, agent, owner, partner, or consultant) with an affiliate of the industrial bank; or

(5) Enter into any contract for services material to the operations of the industrial bank (for example, loan servicing function) with such Covered Company or any subsidiary thereof.

(b) The FDIC may, at its sole discretion, impose restrictions on the activities or operations of an industrial bank that is controlled by a Covered Company. Such restrictions may be in addition to those required pursuant to paragraph (a) of this section.

#### **§ 354.6 Reservation of authority.**

Nothing in this part limits the authority of the FDIC under any other provision of law or regulation to take supervisory or enforcement actions, including actions to address unsafe or unsound practices or conditions, or violations of law.

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on March 17, 2020.

**Robert E. Feldman,**  
*Executive Secretary.*

[FR Doc. 2020-06153 Filed 3-30-20; 8:45 am]

**BILLING CODE 6714-01-P**

## **DEPARTMENT OF TRANSPORTATION**

### **Federal Aviation Administration**

#### **14 CFR Part 25**

**[Docket No. FAA-2019-1102; Notice No. 25-20-03-SC]**

#### **Special Conditions: Qantas Airways Limited, Boeing Model 737-800 Airplane; Personal Electronic-Device Straps Installed on Seat Backs**

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

**ACTION:** Notice of proposed special conditions.

**SUMMARY:** This action proposes special conditions for the Boeing Model 737-

800 airplane. This airplane, as modified by Qantas Airways Limited (Qantas), will have a novel or unusual design feature when compared to the state of technology envisioned in the airworthiness standards for transport-category airplanes. This design feature is personal electronic-device (PED) retention straps installed on the backs of passenger seats. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. These proposed special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

**DATES:** Send comments on or before May 15, 2020.

**ADDRESSES:** Send comments identified by Docket No. FAA-2019-1102 using any of the following methods:

- *Federal eRegulations 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 website, anyone can find and read the electronic form of all comments received into any FAA docket, 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).

*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:** John Shelden, Airframe and Cabin Safety Section, AIR-675, Transport Standards Branch, Policy and Innovation Division, Aircraft Certification Service, Federal Aviation Administration, 2200 South 216th Street, Des Moines, Washington 98198; telephone and fax 206-231-3214; email [john.shelden@faa.gov](mailto:john.shelden@faa.gov).

**SUPPLEMENTARY INFORMATION:**

**Comments Invited**

The FAA invites interested people to take part in this rulemaking by sending written comments, data, or views. The most helpful comments reference a specific portion of the special conditions, explain the reason for any recommended change, and include supporting data.

The FAA will consider all comments received by the closing date for comments. The FAA may change these special conditions based on the comments received.

**Background**

On June 12, 2019, Qantas applied for a supplemental type certificate to install PED retention straps on passenger seat backs in Boeing Model 737-800 airplanes. The Boeing Model 737-800 airplane is a twin-engine transport airplane with seating for 189 passengers, and a maximum takeoff weight of 174,200 pounds.

**Type Certification Basis**

Under the provisions of title 14, Code of Federal Regulations (14 CFR) 21.101, Qantas must show that the Boeing Model 737-800 series airplane, as changed, continues to meet the applicable provisions of the regulations incorporated by reference in Type Certificate No. A16WE, or the applicable regulations in effect on the date of application for the change.

If the Administrator finds that the applicable airworthiness regulations (e.g., 14 CFR part 25) do not contain adequate or appropriate safety standards for the Boeing Model 737-800 airplane because of a novel or unusual design feature, special conditions are prescribed under the provisions of § 21.16.

Special conditions are initially applicable to the model for which they are issued. Should the applicant apply for a supplemental type certificate to modify any other model included on the same type certificate to incorporate the same novel or unusual design feature, these special conditions would also apply to the other model under § 21.101.

In addition to the applicable airworthiness regulations and special conditions, the Boeing Model 737-800

airplane must comply with the fuel-vent and exhaust-emission requirements of 14 CFR part 34, and the noise-certification requirements of 14 CFR part 36.

The FAA issues special conditions, as defined in 14 CFR 11.19, in accordance with § 11.38, and they become part of the type certification basis under § 21.101.

**Novel or Unusual Design Features**

The Boeing Model 737-800 airplane, as modified by Qantas, will incorporate the following novel or unusual design feature:

Personal electronic-device (PED) retention straps installed on the backs of passenger seats.

**Discussion**

In recent years, PEDs have been known to cause smoke and fires inside the fuselage due to the PED falling into areas of the cabin where it cannot be retrieved. The installation of a PED retention strap is intended to reduce the possibility of smoke or fire in flight due to PED loss throughout the cabin.

The addition of a PED strap on the backs of passenger seats will be a functional design feature to enable passengers to view their own device without losing them throughout the cabin. The PED strap's practical use is envisaged particularly during the meal service where meal tray space is limited.

Tablet devices and related PED designs are continually evolving, so it is challenging to find a suitable method of retention. These special conditions address the design and integration of a PED strap installed onto the back of the headrest cover of the B/E Aerospace Millennium (J class) and B/E Aerospace Innovator II (Y class) seats. The PED strap will allow passengers to view a tablet device without having to hold the device during the inflight phase. The PED strap must not be used during taxi, takeoff, and landing. The PED strap is also subject to certain load limits to ensure the strap can accommodate different PED sizes.

The proposed special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

**Applicability**

As discussed above, these special conditions are applicable to the Boeing Model 737-800 airplane, as modified by Qantas. Should Qantas apply at a later date for a supplemental type certificate to modify any other model included on Type Certificate No. A16WE to

incorporate the same novel or unusual design feature, these special conditions would apply to that model as well.

**Conclusion**

This action affects only a certain novel or unusual design feature on one model of airplanes. It is not a rule of general applicability and affects only the applicant who applied to the FAA for approval of these features on the airplane.

**List of Subjects in 14 CFR Part 25**

Aircraft, Aviation safety, Reporting and recordkeeping requirements.

**Authority Citation**

The authority citation for these special conditions is as follows:

**Authority:** 49 U.S.C. 106(f), 106(g), 40113, 44701, 44702, 44704.

**The Proposed Special Conditions**

■ Accordingly, the FAA proposes the following special conditions as part of the type certification basis for Boeing Model 737-800 airplanes, as modified by Qantas.

1. The PED strap must meet the requirements of § 3.1 (Abuse Loads) of SAE International Aerospace Recommended Practice "Aircraft Seat Design Guidance and Clarifications" document no. ARP5526C.

2. The limitations section of the airplane flight manual must prohibit use of PED straps during taxi, takeoff, and landing phases of flight. Operational procedures may be used to achieve this.

3. A means must be provided to limit the use of the PED strap to passenger tablets and related PEDs. Placards may be used to achieve this.

4. The PED strap must be designed to support a 2.2-pound (1.0 Kg) PED.

5. Placards indicating the 2.2-pound (1.0 Kg) load limit of the PED straps must be conspicuously posted.

6. The PED straps must not impede egress, including in emergency-exit passageways.

7. Instructions for Continued Airworthiness (ICA) must be incorporated into the design, including wear and stretch limitations, to ensure that strap wear is detected.

a. PED straps must be inspected every 4,000 flight hours to ensure that strap retraction and PED retention are maintained.

b. The strap must not protrude beyond the dress cover by more than 1 inch (2.54 cm) to ensure that passengers do not use the strap as a handle.

c. Defective head-rest covers must be changed in accordance with B/E Aerospace component maintenance manual (CMM) 25-20-82 (Millennium J

Class Seats) and CMM 25–21–42 (Innovator II Y Class Seats). Reference: Qantas Engineering Controlled Report C7246—B738 +6Y Reconfiguration 2015—Instruction for Continued Airworthiness.

Issued in Des Moines, Washington, on March 20, 2020.

**James E. Wilborn,**

*Acting Manager, Transport Standards Branch, Policy and Innovation Division, Aircraft Certification Service.*

[FR Doc. 2020–06362 Filed 3–30–20; 8:45 am]

**BILLING CODE 4910–13–P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA–2020–0283; Product Identifier 2018–SW–045–AD]

RIN 2120–AA64

#### Airworthiness Directives; Leonardo S.p.A. Helicopters

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

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

**SUMMARY:** The FAA proposes to adopt a new airworthiness directive (AD) for certain Leonardo S.p.A. (Leonardo) Model AB139 and AW139 helicopters. This proposed AD would require various inspections of the main rotor (M/R) damper, and depending on the inspection results, removing from service or replacing certain parts. This proposed AD would also require reducing the torque of the M/R damper hub attachment bolts, marking parts, installing a special washer, and installing a certain part-numbered M/R damper and prohibit installing other part-numbered M/R dampers. This proposed AD is prompted by reports of failed M/R dampers. The proposed actions are intended to address the unsafe condition on these products.

**DATES:** The FAA must receive comments on this proposed AD by June 1, 2020.

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

- *Federal eRulemaking Docket:* Go to <https://www.regulations.gov>. Follow the online instructions for sending your comments electronically.

- *Fax:* 202–493–2251.

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

- *Hand Delivery:* Deliver to the “Mail” address between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

#### Examining the AD Docket

You may examine the AD docket on the internet at <https://www.regulations.gov> by searching for and locating Docket No. FAA–2020–0283; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the European Union Aviation Safety Agency (previously European Aviation Safety Agency) (EASA) AD, any comments received, and other information. The street address for Docket Operations is listed above. Comments will be available in the AD docket shortly after receipt.

For service information identified in this proposed rule, contact Leonardo S.p.A. Helicopters, Emanuele Bufano, Head of Airworthiness, Viale G. Agusta 520, 21017 C. Costa di Samarate (Va) Italy; telephone +39–0331–225074; fax +39–0331–229046; or at <https://www.leonardocompany.com/en/home>. You may view the referenced service information at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Pkwy., Room 6N–321, Fort Worth, TX 76177.

**FOR FURTHER INFORMATION CONTACT:** Matt Fuller, Senior Aviation Safety Engineer, Safety Management Section, Rotorcraft Standards Branch, FAA, 10101 Hillwood Pkwy., Fort Worth, TX 76177; telephone 817–222–5110; email [matthew.fuller@faa.gov](mailto:matthew.fuller@faa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

The FAA invites you to participate in this rulemaking by submitting written comments, data, or views. The FAA 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 received, 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 received 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 FAA may change this proposal in light of the comments received.

#### Discussion

EASA, which is the Technical Agent for the Member States of the European Union, has issued a series of superseded and revised ADs to correct an unsafe condition for Leonardo S.p.A. Helicopters (formerly Finmeccanica S.p.A., Helicopter Division (FHD), AgustaWestland S.p.A., Agusta S.p.A.), AgustaWestland Philadelphia Corporation (formerly Agusta Aerospace Corporation), Model AB139 and AW139 helicopters, all serial numbers (S/Ns) except S/Ns 31004, 31007, and 41237. EASA advises of multiple failures of M/R dampers part number (P/N) 3G6220V01351 and 3G6220V01352. EASA states that in some cases these failures occurred at the eye end and body lugs resulting in disconnection of the M/R damper in-flight. EASA further states that a combination of factors, including cracks on the M/R damper rod end and body end and in-service failure of the eye end and body lugs may have contributed to the M/R damper disconnections. Information issued by Leonardo advises of M/R damper cracking, loose rod ends, bearing rotation in the damper seat, and damage, incorrect engagement, and misalignment of the lag damper broached ring nut, particularly the broached ring teeth and the damper piston slots.

EASA states that this condition could result in loss of the lead-lag damping function of the M/R blade, damage to adjacent critical rotor components, and subsequent reduced control of the helicopter. EASA AD No. 2018–0112R1, dated June 4, 2018 (EASA AD 2018–0112R1), which is the most recent EASA AD, requires various one-time and repetitive inspections of the M/R damper, a torque check of the damper body end, and replacing any M/R damper with a crack or that fails the torque check. EASA AD 2018–0112R1 also requires replacing M/R damper P/N 3G6220V01351 and 3G6220V01352 with P/N 3G6220V01353, as additional tests determined that M/R damper P/N 3G6220V01353 does not need to be subject to inspections for cracks, provided it is removed from service before it reaches its retirement life.