

2020-0040R1 that contains RC procedures and tests: Except as required by paragraph (n)(2) of this AD, RC procedures and tests must be done to comply with this AD; any procedures or tests that are not identified as RC are recommended. Those procedures and tests that are not identified 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 procedures and tests identified as RC can be done and the airplane can be put back in an airworthy condition. Any substitutions or changes to procedures or tests identified as RC require approval of an AMOC.

(o) Related Information

(1) Sanjay Ralhan, Aerospace Engineer, Large Aircraft Section, International Validation Branch, FAA, 2200 South 216th St., Des Moines, WA 98198; telephone and fax 206-231-3223; email Sanjay.Ralhan@faa.gov.

(2) Service information identified in this AD that is not incorporated by reference is available at the addresses specified in paragraphs (p)(6) and (7) of this AD.

(p) 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 this AD specifies otherwise.

(3) The following service information was approved for IBR on December 14, 2020.

(i) European Union Aviation Safety Agency (EASA) AD 2020-0040R1, dated June 16, 2020.

(ii) Airbus Service Bulletin A320-53-1031, Revision 02, dated December 5, 2001.

(4) The following service information was approved for IBR on February 10, 2005 (70 FR 1184, January 6, 2005).

(i) Airbus Service Bulletin A320-53-1032, Revision 02, dated December 5, 2001.

(ii) [Reserved]

(5) The following service information was also approved for IBR on February 12, 1999 (64 FR 1114, January 8, 1999).

(i) Airbus Service Bulletin A320-53-1032, Revision 01, dated January 15, 1998.

(ii) [Reserved]

(6) For EASA AD 2020-0040R1, contact the EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email ADs@easa.europa.eu; internet www.easa.europa.eu. You may find this EASA AD on the EASA website at <https://ad.easa.europa.eu>. For Airbus material, contact Airbus SAS, Airworthiness Office—ELAS, Rond-Point Emile Dewoitine No. 2, 31700 Blagnac Cedex, France; telephone +33 5 61 93 36 96; fax +33 5 61 93 44 51; email account.airworth-eas@airbus.com; internet <https://www.airbus.com>.

(7) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195. This material may be found

in the AD docket on the internet at <https://www.regulations.gov> by searching for and locating Docket No. FAA-2020-0451.

(8) You may view this material that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, email fedreg.legal@nara.gov, or go to: <https://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued on October 15, 2020.

Lance T. Gant,

Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2020-24642 Filed 11-6-20; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2020-0719; Project Identifier 2019-CE-041-AD; Amendment 39-21313; AD 2020-22-17]

RIN 2120-AA64

Airworthiness Directives; Pilatus Aircraft Ltd. Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain Pilatus Aircraft Ltd. (Pilatus) Model PC-24 airplanes. This 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 identifies the unsafe condition as movement of the aft fuel pipe within the coupling, which can cause damage to the O-rings and lead to a fuel leak, fuel fire or explosion, and consequent loss of control of the airplane. This AD requires replacing and prohibits installing affected parts. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective December 14, 2020.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of December 14, 2020.

ADDRESSES: For service information identified in this final rule, contact Pilatus Aircraft Ltd., Customer Support General Aviation, CH-6371 Stans, Switzerland, telephone: +41 848 24 7 365, techsupport.ch@pilatus-aircraft.com, <https://www.pilatus-aircraft.com>. You may view this service information at the FAA, Airworthiness

Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO 64106. For information on the availability of this material at the FAA, call 816-329-4148. It is also available on the internet at <https://www.regulations.gov> by searching for and locating Docket No. FAA-2020-0719.

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-2020-0719; 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 final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is 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:

Doug Rudolph, Aerospace Engineer, FAA, General Aviation & Rotorcraft Section, International Validation Branch, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; fax: (816) 329-4090; email: doug.rudolph@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to Pilatus Model PC-24 airplanes with a certain part-numbered flexible saddle clamp installed between frame 34 and 36. The NPRM published in the **Federal Register** on July 30, 2020 (85 FR 45810). The NPRM proposed to require actions to correct the unsafe condition on the specified products and was prompted by MCAI originated by the European Union Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union. EASA issued AD No. 2019-0240, dated September 25, 2019 (referred to after this as "the MCAI"), which states:

An occurrence was reported where, during maintenance, when system pressure was applied to a motive-flow fuel pipe, the aft fuel pipe was found to move to the end stop within the coupling. When system pressure was released, the aft fuel pipe returned to its point of origin. This movement can cause damage to the O-rings.

This condition, if not corrected, could lead to a fuel leak and consequently a fuel contamination of the rear fuselage, which, in combination with an ignition source in this

area, could possibly result in a fuel fire or fuel vapour explosion and consequent loss of the aeroplane.

To address this potential unsafe condition, Pilatus issued the [service bulletin] SB to provide modification instructions.

For the reason described above, this [EASA] AD requires replacement of affected parts with serviceable parts, as defined in this AD, and prohibits (re-) installation of affected parts.

You may examine the MCAI on the internet at <https://www.regulations.gov> by searching for and locating Docket No. FAA-2020-0719.

Comments

The FAA gave the public the opportunity to participate in developing this final rule. The FAA received no comments on the NPRM or on the determination of the cost to the public.

Conclusion

The FAA reviewed the relevant data and determined that air safety and the public interest require adopting this final rule as proposed.

Related Service Information Under 14 CFR Part 51

The FAA reviewed Pilatus PC-24 Service Bulletin No. 28-002, dated May 3, 2019. The service information contains procedures for replacing the two flexible saddle clamps on the left-hand (LH) motive-flow fuel pipe and the two flexible saddle clamps on the right-hand (RH) motive-flow fuel pipe with fixed saddle clamps. This service information also contains procedures for replacing the four O-rings on the LH and RH motive-flow fuel pipes. 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.

Costs of Compliance

The FAA estimates that this AD will affect 16 products of U.S. registry. The FAA also estimates that it will take about 7 work-hours per product to comply with the requirements of this AD. The average labor rate is \$85 per work-hour. Required parts will cost about \$5,000 per product.

Based on these figures, the FAA estimates the cost of the AD on U.S. operators will be \$89,520 or \$5,595 per product.

According to the manufacturer, all or some of the costs of this AD may be covered under warranty, thereby reducing the cost impact on affected individuals. The FAA does not control warranty coverage for affected individuals. As a result, the FAA has included all costs in this 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.

The FAA is 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

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 this AD:

- (1) Is not a "significant regulatory action" under Executive Order 12866,
- (2) Will not affect intrastate aviation in Alaska, and
- (3) 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 adding the following new airworthiness directive:

2020-22-17 Pilatus Aircraft Ltd.:

Amendment 39-21313; Docket No. FAA-2020-0719; Project Identifier 2019-CE-041-AD.

(a) Effective Date

This airworthiness directive (AD) is effective December 14, 2020.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Pilatus Aircraft Ltd. Model PC-24 airplanes, all serial numbers, certificated in any category, with a flexible saddle clamp part number (P/N) 946.33.22.004 installed between frame 34 and 36.

(d) Subject

Joint Aircraft System Component (JASC) Code 2800: Fuel.

(e) Reason

This AD was prompted by an occurrence of movement of the aft fuel pipe within the coupling when system pressure was applied. This movement can cause damage to the O-rings, which could lead to a fuel leak and fuel contamination of the rear fuselage. The FAA is issuing this AD to prevent a fuel fire or fuel vapor explosion with consequent loss of airplane control.

(f) Actions and Compliance

Unless already done, do the following actions in accordance with the applicable compliance times:

- (1) Within 3 months after the effective date of this AD, replace each flexible saddle clamp with a fixed saddle clamp with P/N 946.33.21.933, align the left-hand (LH) and right-hand (RH) motive-flow fuel pipes, and test the LH and RH motive-flow fuel pipe for leaks in accordance with the Accomplishment Instructions, sections 3.B and 3.C, of Pilatus PC-24 Service Bulletin No. 28-002, dated May 3, 2019.
- (2) As of the effective date of this AD, do not install a flexible saddle clamp with P/N 946.33.22.004 between frame 34 and 36 on any airplane.

(g) Alternative Methods of Compliance (AMOCs)

The Manager, International Validation 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 Doug Rudolph, Aerospace Engineer, FAA, General Aviation & Rotorcraft Section, International Validation Branch, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; fax: (816) 329-4090; email: doug.rudolph@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.

(h) Related Information

Refer to European Union Aviation Safety Agency (EASA) AD No. 2019-0240, dated September 25, 2019, for more information. You may examine the EASA AD in the AD

docket on the internet at <https://www.regulations.gov> by searching for and locating Docket No. FAA-2020-0719.

(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.

(i) Pilatus PC-24 Service Bulletin No. 28-002, dated May 3, 2019.

(ii) [Reserved]

(3) For Pilatus Aircraft Ltd. service information identified in this AD, contact Pilatus Aircraft Ltd., Customer Technical Support (MCC), P.O. Box 992, CH-6371 Stans, Switzerland; telephone: +41 (0)41 619 67 74; fax: +41 (0)41 619 67 73; email: techsupport@pilatus-aircraft.com; internet: <https://www.pilatus-aircraft.com/en>.

(4) You may view this service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, Missouri. For information on the availability of this material at the FAA, call 816-329-4148.

(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, email: fedreg.legal@nara.gov, or go to: <https://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued on October 22, 2020.

Lance T. Gant,

Director, Compliance & Airworthiness Division, Aircraft Certification Service.

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COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 23

RIN 3038-AF03

Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rule.

SUMMARY: The Commodity Futures Trading Commission (“Commission” or “CFTC”) is adopting amendments to the margin requirements for uncleared swaps for swap dealers (“SD”) and major swap participants (“MSP”) for which there is not a prudential regulator (the “CFTC Margin Rule”). Specifically, the CFTC Margin Rule mandated the collection and posting of variation margin and initial margin (“IM”) under a phased compliance schedule

extending from September 1, 2016, to September 1, 2020. The Commission is hereby amending the compliance schedule to further delay the compliance date for entities with smaller average daily aggregate notional amounts (“AANA”) of swaps and certain other financial products (the “Smaller Portfolio Group”) from September 1, 2021, to September 1, 2022, to avoid market disruption due to the large number of entities being required to comply by September 1, 2021, as a result of the adoption of the interim final rule (“Final Rule”).

DATES: This final rule is effective December 9, 2020.

FOR FURTHER INFORMATION CONTACT:

Joshua B. Sterling, Director, 202-418-6056, jsterling@cftc.gov; Thomas J. Smith, Deputy Director, 202-418-5495, tsmith@cftc.gov; Warren Gorlick, Associate Director, 202-418-5195, wgorlick@cftc.gov; or Carmen Moncada-Terry, Special Counsel, 202-418-5795, cmoncada-terry@cftc.gov, Division of Swap Dealer and Intermediary Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

SUPPLEMENTARY INFORMATION:

I. Background

Section 4s(e) of the Commodity Exchange Act (“CEA”) ¹ requires the Commission to adopt rules establishing minimum initial and variation margin requirements for all swaps ² that are (i) entered into by an SD or MSP for which there is not a prudential regulator ³ (collectively, “covered swap entities” or “CSEs”) and (ii) not cleared by a registered derivatives clearing organization (“uncleared swaps”).⁴ To

¹ 7 U.S.C. 6s(e) (capital and margin requirements).

² CEA section 1a(47), 7 U.S.C. 1a(47) (swap definition); Commission regulation 1.3, 17 CFR 1.3 (further definition of a swap). A swap includes, among other things, an interest rate swap, commodity swap, credit default swap, and currency swap.

³ CEA section 1a(39), 7 U.S.C. 1a(39) (defining the term “prudential regulator” to include the Board of Governors of the Federal Reserve System; the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Farm Credit Administration; and the Federal Housing Finance Agency). The definition of prudential regulator further specifies the entities for which these agencies act as prudential regulators. The prudential regulators published final margin requirements in November 2015. See generally Margin and Capital Requirements for Covered Swap Entities, 80 FR 74840 (Nov. 30, 2015) (“Prudential Margin Rule”). The Prudential Margin Rule is similar to the CFTC Margin Rule, including with respect to the CFTC’s phasing-in of margin requirements, as discussed below.

⁴ CEA section 4s(e)(2)(B)(ii), 7 U.S.C. 6s(e)(2)(B)(ii). In Commission regulation 23.151, the Commission further defined the term uncleared

offset the greater risk to the SD ⁵ or MSP ⁶ and the financial system arising from the use of uncleared swaps, these requirements must (i) help ensure the safety and soundness of the SD or MSP and (ii) be appropriate for the risk associated with the uncleared swaps held by the SD or MSP.⁷

The Basel Committee on Banking Supervision and the International Organization of Securities Commissions (“BCBS/IOSCO”) established an international framework for margin requirements for uncleared derivatives in September 2013 (the “BCBS/IOSCO Framework”).⁸ After the establishment of the BCBS/IOSCO Framework, on January 6, 2016, the CFTC, consistent with Section 4s(e), promulgated rules requiring CSEs to collect and post initial and variation margin for uncleared swaps,⁹ adopting the implementation schedule set forth in the BCBS/IOSCO Framework, including the revised implementation schedule adopted on March 18, 2015.¹⁰

In July 2019, BCBS/IOSCO further revised the framework to extend the implementation schedule to September 1, 2021.¹¹ Consistent with this revision to the international framework, the Commission promulgated the April 2020 Final Rule,¹² which amended the

swap to mean a swap that is not cleared by a registered derivatives clearing organization or by a derivatives clearing organization that the Commission has exempted from registration as provided under the CEA. 17 CFR 23.151.

⁵ CEA section 1a(49), 7 U.S.C. 1a(49) (swap dealer definition); Commission regulation 1.3 (further definition of swap dealer).

⁶ CEA section 1a(32), 7 U.S.C. 1a(32) (major swap participant definition); Commission regulation 1.3 (further definition of major swap participant).

⁷ CEA section 4s(e)(3)(A), 7 U.S.C. 6s(e)(3)(A).

⁸ See generally BCBS and IOSCO, Margin requirements for non-centrally cleared derivatives (Sept. 2013), <https://www.bis.org/publ/bcbs261.pdf>.

⁹ See generally Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 81 FR 636 (Jan. 6, 2016). The CFTC Margin Rule, which became effective April 1, 2016, is codified in part 23 of the Commission’s regulations. 17 CFR 23.150–23.159, 23.161. In May 2016, the Commission amended the CFTC Margin Rule to add Commission regulation 23.160, 17 CFR 23.160, providing rules on its cross-border application. See generally 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).

¹⁰ See generally BCBS/IOSCO, Margin requirements for non-centrally cleared derivatives (March 2015), <https://www.bis.org/bcbs/publ/d317.pdf>.

¹¹ See generally BCBS/IOSCO, Margin requirements for non-centrally cleared derivatives (July 2019), <https://www.bis.org/bcbs/publ/d475.pdf> (“2019 BCBS/IOSCO Margin Framework”).

¹² On April 9, 2020, the Commission published in the Federal Register a final rule extending the September 1, 2020 compliance date by one year to September 1, 2021, for the Smaller Portfolio Group, which were required to comply with IM requirements in the last phase of compliance, to