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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-NM-127-AD; Amendment 39-12372; AD 2001-16-04]

RIN 2120-AA64

Airworthiness Directives; Fokker Model F27 Mark 050 Series Airplanes Equipped With Pratt & Whitney Canada Model PW127B Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Fokker Model F27 Mark 050 series airplanes equipped with certain Pratt & Whitney Canada Model PW127B engines. This action requires replacing both torque sensor No. 1 and the electrical connectors on the wiring harness between torque sensor No. 1 and the auto-feathering unit (AFU). This action is necessary to prevent inadvertent autofeathering of the propellers, due to interruption of the torque signal between torque sensor No. 1 and the AFU, which could result in loss of engine power and loss of control of the airplane. This action is intended to address the identified unsafe condition.

DATES: Effective August 22, 2001.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of August 22, 2001.

Comments for inclusion in the Rules Docket must be received on or before September 6, 2001.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport

Airplane Directorate, ANM-114, Attention: Rules Docket Number 2001-NM-127-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: 9-anm-iarcomment@faa.gov. Comments sent via fax or the Internet must contain "Docket No. 2001-NM-127-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 for Windows or ASCII text.

The service information referenced in this AD may be obtained from Fokker Services B.V., P.O. Box 231, 2150 AE Nieuw-Vennep, the Netherlands. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Tom Rodriguez, Aerospace Engineer, ANM-116, FAA, Transport Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2125; fax (425) 227-1149.

SUPPLEMENTARY INFORMATION: The Rijksluchtvaartdienst (RLD), which is the airworthiness authority for the Netherlands, notified the FAA that an unsafe condition may exist on Fokker Model F27 Mark 050 series airplanes equipped with certain Pratt & Whitney Canada Model PW127B engines. The RLD advises that there have been several incidents of inadvertent autofeathering of the propellers, due to interruption of the torque signal between torque sensor No. 1 and the auto-feathering unit (AFU). The current electrical connectors on the torque sensor and on the wiring harness between the torque sensor and the AFU allow movement between the pins and sockets, causing fretting damage, which can lead to interruption of the signal between torque sensor No. 1 and the AFU. This condition, if not corrected, could result in additional incidents of inadvertent autofeathering of the propellers, which could lead to loss of engine power and loss of control of the airplane.

Explanation of Relevant Service Information

Fokker Services B.V. has issued Service Bulletin SBF50-61-019, dated July 11, 1997. The Fokker Service Bulletin refers to Pratt & Whitney Canada Service Bulletin No. 21533, dated December 16, 1996, as an additional source of service information. The Pratt & Whitney Canada service bulletin describes procedures for replacing the torque sensor with one with an improved connector and replacing two connectors on the electrical wiring harness with improved connectors. Accomplishment of the actions specified in the Pratt & Whitney Canada service bulletin is intended to adequately address the identified unsafe condition. The RLD classified the Pratt & Whitney Canada service bulletin as mandatory and issued Dutch airworthiness directive 1997-090(A), dated August 29, 1997, in order to assure the continued airworthiness of these airplanes in the Netherlands.

FAA's Conclusions

This airplane model is manufactured in the Netherlands and is type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.19) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the RLD has kept the FAA informed of the situation described above. The FAA has examined the findings of the RLD, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Explanation of Requirements of the Rule

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same type design that may be registered in the United States at some time in the future, this AD is being issued to prevent inadvertent autofeathering of the propeller caused by interruption of the torque signal between torque sensor No. 1 and the AFU, which could result in loss of engine power and loss of control of the airplane. This AD requires replacing torque sensor No. 1 with one having an improved connector and

replacing the electrical connectors on the wiring harness with improved connectors. The actions are required to be accomplished in accordance with the Pratt & Whitney Canada service bulletin described previously.

Cost Impact

None of the Fokker Model F27 Mark 050 series airplanes, equipped with Pratt & Whitney Canada Model PW127B engines, which are affected by this action, are on the U.S. Register. All airplanes included in the applicability of this rule currently are operated by non-U.S. operators under foreign registry; therefore, they are not directly affected by this AD action. However, the FAA considers that this rule is necessary to ensure that the unsafe condition is addressed in the event that any of these subject airplanes are imported and placed on the U.S. Register in the future.

Should an affected airplane be imported and placed on the U.S. Register in the future, it would require approximately 2 work hours to accomplish the required actions, at an average labor rate of \$60 per work hour. The cost of required parts would be approximately \$30,000. Based on these figures, the cost impact of this AD would be \$30,120 per airplane.

Determination of Rule's Effective Date

Since this AD action does not affect any airplane that is currently on the U.S. register, it has no adverse economic impact and imposes no additional burden on any person. Therefore, prior notice and public procedures hereon are unnecessary and the amendment may be made effective in less than 30 days after publication in the **Federal Register**.

Comments Invited

Although this action is in the form of a final rule and was not preceded by notice and opportunity for public comment, comments are invited on this rule. Interested persons are invited to comment on this rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified under the caption **ADDRESSES**. All communications received on or before the closing date for comments will be considered, and this rule may be amended in light of the comments received. Factual information that supports the commenter's ideas and suggestions is extremely helpful in evaluating the effectiveness of the AD action and determining whether additional rulemaking action would be needed.

Submit comments using the following format:

- Organize comments issue-by-issue. For example, discuss a request to change the compliance time and a request to change the service bulletin reference as two separate issues.

- For each issue, state what specific change to the AD is being requested.

- Include justification (e.g., reasons or data) for each request.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the rule that might suggest a need to modify the rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this AD will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2001-NM-127-AD." The postcard will be date stamped and returned to the commenter.

Regulatory Impact

The regulations adopted herein 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. Therefore, it is determined that this final rule does not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that this action (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); 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. A final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (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. Section 39.13 is amended by adding the following new airworthiness directive:

2001-16-04 Fokker Services B.V.:

Amendment 39-12372. Docket 2001-NM-127-AD.

Applicability: Model F27 Mark 050 series airplanes equipped with Pratt & Whitney Canada Model PW127B engines, certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (b) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent inadvertent autofeathering of the propellers, due to interruption of the torque signal between torque sensor No. 1 and the auto-feathering unit (AFU), which could result in loss of engine power and loss of control of the airplane, accomplish the following:

Replacement

(a) Within one year after the effective date of this AD: Replace the torque sensor No. 1 with a new, improved unit, having part number (P/N) 3115558-01; and replace electrical connectors P6 (to torque sensor No. 1) and P16 (to the AFU) on the electrical wiring harness with improved connectors, in accordance with Pratt & Whitney Canada Service Bulletin No. 21533, dated December 16, 1996.

Alternative Methods of Compliance

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate. Operators shall submit their requests through an

appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM-116.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

Special Flight Permits

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Incorporation by Reference

(d) The actions shall be done in accordance with Pratt & Whitney Canada Service Bulletin No. 21533, dated December 16, 1996. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Fokker Services B.V., P.O. Box 231, 2150 AE Nieuw-Vennep, the Netherlands. Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

Note 3: The subject of this AD is addressed in Dutch airworthiness directive 1997-090(A), dated August 29, 1997.

Effective Date

(e) This amendment becomes effective on August 22, 2001.

Issued in Renton, Washington, on July 30, 2001.

Vi L. Lipski,

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

[FR Doc. 01-19423 Filed 8-6-01; 8:45 am]

BILLING CODE 4910-13-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

RIN 3038-AB52

Recordkeeping Amendments to the Daily Computation of the Amount of Customer Funds Required To Be Segregated

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rules.

SUMMARY: The Commodity Futures Trading Commission ("Commission") is amending Rule 1.32 to permit a futures commission merchant ("FCM"), in computing the amount of customer funds required to be held in segregated accounts pursuant to Section 4d of the

Commodity Exchange Act ("Act"), to offset a net liquidating deficit or debit ledger balance in a customer's account with securities that have a "ready market", as defined by Rule 15c3-1(c)(11) of the Securities and Exchange Commission ("SEC"), and that are deposited by such customer to margin or guarantee the futures and option positions in such customer's account.¹ The amendments limit the amount of the offset to the market value of the securities, less the applicable haircuts set forth in SEC Rule 15c3-1(c)(2)(vi). The amendments also require an FCM to maintain a security interest in the securities, including a written authorization to liquidate the securities at the FCM's discretion, and to segregate the securities in a safekeeping account with a bank, trust company, clearing organization of a contract market, or another FCM.

EFFECTIVE DATE: August 7, 2001.

FOR FURTHER INFORMATION CONTACT:

Thomas J. Smith, Special Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581; telephone (202) 418-5495; electronic mail tsmith@ctfc.gov

SUPPLEMENTARY INFORMATION

I. Rule Amendments

On October 31, 2000,² the Commission published for comment proposed amendments to Rule 1.32 that would permit an FCM, in computing the amount of customer funds required to be held in segregated accounts pursuant to Section 4d of the Act, to offset a net liquidating deficit or a net debit balance in a customer's commodity trading account with securities deposited by such customer to margin or guarantee his account (the "proposing release").³ The comment period expired on December 1, 2000. The National Futures Association ("NFA") filed the only comment letter. NFA supported the proposed amendments. The

¹ Commission regulations cited herein may be found at 17 CFR Ch. I (2000). SEC regulations cited herein may be found at 17 CFR Ch. II (2000). The Commodity Exchange Act may be found at 7 U.S.C. 1 *et. seq.* (1994), as amended by the Commodity Futures Modernization Act of 2000, Appendix E of Pub. L. 106-554, 114 Stat. 2763 (2000).

² 65 FR 64904 (October 31, 2000).

³ A distinction is sometimes drawn between a *net liquidating deficit* and a *debit balance*. A *net liquidating deficit* is an amount owed to the FCM resulting from the combination of the customer's debit or credit ledger balance and the mark-to-market gain or loss on any open positions in the customer's account. A *debit balance* is the amount owed to the FCM by the customer represented by the debit ledger balance, and implies that there are no open positions in the account.

Commission is, therefore, adopting the amendments as proposed.

Section 4d of the Act requires, among other things, that an FCM segregate from its own assets all money, securities, and other property held for customers as margin for their commodity futures and option contracts, as well as gains accruing to such customers from open futures and option positions. The statute also prohibits an FCM from using the money, securities, or property of one customer to margin or secure futures or option positions of another customer.

Commission Regulations 1.20 through 1.30 implement the segregation of funds provisions of Section 4d. Rule 1.32, a related recordkeeping regulation, requires each FCM to prepare a daily computation which shows: (1) The amount of funds that an FCM is required to segregate for customers who are trading on U.S. commodity exchanges pursuant to the Act and Commission regulations; (2) the amount of funds the FCM actually has in segregated accounts; and (3) the amount, if any, of the FCM's residual interest in the customer funds segregated. The computations required by Rule 1.32 are hereinafter collectively referred to as the "segregation computation".⁴

Currently, in preparing the segregation computation, an FCM may offset a net liquidating deficit or a net debit balance in a customer's commodity trading account with U.S. Treasury obligations that are deposited by such customer to margin or guarantee his account. An FCM is not permitted, however, to offset a net liquidating deficit or net debit balance by the value of any other readily marketable securities deposited by the customer.⁵

The amendments to Rule 1.32 permit an FCM, in computing the amount of customer funds required to be held in segregated accounts pursuant to Section 4d of the Act, to offset a net liquidating deficit or net debit balance in a customer's account with securities that have a "ready market" as defined by SEC Rule 15c3-1(c)(11). SEC Rule 15c3-1(c)(11) defines "ready market" to include a recognized established securities market in which there exist independent bona fide offers to buy and sell so that a price reasonably related to the last sales price or current bona fide

⁴ Regulation 1.32 further requires that an FCM complete the segregation computation for each trading day prior to 12:00 noon on the next business day and that the computation, and all supporting data, be maintained for a five-year period in accordance with Commission Rule 1.31.

⁵ The proposing release contains a more detailed explanation of the development of the disparate treatment afforded U.S. Treasuries and other readily marketable securities in offsetting net liquidating deficits or net debit balances.