

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 39**

[Docket No. 2000-SW-1-AD-1; Amendment 39-11959; AD 2000-22-13]

RIN 2120-AA64

**Airworthiness Directives; Bell Helicopter Textron Canada Model 430 Helicopters**

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) for Bell Helicopter Textron Canada (BHTC) Model 430 helicopters that requires calibration of the fuel quantity indicating system. This amendment is prompted by an operator report of an inaccurate fuel quantity indicating system. The actions specified by this AD are intended to prevent an inaccurate fuel quantity indicating system reading, engine flameout due to fuel starvation, and a subsequent forced landing.

**DATES:** Effective December 12, 2000.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of December 12, 2000.

**ADDRESSES:** The service information referenced in this AD may be obtained from Bell Helicopter Textron Canada, 12,800 Rue de l'Avenir, Mirabel, Quebec JON1LO, telephone (450) 437-2862 or (800) 363-8023, fax (450) 433-0272. This information may be examined at the FAA, Office of the Regional Counsel, Southwest Region, 2601 Meacham Blvd., Room 663, Fort Worth, Texas; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Paul Madej, Aviation Safety Engineer, FAA, Rotorcraft Directorate, Standards Staff, Fort Worth, Texas 76193-0110, telephone (817) 222-5125, fax (817) 222-5961.

**SUPPLEMENTARY INFORMATION:** A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an AD for BHTC Model 430 helicopters was published in the **Federal Register** on August 9, 2000 (65 FR 48643). That action proposed to require calibration of the fuel quantity indicating system.

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were received on the

proposal or the FAA's determination of the cost to the public. The FAA has determined that air safety and the public interest require the adoption of the rule as proposed.

The FAA estimates that 50 helicopters of U.S. registry will be affected by this AD, that it will take approximately 2 work hours per helicopter to accomplish the required actions, and that the average labor rate is \$60 per work hour. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be \$6,000.

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 a new airworthiness directive to read as follows:

**2000-22-13 Bell Helicopter Textron Canada:** Amendment 39-11959. Docket No. 2000-SW-11-AD.

**Applicability:** Model 430 helicopters, serial numbers 49001 through 49059, certificated in any category.

**Note 1:** This AD applies to each helicopter identified in the preceding applicability provision, regardless of whether it has been otherwise modified, altered, or repaired in the area subject to the requirements of this AD. For helicopters 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 (c) 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 at the next scheduled fuel system calibration or at the next annual inspection, whichever occurs first, unless accomplished previously.

To prevent an inaccurate fuel quantity indicating system reading, engine flameout due to fuel starvation, and a subsequent forced landing, accomplish the following:

(a) Calibrate the fuel quantity indicating system in accordance with steps 1 through 21 of the Accomplishment Instructions, Bell Helicopter Textron Alert Service Bulletin No. 430-99-13, dated December 13, 1999 (ASB).

(b) Insert BHT-430-MM-10, Chapter 95, Revision 2, dated December 10, 1999, into the Maintenance Manual.

(c) 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, Regulations Group, Rotorcraft Directorate, FAA. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Regulations Group.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Regulations Group.

(d) 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 helicopter to a location where the requirements of this AD can be accomplished.

(e) Calibrate the fuel quantity indicating system in accordance with steps 1 through 21 of the Accomplishment Instructions, Bell Helicopter Textron Alert Service Bulletin No. 430-99-13, dated December 13, 1999. 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 Bell Helicopter Textron Canada, 12,800 Rue de l'Avenir, Mirabel, Quebec JON1LO, telephone (450) 437-2862 or (800) 363-8023, fax (450) 433-0272. Copies may be inspected at the FAA, Office of the Regional Counsel, Southwest Region, 2601 Meacham Blvd., Room 663, Fort Worth, Texas; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(f) This amendment becomes effective on December 12, 2000.

**Note 3:** The subject of this AD is addressed in Transport Canada (Canada) AD No. CF-2000-04, dated February 8, 2000.

Issued in Fort Worth, Texas, on October 27, 2000.

**Henry A. Armstrong,**

*Manager, Rotorcraft Directorate, Aircraft Certification Service.*

[FR Doc. 00-28235 Filed 11-6-00; 8:45 am]

**BILLING CODE 4910-13-U**

## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Part 1

RIN 3038-AB54

#### Minimum Financial Requirements for Futures Commission Merchants and Introducing Brokers; Amendment to the Capital Charge on Unsecured Receivables Due From Foreign Brokers

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commodity Futures Trading Commission. ("Commission") is amending its net capital rule to expand the exemption from the five percent capital charge that a futures commission merchant ("FCM") or introducing broker is required to take against unsecured foreign broker receivables in computing its adjusted net capital.<sup>1</sup>

**EFFECTIVE DATE:** December 7, 2000.

**FOR FURTHER INFORMATION CONTACT:** Thomas J. Smith, Special Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, NW, Washington, DC 20581; telephone (202) 418-5495; electronic mail [tsmith@cftc.gov](mailto:tsmith@cftc.gov); or Henry J. Matecki, Financial Audit and Review Branch, Division of Trading and Markets, Commodity Futures Trading Commission, 300 South Riverside Plaza, Suite 1600 North, Chicago, IL 60606; telephone (312) 353-6642; electronic mail [hmatecki@cftc.gov](mailto:hmatecki@cftc.gov).

#### SUPPLEMENTARY INFORMATION:

<sup>1</sup> An introducing broker ("IB") is required to maintain minimum adjusted net capital of \$30,000, unless the IB has entered into a guarantee agreement with an FCM in the form prescribed in the Commission's rules. The industry has commonly distinguished between such IBs as Guaranteed IBs and Independent IBs ("IBs"), the latter being subject to the \$30,000 minimum capital requirement. The rule changes being adopted herein affect those IBs identified as IBIs.

## I. Rule Amendments

On August 28, 2000, the Commission published for comment proposed amendments to Rule 1.17(c)(5)(xiii) ("proposing release").<sup>2</sup> The comment period expired on September 27, 2000. No comments were received. Accordingly, the Commission is adopting the amendments as proposed.

Commission Rule 1.17(c)(5)(xiii) requires an FCM or IBI, in computing its adjusted net capital, to take a five percent capital charge on any unsecured receivables resulting from commodity futures and option transactions executed on foreign boards of trade and which are due from foreign brokers that are not registered with the Commission as FCMs or with the Securities and Exchange Commission ("SEC") as securities brokers or dealers.<sup>3</sup> As more fully set forth in the proposing release, Rule 1.17(c)(5)(xiii) currently permits an FCM or IBI to exclude from the five percent capital charge that portion of the unsecured receivable that represents amounts required to be on deposit to maintain futures and option positions transacted on foreign boards of trade. Deposits in excess of required margin or performance bond are subject to the capital charge. In addition, to be exempt from the capital charge, the receivable must be due from a foreign broker that has received confirmation of "comparability relief" in accordance with a Commission order issued under Rule 30.10 and the margin deposits must be held by the foreign broker itself, another foreign broker that has received confirmation of Rule 30.10 "comparability relief," or at a depository that qualifies as a depository pursuant to Rule 30.7 and which is located within the same jurisdiction as either foreign broker.<sup>4</sup>

<sup>2</sup> 65 FR 52051 (August 28, 2000).

<sup>3</sup> Commission regulations cited herein may be found at 17 CFR Ch. I (2000).

<sup>4</sup> Under Rule 30.10 and Appendix A thereto, the Commission may exempt a foreign firm from compliance with certain Commission rules provided that a comparable regulatory system exists in the firm's home country and that certain safeguards are in place to protect U.S. customers, including an information-sharing arrangement between the Commission and the firm's home country regulator or self-regulatory organization ("SRO"). Once the Commission determines that the foreign jurisdiction's regulatory structure offers comparable regulatory oversight, the Commission issues an order granting general relief subject to certain conditions. Foreign firms seeking confirmation of this relief must make certain representations set forth in the Rule 30.10 order issued to the regulator or SRO from the firm's home country. Appendix C to Part 30 lists those foreign regulators and SROs that have been issued a Rule 30.10 order by the Commission.

Rule 30.7(c) sets forth acceptable depositories for funds deposited by U.S. customers with foreign

The amendments being adopted herein increase the maximum amount eligible for exclusion from the five percent capital charge to the greater of: 150 percent of the amount immediately required to support futures and option transactions in an account; or 100 percent of the maximum amount required to support futures and option transactions at any time during the preceding six-month period. The amendments are intended to provide FCMs and IBIs with greater flexibility with respect to their cash and risk management while also reducing costs associated with frequent transfers of excess margin funds out of foreign brokers in order to avoid the five percent capital charge.

The amendments also eliminate the requirement that an FCM or IBI be responsible for monitoring the ultimate destination of margin funds deposited with a Rule 30.10 foreign broker in order for such funds to qualify for the exemption from the capital charge. As set forth in the proposing release, by granting Rule 30.10 "comparability relief" to a foreign broker, the Commission has made a determination that the foreign broker is subject to a regulatory structure that is comparable to the structure imposed on entities that operate on U.S. futures exchanges. Of particular relevance is that the Commission, as part of the Rule 30.10 petition process, assesses the extent to which a foreign broker is subject to a regulatory program that imposes bona fide minimum financial requirements on its regulatees or members and that provides for the protection of customers by the segregation of funds and bankruptcy rules.<sup>5</sup> The Commission's determination that these standards and protections exist and are enforced supports an easing of the capital charge.

## II. Related Matters

### A. Regulatory Flexibility Act

The Regulatory Flexibility Act ("RFA"), 5 U.S.C. 601-611, requires that agencies, in adopting rules, consider the impact of those rules on small businesses. The Commission has previously established certain definitions of "small entities" to be used by the Commission in evaluating the impact of its rules on such entities.<sup>6</sup> The Commission previously has determined

brokers for futures and option trading on foreign boards of trade.

<sup>5</sup> The specific elements examined in evaluating whether a particular foreign regulatory program provides a basis for permitting substituted compliance for purposes of exemptive relief pursuant to Rule 30.10 are set forth in Appendix A to Part 30.

<sup>6</sup> 47 FR 18618-18621 (April 30, 1982).