

undercapitalized Enterprises) or 1366 (12 U.S.C. 4616, setting out supervisory actions applicable to significantly undercapitalized institutions) of the 1992 Act.

(2) *Second tier CMPs.* The Director may issue a notice of charges to an Enterprise to impose money penalties of up to \$25,000 (adjusted for inflation as described in § 1780.80) for each day that the Enterprise engages in the following violation or conduct, or to an executive officer or director of an Enterprise to impose money penalties of up to \$10,000 (adjusted for inflation as described in § 1780.80) for each day such person or persons engages in the following violation or conduct, if the Director finds that the violation or conduct was either part of a pattern of misconduct or involved recklessness and causes or is likely to cause a material loss to the Enterprise:

(i) Any violation described in paragraphs (c)(1)(i) through (iii) of this section; or

(ii) Any conduct that causes or is likely to cause a loss to the Enterprise.

(3) *Third tier CMPs.* The Director may issue a notice of charges to an Enterprise to impose money penalties of up to \$1,000,000 (adjusted for inflation as described in § 1780.80) for each day that the Enterprise engages in a violation or conduct described in paragraphs (c)(2)(i) and (ii) of this section, or to an executive officer or director of an Enterprise to impose money penalties of up to \$100,000 (adjusted for inflation as described in § 1780.80) for each day such person or persons engages in such violation or conduct described in paragraphs (c)(2)(i) and (ii) of this section, if the Director finds that the violation or conduct was knowing and caused or is likely to cause a substantial loss to the Enterprise.

(4) *Amount of CMPs.* In determining the amount of a civil money penalty within the range of penalties described in paragraphs (c)(1) through (3) of this section, the Director may fashion sanctions in any such amount as deemed to be appropriate taking into consideration such factors as:

(i) The gravity of the violation or conduct;

(ii) Any loss or risk of loss to the Enterprise;

(iii) Any benefits received;

(iv) Any attempts at concealment;

(v) Any history of prior violations or conduct;

(vi) Any related or unrelated previous supervisory actions;

(vii) Any injury to the public;

(viii) Deterrence of future violations or conduct;

(ix) The effect of the penalty on the safety and soundness of the Enterprise;

(x) Any circumstances of hardship upon an executive officer or director;

(xi) Promptness and effectiveness of any efforts to ameliorate the consequences of the violations or conduct; and

(xii) Candor and cooperation after the fact.

(d) *Coordination with other supervisory actions.* In addition to cease and desist and/or civil money penalty proceedings under this part, the 1992 Act grants the Director other authority to take supervisory action, including requiring mandatory and discretionary supervisory actions against an Enterprise that fails to remain adequately capitalized; appointment of a conservator for an Enterprise; entering into a written agreement the violation of which is actionable through proceedings under this part, or any other formal or informal agreement with an Enterprise as may be deemed by the Director to be appropriate. Under the 1992 Act, the selection of the form of supervisory action is within the Director's discretion, and the selection of one form of action or a combination of actions does not foreclose the Director from pursuing any other supervisory action.

(e) *Proceedings against affiliates.* Under subtitle C of the 1992 Act, the Director may institute proceedings as described under this part against an affiliate of an Enterprise as well as an executive officer or director of such affiliate. An entity is affiliated with an Enterprise if the entity controls the Enterprise, is controlled by the Enterprise, or is under common control with the Enterprise. For purposes of this part, control means the ability to exercise a controlling influence over the management and policies of the entity or Enterprise, whether it be by ownership of or the power to vote a concentration of any class of voting securities, the ability to elect or appoint members of the board of directors or officers of the entity, or otherwise.

(f) *Public nature of proceedings.* As described in § 1780.6 of this part, all hearings shall be open to the public unless the Director in his discretion determines to the contrary based on public interest. The Director shall also make final orders available to the public, as well as modifications to or terminations thereof, except that the Director may determine in writing to delay public disclosure of such final orders for a reasonable time if immediate disclosure would seriously threaten the financial health or security of the Enterprise.

Dated: December 19, 2000.

**Armando Falcon, Jr.,**

*Director, Office of Federal Housing Enterprise Oversight.*

[FR Doc. 00-32782 Filed 12-26-00; 8:45 am]

BILLING CODE 4220-01-U

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 2000-NE-25-AD]

RIN 2120-AA64

#### Airworthiness Directives; Pratt & Whitney PW4000 Series Turbofan Engines

**AGENCY:** Federal Aviation Administration, DOT.

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

**SUMMARY:** This document proposes the adoption of a new airworthiness directive (AD) that is applicable to Pratt & Whitney (PW) PW4000 series turbofan engines with 2nd stage high pressure turbine (HPT) air seal assembly part number (P/N) 50L976 or P/N 50L960 installed. This proposal would require operators to recalculate 2nd stage HPT air seal assembly cycles-in-service, based on flight hour-to-cycle ratio usage. This proposal would also require upon recalculation, initial and repetitive on-wing borescope inspections of 2nd stage HPT air seal assemblies for cracks based on the newly calculated service life. This proposal would also require the removal from service of any cracked seal assemblies, and the removal of seal assemblies at or before newly calculated service life limits. This proposal is prompted by reports that thirteen 2nd stage HPT air seal assemblies have been found cracked in the rim area. The actions specified by the proposed AD are intended to prevent 2nd stage HPT air seal assembly fracture that could result in an uncontained engine failure.

**DATES:** Comments must be received by February 26, 2001.

**ADDRESSES:** Submit comments to the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000-NE-25-AD, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may also be sent via the Internet using the following address: "9-ane-adcomment@faa.gov". Comments sent via the Internet must contain the docket number in the subject line. Comments may be inspected at this location between 8

a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. The service information referenced in the proposed rule may be obtained from Pratt & Whitney, 400 Main Street, East Hartford, CT 06108. This information may be examined at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

**FOR FURTHER INFORMATION CONTACT:** Tara Goodman, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington MA 01803-5299; telephone: (781) 238-7130, fax: (781) 238-7199.

**SUPPLEMENTARY INFORMATION:**

**Comments Invited**

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this action may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed 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 summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this action must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2000-NE-25-AD." The postcard will be date stamped and returned to the commenter.

**Availability of NPRM's**

Any person may obtain a copy of this NPRM by submitting a request to the FAA, New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000-NE-25-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

**Discussion**

This proposal is prompted by reports that thirteen 2nd stage HPT air seal assemblies have been found cracked in

the rim area. The current design 2nd stage HPT air seal assemblies are operating in a temperature environment that is hotter than the manufacturer anticipated. Investigation shows that the crack initiation and propagation result from thermal mechanical fatigue. Investigation also revealed that the length of the flight, or mission cycle affects the service life limit of the 2nd stage HPT air seal assembly. Therefore in recalculating the service life of 2nd stage HPT air seal assemblies, this AD requires operators to determine, on a monthly basis, the flight hour-to-cycle-ratio for the hours and cycles accumulated that month, and then to apply the appropriate initial inspection threshold and repetitive cyclic inspection interval. Cracking of the 2nd stage HPT air seal assembly, if not corrected, could result in seal fracture and uncontained engine failure. The manufacturer has informed the FAA that the 2nd stage HPT air seal assembly is currently being redesigned, and that upon completion of the certification, the installation of the new design will act as terminating action to the repetitive inspection requirements of the proposed AD. This proposed rule may be revised based on the new design.

**Service Information**

The FAA has reviewed and approved the technical contents of PW Alert Service Bulletin (ASB) No. PW4G-112-A72-233, dated August 25, 2000. These contents describe procedures for operators to: (1) Determine, on a monthly basis, the flight hour-to-cycle ratio for the hours and cycles accumulated that month. (2) Apply the appropriate initial inspection threshold and repetitive cyclic inspection interval. (3) Recalculate the service life of 2nd stage HPT air seals. (4) Determine the appropriate inspection interval. The ASB also includes procedures for the removal from service of any cracked 2nd stage HPT seal assemblies or the removal of 2nd stage HPT seal assemblies at or before the newly calculated service life limits.

**Proposed Actions**

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would require recalculation of service lives of 2nd stage HPT air seal assemblies, and the initial and repetitive on-wing borescope inspections of 2nd stage HPT air seal assemblies for cracks. The proposed action would also require the removal from service of any cracked seal assemblies, or the removal of seal assemblies at or before the calculated

service life limits. The actions would be required to be accomplished in accordance with the ASB described previously.

**Economic Analysis**

The FAA estimates that there are 233 engines of the affected design in the worldwide fleet, and that 96 engines installed on aircraft of U.S. registry would be affected by this proposed AD. The FAA also estimates that it would take approximately 2.3 work hours per engine to accomplish the proposed on-wing borescope inspection, and that the average labor rate is \$60 per work hour. The FAA estimates that approximately 47% of the certified life of the affected parts will be lost. Required parts would cost \$235,950 per engine. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$10,659,312.

**Regulatory Impact**

This proposal does not have federalism implications, as defined in Executive Order 13132, because it 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. Accordingly, the FAA has not consulted with state authorities prior to publication of this proposal.

For the reasons discussed above, I certify that 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); and (3) if promulgated, 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 copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES**.

**List of Subjects in 14 CFR Part 39**

Air transportation, Aircraft, Aviation safety, Safety.

**The Proposed Amendment**

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend 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:

**Pratt & Whitney:** Docket No. 2000-NE-25-AD.

**Applicability:** This airworthiness directive (AD) is applicable to Pratt & Whitney (PW) models PW4074, PW4077, PW4077D, and PW4090 turbofan engines with 2nd stage high pressure turbine (HPT) air seal assembly part number (P/N) 50L976 or P/N 50L960 installed. These engines are installed on but not limited to Boeing 777 series airplanes.

**Note 1:** This AD applies to each engine 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 engines 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 (d) 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 2nd stage HPT air seal assembly failure that could result in uncontained engine failure, accomplish the following:

#### Calculation of Service Limits

(a) Within 30 days of the effective date of this AD, and then each calendar month thereafter, determine the hour-to-cycle ratio of 2nd stage HPT air seal assemblies based on the hours and cycles accumulated in the previous month in accordance with Paragraph 1 of the Accomplishment Instructions for air seal management of PW Alert Service Bulletin (ASB) No. PW4G-112-A72-233, dated August 25, 2000.

#### Borescope Inspections

(b) For 2nd stage HPT air seal assemblies, determine the initial inspection time and repetitive inspection interval in cycles, in accordance with Paragraph 2 of the Accomplishment Instructions for air seal management of PW ASB No. PW4G-112-A72-233, dated August 25, 2000. Perform borescope inspections of the 2nd stage HPT air seal assembly for cracks, and remove HPT air seal assemblies from service if cracked, in accordance with the On-Wing Procedure section of Accomplishment Instructions of PW ASB No. PW4G-112-A72-233, dated August 25, 2000.

#### New Cycle Limits

(c) Determine new cycle limits for 2nd stage HPT air seal assemblies in accordance

with Paragraph 3 of the Accomplishment Instructions for air seal management of PW ASB No. PW4G-112-A72-233, dated August 25, 2000, and remove from service 2nd stage HPT air seal assemblies prior to exceeding those limits.

#### Alternative Methods of Compliance

(d) 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, Engine Certification Office (ECO). Operators shall submit their request through an appropriate Federal Aviation Administration (FAA) Principal Maintenance Inspector, who may add comments and then send it to the Manager, ECO.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the ECO.

#### Special Flight Permits

(e) Special flight permits may be issued in accordance with §§ 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.

Issued in Burlington, Massachusetts, on December 15, 2000.

**David A. Downey,**

*Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.*

[FR Doc. 00-32879 Filed 12-26-00; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 99-CE-89-AD]

RIN 2120-AA64

#### Airworthiness Directives; DG Flugzeugbau GmbH Model DG-500MB Sailplanes

**AGENCY:** Federal Aviation Administration, DOT.

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

**SUMMARY:** This document proposes to adopt a new airworthiness directive (AD) that would apply to certain DG Flugzeugbau GmbH (DG Flugzeugbau) Model DG-500MB sailplanes equipped with a SOLO 2625 02 engine.

The proposed AD would require you to remove the engine from the propeller mount; install additional access holes in the propeller mount; install the modified engine to the propeller mount; do a ground test run; and replace the digital engine indicator circuit breaker with a new circuit breaker. The proposed AD is the result of mandatory

continuing airworthiness information (CAI) issued by the airworthiness authority for the Federal Republic of Germany. The actions specified by the proposed AD are intended to correct propeller drive belt tension that could cause damage to the engine crankshaft and to replace an inadequate circuit breaker. This could lead to engine failure and loss of sailplane control.

**DATES:** The Federal Aviation Administration (FAA) must receive any comments on this proposed rule by February 1, 2001.

**ADDRESSES:** Send three copies of your comments to FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 99-CE-89-AD, 901 Locust, Room 506, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, except holidays.

You may get service information that applies to the proposed AD from DG Flugzeugbau GmbH, Postbox 41 20, D-76646 Bruchsal, Federal Republic of Germany; telephone: +49 7257-890; facsimile: +49 7257-8922. You may also read this information at the Rules Docket at the address above.

#### FOR FURTHER INFORMATION CONTACT:

Mike Kiesov, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4144; facsimile: (816) 329-4090.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

*How do I comment on the proposed AD?* We invite your comments on the proposed rule. You may send whatever written data, views, or arguments you choose. You need to include the rule's docket number and send your comments in triplicate to the address specified under the caption **ADDRESSES**. We will consider all comments received by the closing date specified above, before acting on the proposed rule. We may change the proposals contained in this notice in light of the comments received.

*Are there any specific portions of the proposed AD I should pay attention to?* The FAA specifically invites comments on the overall regulatory, economic, environmental, and energy aspects of the proposed rule that might require a change to the proposed rule. You may look at all comments we receive. We will file a report in the Rules Docket that summarizes each FAA contact with the public that concerns the substantive parts of this proposal.

We are re-examining the writing style we currently use in regulatory