

Designation Authorization (ODA) that has been authorized by the Manager, Seattle ACO, to make those findings. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

(o) Related Information

(1) For more information about this AD, contact Bill Ashforth, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office (ACO), 1601 Lind Avenue SW., Renton, WA 98057-3356; phone: 425-917-6432; fax: 425-91-6590; email: Bill.Ashforth@faa.gov.

(2) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, WA 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; Internet <https://www.myboeingfleet.com>. You may view this service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

Issued in Renton, Washington, on April 15, 2016.

Victor Wicklund,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2016-5597; Directorate Identifier 2016-NM-009-AD]

RIN 2120-AA64

Airworthiness Directives; The Boeing Company Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to adopt a new airworthiness directive (AD) for all The Boeing Company Model 737-400 series airplanes. This proposed AD was prompted by reports of cracks in the upper chord of the overwing stub beams at body station (STA) 578 emanating from the rivet location common to the crease beam inner chord and the overwing stub beam upper chord. This proposed AD would require repetitive inspections for cracking, and related investigative and corrective actions if necessary. Replacement of the overwing stub beam would terminate the repetitive inspections for cracking at the replacement location only, and post-

replacement inspections would be required if the replacement was done. We are proposing this AD to detect and correct cracking in the upper chord of the overwing stub beam caused by high flight cycle fatigue stresses from both pressurization and maneuver loads. Cracking of the overwing stub beam could adversely affect the fuselage structural integrity and result in possible decompression of the airplane.

DATES: We must receive comments on this proposed AD by June 13, 2016.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- **Federal eRulemaking Portal:** Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
- **Fax:** 202-493-2251.
- **Mail:** U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.
- **Hand Delivery:** Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this NPRM, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, WA 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; Internet <https://www.myboeingfleet.com>. You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221. It is also available on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2016-5597.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2016-5597; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (phone: 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Wade Sullivan, Aerospace Engineer,

Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office (ACO), 1601 Lind Avenue SW., Renton, WA 98057-3356; phone: 425-917-6430; fax: 425-917-6590; email: wade.sullivan@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2016-5597; Directorate Identifier 2016-NM-009-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed AD because of those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this proposed AD.

Discussion

We have received ten reports from four operators of cracks in the upper chord of the overwing stub beams at body STA 578 emanating from the rivet location common to the crease beam inner chord and the overwing stub beam upper chord on The Boeing Company Model 737-400 series airplanes. The earliest reported crack in an overwing stub beam upper chord occurred on an airplane with 31,843 total flight cycles. Seven airplanes had a severed overwing stub beam upper chord on either the left or right side, and two airplanes had severed overwing stub beam upper chords on the left and right sides. Cracks in the upper chord of the overwing stub beams, if not corrected, could result in high flight cycle fatigue stresses from both pressurization and maneuver loads, which can cause cracking in the upper chord of the overwing stub beam at STA 559, STA 578, and STA 601. Cracking of the overwing stub beam could adversely affect the fuselage structural integrity and result in possible decompression of the airplane.

Related Service Information Under 14 CFR Part 51

We reviewed Boeing Alert Service Bulletin 737-53A1347, dated December 9, 2015. The service information describes procedures for doing a surface high frequency eddy current inspection

for cracking in the overwing stub beam upper chord at STA 559, STA 578, and STA 601, and repairs and replacement. 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.

FAA's Determination

We are proposing this AD because we evaluated all the relevant information and determined the unsafe condition described previously is likely to exist or develop in other products of the same type design.

Proposed AD Requirements

This proposed AD would require accomplishing the actions specified in the service information described previously, except as discussed under "Differences Between this Proposed AD and the Service Information." For

information on the procedures and compliance times, see this service information at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2016-5597.

The phrase "related investigative actions" is used in this proposed AD. "Related investigative actions" are follow-on actions that (1) are related to the primary action, and (2) further investigate the nature of any condition found. Related investigative actions in an AD could include, for example, inspections.

The phrase "corrective actions" is used in this proposed AD. "Corrective actions" correct or address any condition found. Corrective actions in an AD could include, for example, repairs.

Differences Between This Proposed AD and the Service Information

Boeing Alert Service Bulletin 737-53A1347, dated December 9, 2015, specifies to contact the manufacturer for instructions on how to repair certain conditions, but this proposed AD would require repairing those conditions in one of the following ways:

- In accordance with a method that we approve; or
- Using data that meet the certification basis of the airplane, and that have been approved by the Boeing Commercial Airplanes Organization Designation Authorization (ODA) whom we have authorized to make those findings.

Costs of Compliance

We estimate that this proposed AD affects 93 airplanes of U.S. registry. We estimate the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspection	24 work-hours × \$85 per hour = \$2,040 per inspection cycle.	\$0	\$2,040 per inspection cycle.	\$189,720 per inspection cycle

We estimate the following costs to do any necessary inspections/replacements that would be required based on the

results of the proposed inspection. We have no way of determining the number

of aircraft that might need these inspections/replacements:

ON-CONDITION COSTS

Action	Labor cost	Parts cost	Cost per product
Related investigative inspection	9 work-hours × \$85 per hour = \$765 per side	\$0	\$765 per side.
STA 578 Replacement	41 work-hours × \$85 per hour=\$3,485 per side ...	\$41,500 per side ...	\$44,985 per side.
STA 578 Post-replacement inspection	1 work-hour × \$85 per hour = \$85 per side	\$0	\$85 per side.

We have received no definitive data that would enable us to provide cost estimates for certain on-condition actions specified in this proposed AD.

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.

We are 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

We determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD 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.

For the reasons discussed above, I certify 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),

(3) Will not affect intrastate aviation in Alaska, and

(4) 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.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 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 (AD):

The Boeing Company: Docket No. FAA–2016–5597; Directorate Identifier 2016–NM–009–AD.

(a) Comments Due Date

We must receive comments by June 13, 2016.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all the Boeing Company Model 737–400 series airplanes, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 53, Fuselage.

(e) Unsafe Condition

This AD was prompted by reports of cracks in the upper chord of the overwing stub beams at body station (STA) 578 emanating from the rivet location common to the crease beam inner chord and the overwing stub beam upper chord. We are issuing this AD to detect and correct cracking in the upper chord of the overwing stub beam caused by high flight cycle fatigue stresses from both pressurization and maneuver loads. Cracking of the overwing stub beam could adversely affect the fuselage structural integrity and result in possible decompression of the airplane.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Inspections, Related Investigative Actions, and Corrective Actions

At the applicable time specified in table 1 in paragraph 1.E., “Compliance,” of Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015, except as required by paragraphs (j)(1) and (j)(2) of this AD: Do a surface high frequency eddy current (HFEC) inspection for any cracking in the overwing stub beam upper chord at STA 559, STA 578, and STA 601; and do all applicable related investigative and corrective actions; in accordance with the Accomplishment Instructions of Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015, except as specified in paragraph (j)(3) of this AD. Do all applicable related investigative

and corrective actions before further flight. Repeat the HFEC inspection thereafter at the applicable intervals specified Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015.

Note 1 to paragraph (g) of this AD: Deviation from the actions specified in Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015, may affect compliance with the fuel tank ignition prevention requirements specified in Critical Design Configuration Control Limitation 28–AWL–11 of Document D6–38278–CMR.

(h) Terminating Action

Replacement of the overwing stub beam in accordance with Part 4 of the Accomplishment Instructions of Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015, terminates the repetitive inspections required by paragraph (g) of this AD at the STA 578 replacement location only. The post-replacement inspections required by paragraph (i) of this AD are still required at the STA 578 replacement location.

(i) Post-Replacement Inspections and Corrective Action

For airplanes on which an overwing stub beam has been replaced at STA 578: At the applicable time specified in table 2 in paragraph 1.E., “Compliance,” of Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015: Do a surface HFEC inspection for any cracking in the overwing stub beam upper chord at STA 578, in accordance with the Accomplishment Instructions of Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015. Repeat the HFEC inspection thereafter at the applicable intervals specified Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015. If any cracking is found during any inspection required by this paragraph, before further flight, repair the cracking using a method approved in accordance with the procedures specified in paragraph (j)(3) of this AD.

(j) Exceptions to Service Information

(1) Where Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015, specifies a compliance time after the “original issue date of this service bulletin,” this AD requires compliance within the specified compliance time after the effective date of this AD.

(2) The Condition column of paragraph 1.E., “Compliance,” of Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015, refers to airplanes with specified total flight cycles “at the original issue date of this service bulletin.” This AD, however, applies to the airplanes with the specified total flight cycles as of the effective date of this AD.

(3) If any cracking is found during any inspection required by this AD, and Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015, specifies to contact Boeing for appropriate action: Before further flight, repair the cracking or replace the stub beam, using a method approved in accordance with the procedures specified in paragraph (l) of this AD.

(k) No Economic Inspection Required

This AD does not require the “Recommended Economic Inspection” specified in paragraph 3.B.3. of the Accomplishment Instructions of Boeing Alert Service Bulletin 737–53A1347, dated December 9, 2015.

(l) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Seattle Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in paragraph (m)(1) of this AD. Information may be emailed to: 9-ANM-Seattle-ACO-AMOC-Requests@faa.gov.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(3) An AMOC that provides an acceptable level of safety may be used for any repair, modification, or alteration required by this AD if it is approved by the Boeing Commercial Airplanes Organization Designation Authorization (ODA) that has been authorized by the Manager, Seattle ACO, to make those findings. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

(4) Except as required by paragraph (j)(3) of this AD: For service information that contains steps that are labeled as Required for Compliance (RC), the provisions of paragraphs (l)(4)(i) and (l)(4)(ii) of this AD apply.

(i) The steps labeled as RC, including substeps under an RC step and any figures identified in an RC step, must be done to comply with the AD. An AMOC is required for any deviations to RC steps, including substeps and identified figures.

(ii) Steps not labeled 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 RC steps, including substeps and identified figures, can still be done as specified, and the airplane can be put back in an airworthy condition.

(m) Related Information

(1) For more information about this AD, contact Wade Sullivan, Aerospace Engineer, Airframe Branch, ANM–120S, FAA, Seattle Aircraft Certification Office (ACO), 1601 Lind Avenue SW., Renton, WA 98057–3356; phone: 425–917–6430; fax: 425–917–6590; email: wade.sullivan@faa.gov.

(2) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H–65, Seattle, WA 98124–2207; telephone 206–544–5000, extension 1; fax 206–766–5680; Internet <https://www.myboeingfleet.com>. You

may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

Issued in Renton, Washington, on April 15, 2016.

Victor Wicklund,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

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PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4007

RIN 1212-AB32

Payment of Premiums; Late Payment Penalty Relief

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Proposed rule.

SUMMARY: The Pension Benefit Guaranty Corporation (PBGC) proposes to lower the rates of penalty charged for late payment of premiums by all plans, and to provide a waiver of most of the penalty for plans with a demonstrated commitment to premium compliance. PBGC seeks public comment on its proposal.

DATES: Comments must be submitted on or before June 27, 2016.

ADDRESSES: Comments, identified by Regulation Identifier Number (RIN) 1212-AB32, may be submitted by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the Web site instructions for submitting comments.

- *Email:* reg.comments@pbgc.gov.

- *Fax:* 202-326-4112.

- *Mail or Hand Delivery:* Regulatory Affairs Group, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026.

All submissions must include the Regulation Identifier Number for this rulemaking (RIN 1212-AB32). Comments received, including personal information provided, will be posted to www.pbgc.gov. Copies of comments may also be obtained by writing to Disclosure Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026, or calling 202-326-4040 during normal business hours. (TTY and TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4040.)

FOR FURTHER INFORMATION CONTACT:

Deborah C. Murphy, Deputy Assistant General Counsel for Regulatory Affairs (murphy.deborah@pbgc.gov), Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026; 202-326-4024. (TTY and TDD users may call the Federal relay service toll-free at 800-877-8339 and ask to be connected to 202-326-4024.)

SUPPLEMENTARY INFORMATION:

Executive Summary

Purpose of the Regulatory Action

This proposed rule is needed to reduce the financial burden of PBGC's late premium penalties. The rulemaking would reduce penalty rates for all plans and waive most of the penalty for plans that meet a standard for good compliance with premium requirements.

PBGC's legal authority for this action comes from section 4002(b)(3) of the Employee Retirement Income Security Act of 1974 (ERISA), which authorizes PBGC to issue regulations to carry out the purposes of title IV of ERISA, and section 4007 of ERISA, which gives PBGC authority to assess late payment penalties.

Major Provisions of the Regulatory Action

The penalty for late payment of a premium is a percentage of the amount paid late multiplied by the number of full or partial months the amount is late, subject to a floor of \$25 (or the amount of premium paid late, if less). There are currently two levels of penalty: 1 Percent per month (with a 50 percent cap) and 5 percent per month (capped at 100 percent). The lower rate applies to "self-correction"—that is, where the premium underpayment is corrected before PBGC gives notice that there is or may be an underpayment. This proposed rule would cut the rates and caps in half (to ½ percent with a 25 percent cap and 2½ percent with a 50 percent cap, respectively) and eliminate the floor.

The rulemaking would also create a new penalty waiver that would apply to underpayments by plans with good compliance histories if corrected promptly after notice from PBGC. Under the proposal, PBGC would waive 80 percent of the penalty otherwise applicable to such a plan. Thus, the penalty would be reduced from 2½ percent per month (with a 50 percent cap) to ½ percent per month (with a 25 percent cap)—the same result as if the plan had self-corrected.

Background

PBGC administers the pension plan termination insurance program under title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Under ERISA sections 4006 and 4007, plans covered by title IV must pay premiums to PBGC. PBGC's premium regulations—on Premium Rates (29 CFR part 4006) and on Payment of Premiums (29 CFR part 4007)—implement ERISA sections 4006 and 4007.

ERISA section 4007(b)(1) provides that if a premium is not paid when due, PBGC is authorized to assess a penalty up to 100 percent of the overdue amount. The statute does not condition exercise of this authority on a finding of bad faith or lack of due care; it is solely based on the failure to pay.¹ However, the fact that assessment is authorized (rather than mandated)—and thus that PBGC could choose not to exercise the authority at all—indicates that PBGC has the flexibility to assess less than the full amount of penalty authorized and to reduce or eliminate a penalty.²

PBGC has provided for the exercise of its authority to impose penalties in the premium payment regulation. Under § 4007.8 of the regulation, late payment penalties accrue at the rate of 1 percent or 5 percent per month (or portion of a month) of the unpaid amount, except that the smallest penalty assessed is the lesser of \$25 or the amount of unpaid premium. Whether the 1-percent or 5-percent rate applies depends on whether the underpayment is "self-corrected" or not. Self-correction refers to payment of the delinquent amount before PBGC gives written notice of a possible delinquency. One-percent penalties are capped by the regulation at 50 percent and 5-percent penalties at 100 percent of the unpaid amount. Thus, although penalties can be significant in some cases, they are generally assessed in amounts far less than the statutory maximum.

This two-tiered structure provides an incentive to self-correct and reflects PBGC's judgment that those that come forward voluntarily to correct underpayments deserve more forbearance than those that PBGC identifies through its premium enforcement programs.

¹ The statute provides a waiver of penalty for 60 days if PBGC finds that timely payment would cause substantial hardship, but PBGC may not grant the waiver if it appears that the plan will be unable to pay the premium within 60 days. PBGC has found no record that such a waiver has ever been granted during the agency's 40+ years of existence.

² In contrast, the statute requires that interest on late premiums "shall be paid" at a specified rate for the overdue period.