

§ 39.13 [Amended]

2. The FAA amends § 39.13 by adding the following new airworthiness directive:

Honeywell International Inc. (formerly AlliedSignal Inc. and Garrett Turbine Engine Co.): Docket No. FAA-2004-18496; Directorate Identifier 2004-NE-04-AD.

Comments Due Date

(a) The Federal Aviation Administration (FAA) must receive comments on this airworthiness directive (AD) action by August 30, 2004.

Affected ADs

(b) None.

Applicability

(c) This AD applies to Honeywell International Inc. (formerly AlliedSignal Inc. and Garrett Turbine Engine Co.) TFE731-2 and -3 series turbofan engines with the following low pressure (LP) 1st and 2nd stage turbine rotor disc part numbers (P/Ns), with serial numbers (SNs) listed in Tables 1, 2, and 3 of Honeywell International Inc. SB No. TFE731-72-3682, dated November 26, 2002, initially installed as new parts before April 1, 1991:

3072069-All
3072070-All
3072351-All
3072542-All
3073013-All
3073014-All
3073113-All
3073114-All
3074103-All
3074105-All

(All denotes all dash numbers installed)

These engines are installed on, but not limited to, the following airplanes:
Avions Marcel Dassault Mystere-Falcon 10 and 50 series
Cessna Model 650, Citation III, and Citation VI
Gulfstream Aerospace LP (formerly IAI) 1125 Westwind Astra series
Israel Aircraft Industries (IAI) 1124 series Learjet 31, 35, 36, and 55 series
Lockheed-Georgia 1329-25 series (731 Jetstar, Jetstar II)
Raytheon Corporate Jets (formerly British Aerospace) DH/HS/BH-125 series;
Sabreliner NA-265-65 (Sabreliner 65)

Unsafe Condition

(d) This AD results from a report of an uncontained failure of an LP 2nd stage turbine rotor disc that caused an in-flight engine shutdown. We are issuing this AD to prevent LP turbine rotor disk separation, which could result in an uncontained engine failure and damage to the airplane.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified unless the actions have already been done.

Removal From Service of LP 1st and 2nd Stage Turbine Rotor Discs

(f) For TFE731-2-2J, TFE731-2-2N, TFE731-2A-2A, and TFE731-3-1J engines, replace discs that are listed by SN in Tables 1 and 3 of SB No. TFE731-72-3682, dated November 26, 2002, within 100 hours time-in-service (TIS) after the effective date of this AD.

(g) For TFE731-2 series engines except TFE731-2-2J, TFE731-2-2N, and TFE731-2A-2A engines, replace discs that are listed by SN in Tables 1 and 2 of SB No. TFE731-72-3682, dated November 26, 2002, at the next Major Periodic Inspection (MPI) or next access to the turbine discs after the effective date of this AD, but within 2,200 hours TIS since the last disc inspection, whichever occurs first.

(h) For TFE731-3 series engines except TFE731-3-1J, replace discs that are listed by SN in Table 3 of SB No. TFE731-72-3682, dated November 26, 2002, at the next MPI or next access to the turbine discs after the effective date of this AD, but within 1,500 hours TIS since the last disc inspection, whichever occurs first.

(i) Information on replacing affected discs can be found in Honeywell International Inc. SB No. TFE731-72-3682, dated November 26, 2002.

(j) After the effective date of this AD, do not install any LP 1st and 2nd stage turbine rotor disc that has a SN listed in Table 1, 2, or 3 of SB No. TFE731-72-3682, dated November 26, 2002, and determined to be manufactured before April 1, 1991.

Definitions

(k) For the purposes of this AD, access to the turbine discs is the level of disassembly that has removed the tie-shaft nut.

Alternative Methods of Compliance

(l) The Manager, Los Angeles Aircraft Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

Material Incorporated by Reference

(m) None.

Related Information

(n) None.

Issued in Burlington, Massachusetts, on June 24, 2004.

Jay J. Pardee,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 04-14946 Filed 6-30-04; 8:45 am]

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

[Docket No. FAA-2004-18515; Directorate Identifier 2004-NE-12-AD]

RIN 2120-AA64

Airworthiness Directives; Rolls-Royce Corporation (Formerly Allison Engine Company, Allison Gas Turbine Division, and Detroit Diesel Allison) 250-B and 250-C Series Turbofan and Turboshaft Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for Rolls-Royce Corporation (RRC) 250-B and 250-C series turbofan and turboshaft engines with certain part numbers (PNs) of compressor adaptor couplings manufactured by Alcor Engine Company (Alcor), EXTEX Ltd. (EXTEx), RRC, and Superior Air Parts (SAP) installed. This proposed AD would require operators to remove from service affected compressor adaptor couplings. This proposed AD results from nine reports of engine shutdown caused by compressor adaptor coupling failure. We are proposing this AD to reduce the risk of failure of the compressor adaptor coupling and subsequent loss of all engine power.

DATES: We must receive any comments on this proposed AD by August 30, 2004.

ADDRESSES: Use one of the following addresses to submit comments on this proposed AD.

- DOT Docket Web site: Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.

- Government-wide rulemaking Web site: Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

- Mail: Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-001.

- Fax: (202) 493-2251.

- Hand Delivery: Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

You may examine the comments on this proposed AD in the AD docket on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT:

Robert Baitoo, Aerospace Engineer, Los Angeles Aircraft Certification Office, FAA, Transport Airplane Directorate, 3960 Paramount Blvd., Lakewood, CA 90712-4137; telephone: (562) 627-5245, fax: (562) 627-5210, for questions about Alcor, EXTEX, or SAP compressor adaptor couplings; and John Tallarovic, Aerospace Engineer, Chicago Aircraft Certification Office, FAA, 2300 East Devon Avenue, Des Plaines, IL 60018-4696; telephone (847) 294-8180; fax (847) 294-7834, for questions about RRC compressor adaptor couplings.

SUPPLEMENTARY INFORMATION:**Docket Management System (DMS)**

We have implemented new procedures for maintaining AD docket electronically. As of May 17, 2004, we posted new AD actions on the DMS and assigned a DMS docket number. We track each action and assign a corresponding Directorate identifier. The DMS docket No. is in the form "Docket No. FAA-200X-XXXXX." Each DMS docket also lists the Directorate identifier ("Old Docket Number") as a cross-reference for searching purposes.

Comments Invited

We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include "Docket No. FAA-2004-18515; Directorate Identifier 2004-NE-12-AD" in the subject line of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We will post all comments we receive, without change, to <http://dms.dot.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed AD. Using the search function of the DMS Web site, anyone can find and read the comments in any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You may review the DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78) or you may visit <http://dms.dot.gov>.

We are reviewing the writing style we currently use in regulatory documents. We are interested in your comments on

whether the style of this document is clear, and your suggestions to improve the clarity of our communications that affect you. You can get more information about plain language at <http://www.faa.gov/language> and <http://www.plainlanguage.gov>.

Examining the AD Docket

You may examine the docket that contains the proposal, any comments received and, any final disposition in person at the DMS Docket Offices between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Office (telephone (800) 647-5227) is located on the plaza level of the Department of Transportation Nassif Building at the street address stated in **ADDRESSES**. Comments will be available in the AD docket shortly after the DMS receives them.

Discussion

The FAA has received reports of nine RRC 250-B and 250-C series turboprop and turboshaft engines that have experienced failure of the compressor adaptor coupling in service. Each failure has resulted in total loss of engine power, with three of the events resulting in accidents. The engines are installed in mostly single-engine helicopters, along with several turboprop airplanes. Alcor, EXTEX, and SAP each independently manufactured compressor adaptor couplings, under Parts Manufacturer Approval (PMA) authority. RRC manufactured compressor adaptor couplings under type and production certificate authority.

While the precise mechanism of coupling failure is still under investigation, enough evidence has been collected to conclude that the four individual part designs could have unsatisfactory rates of failure in service, and should be removed from service as recommended and substantiated by each individual part manufacturer.

Each of the four manufacturers is responsible for its own independent component design, design substantiation, component manufacture, and development of a field management plan for its fleet. EXTEX is handling field management of affected couplings made by SAP, under an agreement between the two manufacturers.

Compliance requirements in this proposed AD have been developed based on the FAA's consideration of those individual field management plans and corresponding substantiation. The condition described previously, if not corrected, could result in failure of the compressor adaptor coupling and subsequent loss of all engine power.

With respect to the field management plans, design and production approval holders are expected to have a comprehensive understanding of the system that the component is installed in and the consequences of failure of that specific component design. Also, design and production approval holders are expected to effectively collect and review service data and assess risk to support continued operational safety of their components in service. The different manufacturers of compressor adaptor couplings have conducted their own independent data reviews and risk assessments, with varying outcomes. These varying outcomes have generated different compliance requirements in this proposed AD, for users of each manufacturer's compressor adaptor coupling.

FAA's Determination and Requirements of the Proposed AD

We have evaluated all pertinent information available from field reports and from the four manufacturers' safety assessments and have identified an unsafe condition that is likely to exist or develop in other RRC 250-B17, -B17B, -B17C, -B17D, -B17E, 250-C20, -C20B, -C20F, -C20J, -C20S, and -C20W series turboprop and turboshaft engines that have any of the following compressor adaptor couplings installed:

- Alcor: P/Ns 23039791AL and 23039791AL-1/-2/-3.
- EXTEX: P/Ns A23039791, E23039791, E23039791-1/-2/-3, EH23039791, and EH23039791-1/-2/-3.
- RRC: P/Ns 23039791-1/-2/-3.
- SAP: P/N A23039791.

We are proposing this AD, which would:

- Remove from service affected Alcor compressor adaptor couplings using the schedule specified in the compliance section of this proposed AD. The related Alcor safety assessment and recommendations are based on a significant number of service part inspections and engineering judgment.

- Remove from service affected EXTEX and SAP compressor adaptor couplings using the schedule specified in the compliance section of this proposed AD. The related EXTEX and SAP safety assessments and recommendations are based on a significant number of service part inspections and engineering judgment.

- Remove from service affected RRC compressor adaptor couplings using the schedule specified in the compliance section of this proposed AD. The related RRC safety assessment and recommendations are based on a significant number of service part inspections, component tests, and

manufacturing and overhaul assembly analysis, and engineering analysis.

Costs of Compliance

There are about 9,000 RRC 250-B and 250-C series turbofan and turboshaft engines of the affected design in the worldwide fleet. We estimate that 6,000 engines installed on helicopters and airplanes of U.S. registry would be affected by this proposed AD. We also estimate that it would take about 3 work hours per engine to perform the proposed actions when done at time of rotor disassembly, and that the average labor rate is \$65 per work hour. Required parts would cost about \$1,601 per engine. Based on these figures, we estimate the total cost of the proposed AD to U.S. operators to be \$10,776,000.

Regulatory Findings

We have 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 that the 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. Would not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a summary of the costs to comply with this proposal and placed it in the AD Docket. You may get a copy of this summary at the address listed under **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Under the authority delegated to me by the Administrator, the Federal Aviation Administration 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:

Rolls-Royce Corporation (formerly Allison Engine Company, Allison Gas Turbine Division, and Detroit Diesel Allison):
Docket No. FAA-2004-18515;
Directorate Identifier 2004-NE-12-AD.

Comments Due Date

- (a) The Federal Aviation Administration (FAA) must receive comments on this airworthiness directive (AD) action by August 30, 2004.

Affected ADs

- (b) None.

Applicability

- (c) This AD applies to Rolls-Royce Corporation (formerly Allison Engine Company, Allison Gas Turbine Division, and Detroit Diesel Allison) 250-B17, -B17B, -B17C, -B17D, -B17E, 250-C20, -C20B, -C20F, -C20J, -C20S, and -C20W series turbofan and turboshaft engines with the compressor adaptor couplings installed listed in the following Table 1:

TABLE 1.—AFFECTED COMPRESSOR ADAPTOR COUPLINGS

Manufacturer	Affected part numbers
Alcor Engine Company (Alcor)	P/Ns 23039791AL; 23039791AL-1/-2/-3;
EXTEX Ltd. (EXTEX)	A23039791; E23039791; E23039791-1/-2/-3; EH23039791; EH23039791-1/-2/-3.
Rolls-Royce Corporation (RRC)	23039791-1/-2/-3
Superior Air Parts (SAP).	A23039791

These engines are installed on, but not limited to, the aircraft in the following Table 2:

TABLE 2.—APPLICABLE AIRCRAFT

Helicopters
Agusta Models A109, A109A, A109A II Bell Models 206A, 207B, 206L Enstrom Models TH-28, 480, 480B Eurocopter France Models AS355E, AS355F, AS355F1, AS355F2 Eurocopter Deutschland Models BO-105C, BO-105S MDHI Models 369D, 369E, 369H, 369HM, 369HS, 369HE Schweizer Model 269D

TABLE 2.—APPLICABLE AIRCRAFT—Continued

Airplanes
B-N Group Ltd. Model BN-2T

Unsafe Condition

- (d) This AD results from nine reports of engine shutdown caused by compressor adaptor coupling failure.

Compliance

- (e) You are responsible for having the actions required by this AD performed within the compliance times specified unless the actions have already been done.

Alcor Compressor Adaptor Couplings

- (f) Remove Alcor compressor adaptor couplings, P/Ns 23039791AL, 23039791AL-1, -2, and -3 from service as follows:

- (1) For couplings with 600 or more operating hours-since-new as of the effective date of this AD, or the operating hours are unknown and cannot be determined, remove couplings from service at next access but not to exceed 50 additional operating hours.

- (2) For couplings with fewer than 600 operating hours-since-new on the effective date of this AD, remove couplings from service at next access but not to exceed 649 operating hours-since-new.

EXTEX and SAP Compressor Adaptor Couplings

- (g) Remove EXTEX and SAP compressor adaptor couplings, P/Ns A23039791, E23039791, E23039791-1, -2, and -3, EH23039791, and EH23039791-1, -2, and -3, from service as follows:

- (1) For couplings with operating hours that are unknown and cannot be determined, remove couplings from service at next access but not to exceed 50 additional operating hours.

- (2) For couplings with 600 or more operating hours-since-new as of the effective date of this AD, remove couplings from service at next access but not to exceed 100 additional operating hours.

- (3) For couplings with fewer than 600 operating hours-since-new on the effective date of this AD, remove couplings from service at next access but not to exceed 150 additional operating hours.

RRC Compressor Adaptor Couplings

- (h) Remove RRC compressor adaptor couplings, P/Ns 23039791-1, -2, and -3 from service at next access but not later than March 1, 2012.

Installation Requirements for Compressor Adaptor Couplings

- (i) Machine the compressor impeller as follows:

- (1) Machine the inside diameter (ID) to accept the next larger size outside diameter (OD) compressor adaptor coupling.

- (2) For example, if a -1 coupling was removed, a -2 coupling must be installed.

- (3) If a -3 coupling is removed, a new impeller is required.

(4) A fit of 0.0000 to -0.0018 inch must be achieved. No fretting is allowed on the impeller after machining.

(5) Due to previous fretting, an impeller with a -1 coupling removed might have to be machined for a -3 coupling. Plating of the impeller ID is not allowed.

(6) Fluorescent penetrant inspect the impeller.

(7) Install a new compressor adaptor coupling, P/N 23076559-2 or -3; or

(8) If a new impeller is installed, then install compressor adaptor coupling, P/N 23076559-1.

(9) Heating of the impeller per the engine overhaul manual is required to install the coupling to achieve the target fit specified in the following Table 3:

TABLE 3.—IMPELLER-TO-COUPLING TARGET FIT

Impeller ID	New Adaptor	Adaptor OD	Fit (Interference)
(i) 0.900 to 0.899 inch	23076559-1	0.9000 to 0.9008 inch	0.0000 to -0.0018 inch.
(ii) 0.902 to 0.901 inch	23076559-2	0.9020 to 0.9028 inch	0.0000 to -0.0018 inch.
(iii) 0.904 to 0.903 inch	23076559-3	0.9040 to 0.9048 inch	0.0000 to -0.0018 inch.

Definition

(j) For the purposes of this AD, next access is defined as when the compressor module is separated from the engine and disassembled for any reason.

Alternative Methods of Compliance

(k) The Manager, Los Angeles Aircraft Certification Office, has the authority to approve alternative methods of compliance for Alcor, EXTEX, and SAP adaptor couplings addressed in this AD if requested using the procedures found in 14 CFR 39.19. The Manager, Chicago Aircraft Certification Office, has the authority to approve alternative methods of compliance for RRC adaptor couplings addressed in this AD if requested using the procedures found in 14 CFR 39.19.

Material Incorporated by Reference

(l) None.

Related Information

(m) Alcor SLB No. 814-3-1, Revision C, dated April 28, 2004, EXTEX Alert Service Bulletin T-081, Revision B, dated May 4, 2004, and RRC CEB-A-1392 and CEB-A-1334, dated September 9, 2003, pertain to the subject of this AD.

Issued in Burlington, Massachusetts, on June 25, 2004.

Jay J. Pardee,

Manager, Engine and Propeller Directorate,
Aircraft Certification Service.

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including the addition of guidance on contract market block trading rules. The Commission is proposing these rule amendments and requesting comment as part of its continuing efforts to update its regulations in light of the Commodity Futures Modernization Act of 2000 ("CFMA").

DATES: Comments must be received by August 30, 2004.

ADDRESSES: Comments should be sent to the Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581, attention: Office of the Secretariat. Comments may be sent by facsimile transmission to 202-418-5521 or, by e-mail to secretary@cftc.gov. Reference should be made to "Proposed Rules for Trading Off the Centralized Market." Comments may also be submitted by connecting to the Federal eRulemaking Portal at <http://www.regulations.gov> and following comment submission instructions.

FOR FURTHER INFORMATION CONTACT: Riva Spear Adriance, Associate Deputy Director for Market Review, Division of Market Oversight, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, NW., Washington, DC 20581. Telephone 202-418-5494; e-mail radriance@cftc.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Commission Regulation Section 1.38 (17 CFR 1.38) sets forth a requirement that all purchases and sales of a commodity for future delivery or a commodity option on or subject to the rules of a designated contract market ("DCM") should be executed by open and competitive methods. This "open and competitive" requirement is modified by a proviso that allows transactions to be executed in a "non-competitive" manner if the transaction is in compliance with DCM rules specifically providing for the non-competitive execution of such transactions, and such rules have been

submitted to, and approved by, the Commission.

Since Regulation 1.38 was promulgated,¹ the CFMA was enacted.² Federal regulation of commodity futures and option markets was significantly changed by the CFMA, which replaced "one-size-fits-all" regulation with broad, flexible core principles.³ At the same time, the CFMA modified Section 3 of the Act, such that the purpose of the Act is now, among other things, "to deter and prevent price manipulation or any other disruptions to market integrity; to ensure the financial integrity of all transactions subject to this Act and the avoidance of systemic risk; to protect all market participants from fraudulent or other abusive sales practices and misuses of customer assets * * *"⁴ The CFMA also specifically expanded the types of transactions that could lawfully be executed off the centralized market. Specifically, the CFMA permits DCMs to establish trading rules that: (1) Authorize the exchange of futures for swaps; or (2) allow a futures commission merchant, acting as principal or agent, to enter into or confirm the execution of a contract for the purchase or sale of a commodity for future delivery if the contract is reported, recorded, or cleared in accordance with the rules of a contract market or derivatives clearing organization.⁵

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1 and 38

Execution of Transactions: Regulation 1.38 and Guidance on Core Principle 9

AGENCY: Commodity Futures Trading Commission.

ACTION: Proposed rules.

SUMMARY: The Commodity Futures Trading Commission ("Commission" or "CFTC") is proposing a number of amendments to its rules concerning trading off the centralized market,

¹ Regulation 1.38 was originally adopted in 1953 by the Commodity Exchange Authority, the predecessor of the Commission. See 18 FR 176 (Jan. 19, 1953). For subsequent amendments, see 31 FR 5054 (Mar. 29, 1966), 41 FR 3191 (Jan. 21, 1976, eff. Feb. 20, 1976), and 46 FR 54500 (Nov. 3, 1981, eff. Dec. 3, 1981).

² Pub. L. 106-554, 114 Stat. 2763 (2000). Under the CFMA, such rules may be effected by the certification procedures set forth in section 5c(c) of the Act and 40.6 of the Commission's regulations.

³ The CFMA was intended, in part, "to promote innovation for futures and derivatives." See § 2 of the CFMA. It was also intended "to reduce systemic risk," and "to transform the role of the [Commission] to oversight of the futures markets." *Id.*

⁴ 7 U.S.C. 5 (2000).

⁵ See section 7(b)(3) of the Act.