

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.

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 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 mailed comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 2003-SW-13-AD." The postcard will be date stamped and returned to the commenter.

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.

The FAA has determined that this regulation is an emergency regulation that must be issued immediately to correct an unsafe condition in aircraft, and that it is not a "significant regulatory action" under Executive Order 12866. It has been determined further that this action involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979). If it is determined that this emergency regulation otherwise would be significant under DOT Regulatory Policies and Procedures, a final regulatory evaluation will be prepared and placed in the Rules Docket. A copy of it, if filed, 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:

2003-11-21 Eurocopter France: Amendment 39-13180. Docket No. 2003-SW-13-AD.

Applicability: AS332 C, L, and L1 helicopters, certificated in any category, with Turbomecca Makila 1A or Makila 1A1 engines installed with fuel control unit (FCU), part number (P/N) 0 164 16 820 0 or P/N 0 164 16 835 0, having serial numbers (S/N) 100 through 525, with a suffix of "M", except:

(1) FCUs with S/N 168M, 323M, 369M, 371M, 378M, 382M, 396M, 407M, 422M, 445M, 449M, 460M, 469M, 472M, 479M, 488M, 499M, 513M, 518M, 523M; or

(2) FCUs that have been tested and found to provide the correct fuel flow rate in accordance with Turbomecca Service Bulletin No. 298 73 0802, dated September 17, 2002.

Compliance: Before further flight, unless accomplished previously.

To account for the inability of the engine to develop the maximum 2½ minute one engine inoperative (OEI) power, reduced helicopter performance, and subsequent loss of control of the helicopter during OEI operation, accomplish the following:

(a) Revise the Limitations section of the Rotorcraft Flight Manual in accordance with the Accomplishment Instructions, paragraph 2.A. of Eurocopter France Alert Telex No. 73.00.01, dated October 2, 2002.

(b) To request a different method of compliance or a different compliance time for this AD, follow the procedures in 14 CFR 39.19. Contact the Regulations Group, Rotorcraft Directorate, FAA for information about previously approved alternative methods of compliance.

(c) Special flight permits will not be issued.

(d) The Rotorcraft Flight Manual revision shall be done in accordance with Eurocopter France Alert Telex No. 73.00.01, dated October 2, 2002. 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 Eurocopter Corporation, 2701 Forum Drive, Grand Prairie, Texas 75053-4005, telephone (972) 641-3460, fax (972) 641-3527. 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.

(e) This amendment becomes effective on June 26, 2003.

Note: The subject of this AD is addressed in Direction Generale De L'Aviation Civile (France) AD 2002-551(A), dated November 13, 2002.

Issued in Fort Worth, Texas, on May 27, 2003.

David A. Downey,

Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 03-14135 Filed 6-10-03; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-NM-394-AD; Amendment 39-13185; AD 2003-11-25]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 747-100, 747-100B, 747-100B SUD, 747-200B, 747-200F, 747-200C, 747-300, 747SR, and 747SP Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Boeing transport category airplanes listed above. This AD requires an initial inspection to identify all H-11 steel bolts on the outer chord of the body station (BS) 2360 aft pressure bulkhead between stringers 12L and 12R, follow-on repetitive inspections to identify all remaining H-11 steel bolts on the entire outer chord of the BS 2360 aft pressure bulkhead, and follow-on and corrective actions if necessary. This AD also requires eventual replacement of all H-11 steel bolts with Inconel bolts. This action is necessary to prevent broken bolts, which could result in progressive failure of the remaining bolts and consequent structural damage, rapid depressurization, and loss of control of the airplane. This action is intended to address the identified unsafe condition.

DATES: Effective July 16, 2003.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of July 16, 2003.

ADDRESSES: The service information referenced in this AD may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 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: Rick Kawaguchi, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 917-6434; fax (425) 917-6590.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain Boeing Model 747 series airplanes was published in the **Federal Register** on September 25, 2002 (67 FR 60189). That action proposed to require an initial inspection to identify all H-11 steel bolts on the outer chord of the body station (BS) 2360 aft pressure bulkhead between stringers 12L and 12R, follow-on repetitive inspections to identify all remaining H-11 steel bolts on the entire outer chord of the BS 2360 aft pressure bulkhead, and follow-on and corrective actions if necessary. That action also proposed to require eventual replacement of all H-11 steel bolts with Inconel bolts.

Comments

Interested persons have been afforded an opportunity to participate in the making of this amendment. The FAA has given due consideration to the comments received.

Request to Revise Statement of Unsafe Condition

One commenter requests that the FAA revise the unsafe condition in the proposed AD, which states that the consequences of not finding broken H-11 steel bolts is progressive failure of the remaining bolts and consequent structural damage and rapid depressurization of the airplane. The commenter notes that, while these are effects of progressive bolt failure, it is more significant that such failure could result in loss of control of the airplane. We concur and have revised the statement of unsafe condition throughout this final rule.

Request to Clarify Subject of Repetitive Inspections

One commenter requests that we revise paragraph (c) of the proposed AD to clarify that the repeat inspections in that paragraph apply only to the remaining H-11 steel bolts (that is, the H-11 steel bolts that have not been replaced with Inconel bolts). We concur that the repetitive ultrasonic inspections and torque checks for cracked or broken bolts are necessary only for the remaining H-11 steel bolts. We have

clarified paragraph (c) of this final rule accordingly.

Request to Revise Instructions in Paragraph (d) of Proposed AD

One commenter requests that we revise the instructions in paragraph (d) of the proposed AD to remove the instruction to coat the Inconel bolt with corrosion-inhibiting compound after installation. The commenter states that the instructions for applying corrosion protection on the replacement Inconel bolt that are stated in paragraph (d) of the proposed AD are incomplete and suggests alternative instructions. The commenter recommends that paragraph (d) refer to Figure 4 of the service bulletin.

We do not agree that any change is necessary. Paragraph (d) of this AD requires replacing all subject H-11 steel bolts per Boeing Alert Service Bulletin 747-53A2474, dated October 25, 2001. When we refer to a service bulletin in this way in an AD, operators are required to follow all procedures in the service bulletin, including the instructions for corrosion prevention that are specified in Figure 4 of the service bulletin. (We note that the Accomplishment Instructions of the service bulletin refer to Figure 4 of the service bulletin for replacement procedures.) No change to the final rule is needed in this regard.

Request to Require Inspection or Replacement of Adjacent H-11 Steel Bolts

One commenter requests that we consider requiring operators to inspect or replace an H-11 steel bolt (including reworking the bolt hole) found on either side of a cracked H-11 steel bolt during the initial inspection. The commenter states that such a requirement should not add significant downtime and will better ensure safety.

We do not agree that any change is necessary. This AD requires inspecting all H-11 steel bolts in the subject area, which would include H-11 bolts adjacent to cracked or broken bolts. While an operator has the option of immediately replacing any H-11 steel bolt that is adjacent to a cracked or broken bolt, we find that performing repetitive inspections of remaining H-11 steel bolts will provide an acceptable level of safety until all H-11 steel bolts are replaced as required by paragraph (d) of this AD. (Such replacement is required within 6 years after the effective date of the AD.) No change to the final rule is needed in this regard.

Clarification of Applicability

We have revised the applicability statement of this AD to clarify that Boeing Model 747-400, -400D, and -400F series airplanes are not affected by this AD. The airplanes with line numbers 1 through 644 inclusive are Model 747-100, 747-100B, 747-100B SUD, 747-200B, 747-200F, 747-200C, 747-300, 747SR, and 747SP series airplanes.

Conclusion

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the changes previously described. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

Cost Impact

There are approximately 487 airplanes of the affected design in the worldwide fleet. The FAA estimates that 165 airplanes of U.S. registry will be affected by this AD.

It will take approximately 9 work hours per airplane to accomplish the required initial inspection, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the initial inspection on U.S. operators is estimated to be \$89,100, or \$540 per airplane.

It will take approximately 35 work hours per airplane to accomplish the required follow-on inspection to identify all remaining H-11 steel bolts on the entire outer chord, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the follow-on inspection on U.S. operators is estimated to be \$346,500, or \$2,100 per airplane, per inspection cycle.

Should an operator be required to replace the H-11 steel bolts, it will take approximately 108 work hours per airplane to accomplish the replacement, at an average labor rate of \$60 per work hour. Required parts will cost approximately \$3,233 per airplane. Based on these figures, the cost impact is estimated to be \$9,713 per airplane.

The cost impact figures discussed above are based on assumptions that no operator has yet accomplished any of the requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These

figures typically do not include incidental costs, such as the time required to gain access and close up, planning time, or time necessitated by other administrative actions.

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:

2003-11-25 Boeing: Amendment 39-13185. Docket 2001-NM-394-AD.

Applicability: Model 747-100, 747-100B, 747-100B SUD, 747-200B, 747-200F, 747-200C, 747-300, 747SR, and 747SP series airplanes; line numbers 1 through 644 inclusive; 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 (g) 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 broken H-11 steel bolts, which could result in progressive failure of the remaining bolts and consequent structural damage, rapid depressurization, and loss of control of the airplane, accomplish the following:

Initial Inspection

(a) Within 18 months after the effective date of this AD: Do a detailed inspection to identify all H-11 steel bolts on the outer chord of the body station (BS) 2360 aft pressure bulkhead between stringers 12L and 12R. Do the inspection by checking the bolt part number stamped on the bolt head, or verifying the bolt is steel by using a magnet, per Boeing Alert Service Bulletin 747-53A2474, dated October 25, 2001. If no H-11 steel bolt is found, no further action is required by this paragraph. If any H-11 steel bolt is found, do the requirements specified in paragraph (c) of this AD.

Note 2: For the purposes of this AD, a detailed inspection is defined as: "An intensive visual examination of a specific structural area, system, installation, or assembly to detect damage, failure, or irregularity. Available lighting is normally supplemented with a direct source of good lighting at intensity deemed appropriate by the inspector. Inspection aids such as mirror, magnifying lenses, etc., may be used. Surface cleaning and elaborate access procedures may be required."

Follow-On Inspections/Corrective Actions

(b) Within 18 months after doing the inspection required by paragraph (a) of this AD, or within 18 months after the effective date of this AD, whichever is later: Do a detailed inspection to identify all remaining H-11 steel bolts on the entire outer chord of the BS 2360 aft pressure bulkhead, per Boeing Alert Service Bulletin 747-53A2474, dated October 25, 2001. If no H-11 steel bolt is found, no further action is required by this paragraph. If any H-11 steel bolt is found, do the requirements specified in paragraph (c) of this AD.

(c) For any H-11 steel bolt found during any inspection required by paragraph (a) or (b) of this AD: Before further flight, do either an ultrasonic inspection or a torque check for cracked or broken bolts, or replace the H-11 steel bolt with an Inconel bolt per Boeing Alert Service Bulletin 747-53A2474, dated October 25, 2001. Replace any cracked or broken bolt with an Inconel bolt before further flight per the service bulletin. Then repeat the inspection of the remaining H-11 steel bolts at intervals not to exceed 18

months until the terminating action required by paragraph (d) of this AD is done.

Terminating Action

(d) Within 6 years after the effective date of this AD: Replace all H-11 steel bolts on the entire outer chord of the BS 2360 aft pressure bulkhead with Inconel bolts (including visually inspecting the bolt hole for corrosion, oversizing the hole up to 1/32 inch to remove any corrosion, and, after installing an Inconel bolt, coating the bolt with corrosion inhibitor compound), per Boeing Alert Service Bulletin 747-53A2474, dated October 25, 2001. When this paragraph is done, the requirements of this AD are terminated.

Exceptions to Service Information

(e) Where Boeing Alert Service Bulletin 747-53A2474, dated October 25, 2001, specifies to contact Boeing for appropriate action: Before further flight, repair in accordance with a method approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA; or per data meeting the type certification basis of the airplane approved by a Boeing Company Designated Engineering Representative who has been authorized by the Manager, Seattle ACO, to make such findings. For a repair method to be approved, the approval must specifically reference this AD.

Spares

(f) As of the effective date of this AD: No person shall install an H-11 steel bolt on the outer chord of the BS 2360 aft pressure bulkhead on any airplane.

Alternative Methods of Compliance

(g) 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, Seattle ACO. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

Special Flight Permits

(h) 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

(i) Unless otherwise provided by this AD, the actions shall be done in accordance with Boeing Alert Service Bulletin 747-53A2474, dated October 25, 2001. 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 Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. 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.

Effective Date

(j) This amendment becomes effective on July 16, 2003.

Issued in Renton, Washington, on May 30, 2003.

Ali Bahrami,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 03-14274 Filed 6-10-03; 8:45 am]

BILLING CODE 4910-13-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

RIN 3038-AB93

Account Identification for Eligible Bunched Orders

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rule.

SUMMARY: The Commodity Futures Trading Commission ("Commission" or "CFTC") is amending Commission Rule 1.35(a-1)(5) ("Rule 1.35(a-1)"), which allows certain account managers to bunch customer orders for execution and to allocate them to individual accounts at the end of the day. The amended rule will expand the availability of bunching to all customers, simplify the process and clarify the respective responsibilities of account managers and futures commission merchants ("FCMs").

EFFECTIVE DATE: July 11, 2003.

FOR FURTHER INFORMATION CONTACT:

Lawrence B. Patent, Deputy Director, or R. Trabue Bland, Attorney-Advisor, Division of Clearing and Intermediary Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Telephone: (202) 418-5430. Email: lpatent@cftc.gov or tbland@cftc.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Commission Rule 1.35(a-1), in effect since August 27, 1998 has allowed bunched orders for eligible customers to be placed on a contract market without specific customer account identification either at the time of order placement or at the time of report of execution. Rule 1.35(a-1) has limited post-execution allocation of bunched orders to sophisticated customers and required

eligible account managers¹ to make certain disclosures regarding the allocation methodology, the standard of fairness of allocations, composite or summary data of the trades, and whether the account manager has any interest in the bunched order.

In December 2000, the Commodity Futures Modernization Act ("CFMA") was enacted. One of the mandates of the CFMA was for the Commission to review its rules relating to intermediaries with an eye to identifying areas where greater flexibility might be warranted. Since the enactment of the CFMA, numerous industry participants have stated to Commission staff that the regulations related to bunched orders needed to be revisited for a number of reasons and the Commission so reported to Congress in its Intermediaries Study in June 2002.

For example, enhancements in technology have made it easier for account managers to enter orders directly, thereby making certain aspects of the current requirements less workable. In addition, many account managers use "give-up" agreements and multiple FCMs for clearing and execution. Thus, while the current rule requires that an account manager identify eligible customer accounts to which fills will be allocated before placing an order eligible for post-execution allocation, FCMs may not know that an order has been executed for a particular client until that order has been executed and cleared.² Account managers and FCMs have also commented that their responsibilities under the current rule are unclear, especially their respective recordkeeping responsibilities. Therefore, as markets become more global in scope, account managers, both domestic and foreign, and FCMs have claimed that the current bunched order requirements serve as a disincentive to using U.S. futures markets.

On February 2, 2001, the National Futures Association ("NFA") and the Futures Industry Institute issued an industry-wide study of issues associated with order transmission and order entry process by commodity professionals ("Best Practices Study").³ The study reported that, although the current rule

¹The term account manager as used herein includes commodity trading advisors, investment advisers and other persons identified in the revised regulation, who would place orders and direct the allocation in accordance with the procedures set forth in the revised rule.

²17 CFR Part 1, Appendix C (2002), 62 FR 25470 (May 8, 1997).

³National Futures Association & Futures Industry Institute, Recommendations for Best Practices in Order Entry and Transmission of Exchange Traded Futures and Options Transactions (2001).

increased flexibility over previously applicable requirements, many commenters in the study felt that the current rule caused "unnecessary processing delays without adding customer protections that otherwise could be realized through equally effective, less costly procedures."⁴

Based upon the foregoing, on March 14, 2003, the Commission published the proposed amendments to Rule 1.35(a-1).⁵ The Commission received twenty-five comments on the proposed rule. The commenters included ten FCMs⁶, four exchanges⁷, two industry associations⁸, one commodity trading advisor ("CTA")⁹, seven individuals¹⁰ and NFA. The FCMs, exchanges, industry associations, NFA and the CTA supported the amendments to the rule, generally stating that the essential customer protections would be retained while clarifying the responsibilities of FCMs and account managers. Six individuals submitted comments expressing concern over the possible unfair allocation by account managers. One commenter submitted comments expressing concern over the Commission's ability to monitor for unfair allocation under the amended rule. These comments are discussed fully below.

II. Final Rules

A. Eligible Customers

The current rule limits the post-execution allocation of bunched orders to "eligible customers," who, in essence, are sophisticated customers. In its comment, NFA noted that "[a]ll customers deserve to have their orders filled efficiently and at the most favorable terms under the circumstances." The NFA and other commenters expressed the view that bunched orders can meet these objectives because bunched orders can provide better pricing and execution of orders. The Commission agrees; accordingly, as proposed, the amendments to Rule 1.35(a-1)(5) will expand eligibility to all customers who

⁴*Id.* at 25.

⁵68 FR 12319 (March 14, 2003).

⁶ABN AMRO, Inc., Bear Stearns & Co., Carr Futures, Inc., Credit Suisse First Boston, Fimat USA, Inc., Goldman Sachs & Co., J.P. Morgan Futures Inc., Lehman Brothers, Morgan Stanley & Co., and Prudential Securities Inc.

⁷The New York Board of Trade, Chicago Board of Trade, Chicago Mercantile Exchange, and the New York Mercantile Exchange.

⁸Futures Industry Association ("FIA") and the Managed Funds Association ("MFA").

⁹John Henry & Company, Inc.

¹⁰One commenter, Paul H. Bjarnason, Jr., is a former Commission employee. Six other individual commenters submitted identical letters.