Lead Agency during the pendency of Federal authorization requests.

(e) Each cooperating agency will share information and data with each other and, to the maximum extent practicable, submit information in a common standard for electronic recordkeeping and analysis.

(f) Cooperating agencies will ensure that any issues or problems relating to a Federal authorization request or process are brought to the immediate attention of the lead agency and DOE, and will participate fully in seeking and implementing resolutions to the issues or problems.

(g) Cooperating Agencies may enter into an interagency agreement with the Lead Agency to allow for the recovery of appropriate costs. The Cooperating Agencies would be responsible for providing the Lead Agency an accounting of billable costs as a result of the application and permitting process.

§ 900.9 DOE responsibilities.

(a) DOE will lead the overall coordination of activities related to implementation of section 216(h) of the FPA and pursuant to this part.

(b) DOE will coordinate the selection of the Lead Agency as specified in this part.

(c) DOE will provide expertise to assist the Lead Agency as required and ensure adherence to applicable schedules.

(d) DOE will provide assistance to the Lead Agency in establishing the schedule and will approve any deviation in the established project schedule.

(e) DOE will develop a public Web site to serve as a central source of information about section 216(h) of the FPA in general and links to the information available from participating and cooperating agencies, as well as schedule information about the specific transmission projects. The Web site can be accessed via *www.oe.energy.gov/fed_transmission.htm*.

§ 900.10 Prompt and binding intermediate milestones and ultimate deadlines under the Federal Power Act.

Pursuant to section 216(h)(4)(A) of the Federal Power Act:

(a) Permitting entities will work diligently to comply with the agreed-upon timeline, to the extent consistent with applicable law. To ensure adherence to applicable schedules, DOE will provide assistance to the lead agency in establishing the schedule and will approve any deviation in the established project schedule.

(b) No later than 30 days prior to any intermediate or ultimate deadline established under this part, any permitting entity subject to a deadline shall inform the lead agency, DOE, and the applicant if the deadline will not, or is not likely to, be met.

(c) The Lead Agency, in consultation with DOE and the permitting entity, may, for good cause shown, extend an interim or ultimate deadline.

§ 900.11 Deadlines for all permit decisions and related environmental reviews pursuant to the Federal Power Act.

Pursuant to section 216(h)(4)(B) of the Federal Power Act:

(a) All permit decisions and related environmental reviews under all applicable Federal laws shall be completed in accordance with the following timelines, except as provided in § 900.11(b):

(1) When a categorical exclusion under NEPA is invoked, or an environmental assessment (EA) finding of no significant impact (FONSI) is determined to be the appropriate level of review under NEPA, within one year of the categorical exclusion determination or the publication of a FONSI ; or

(2) When an environmental impact statement (EIS) is required pursuant to NEPA, one year and 30 days after the close of the public comment period for a Draft EIS.

(b) If a requirement in another provision of Federal law does not permit a final decision on the Federal authorization request under the schedule established in paragraph (a) of this section, the permitting entity shall inform the lead agency, DOE, cooperating agencies, the applicant, and other interested parties, cite the provision of Federal law that prevents the final decision on the Federal authorization request from being issued under the schedule established in paragraph (a) of this section, and provide a date when the final decision on the authorization request can be issued in compliance with Federal law.

[FR Doc. 2011–31759 Filed 12–12–11; 8:45 am]

BILLING CODE 6450–01–P

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 380

RIN 3064–AD89

Mutual Insurance Holding Company Treated as Insurance Company

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice of proposed rulemaking.

SUMMARY: The FDIC is proposing a rule (''Proposed Rule''), with request for comments, that provides for the treatment of a mutual insurance holding company as an insurance company for the purpose of Section 203(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the ''Dodd-Frank Act''), 12 U.S.C. 5383(e). The Proposed Rule clarifies that the liquidation and rehabilitation of a covered financial company that is a mutual insurance holding company will be conducted in the same manner as an insurance company. The Proposed Rule is intended to harmonize the treatment of mutual insurance holding companies under Section 203(e) of the Dodd-Frank Act with the treatment of such companies under state insolvency regimes.

DATES: Written comments on the Rule must be received by the FDIC no later than February 13, 2012.

ADDRESSES: You may submit comments by any of the following methods:

- *Agency Web Site: http://www.fdic.gov/regulations/laws/federal.* Follow instructions for Submitting comments on the Agency Web Site.
- *Email: Comments@FDIC.gov.* Include ''RIN 3064–AD89'' in the subject line of the message.
- *Mail:* Robert E. Feldman, Executive Secretary, Attention: Comments, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.
- *Hand Delivery/Courier:* Guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7 a.m. and 5 p.m. (EST).
- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.

Public Inspection: All comments received will be posted without change to *http://www.fdic.gov/regulations/laws/federal* including any personal information provided. Comments may be inspected and photocopied in the FDIC Public Information Center, 3501 North Fairfax Drive, Room E–I002, Arlington, VA 22226, between 9 a.m. and 5 p.m. (EST) on business days. Paper copies of public comments may be ordered from the Public Information Center by telephone at (877) 275–3342 or (703) 562–2200.

FOR FURTHER INFORMATON CONTACT: R. Penfield Starke, Acting Assistant General Counsel, Legal Division, (703) 562–2422; Mark A. Thompson, Counsel (703) 562–2529.

SUPPLEMENTARY INFORMATION:

I. Background

Title II of the Dodd-Frank Act provides for the appointment of the FDIC as receiver of a nonviable financial company that poses significant risk to the financial stability of the United States (a ''covered financial company''), outlines the process for the orderly liquidation of a covered financial company following the FDIC's appointment as receiver and provides for additional implementation of the orderly liquidation authority by rulemaking. The Proposed Rule is being promulgated pursuant to Section 209 [1] of the Dodd-Frank Act, which authorizes the FDIC, in consultation with the FSOC, to prescribe such rules and regulations as the FDIC considers necessary or appropriate to implement Title II. Section 209 of the Dodd-Frank Act further provides that, to the extent possible, the FDIC should seek to harmonize rules and regulations promulgated under Section 209 with the insolvency laws that would otherwise apply to a covered financial company.

On July 15, 2011, the FDIC published in the **Federal Register** a final rule regarding certain orderly liquidation authority provisions under Title II of the Dodd-Frank Act.[2] In response to the notice of proposed rulemaking [3] and interim final [4] rule that preceded the issuance of the final rule, commenters from the insurance industry urged the greatest possible deference to state regulators and to state laws, rules and regulations governing insurance companies and, in particular, state laws governing the liquidation and rehabilitation of insurance companies. Commenters urged the FDIC to treat mutual insurance holding companies as insurance companies for purposes of Title II of the Dodd-Frank Act.[5]

In light of the comments received and pursuant to the authority granted to it by Section 209 of the Dodd-Frank Act, the FDIC is issuing the Proposed Rule, with a request for comments.

[1] 12 U.S.C. 5389.

[2] 76 FR 41626 (July 15, 2011).

[3] Notice of Proposed Rulemaking, 75 FR 64173 (October 19, 2010).

[4] Interim Final Rule, 76 FR 4207 (January 25, 2011).

[5] Letter dated January 18, 2011, to Robert E. Feldman, Executive Secretary, FDIC from National Association of Insurance Commissioners, *http://www.fdic.gov/regulations/laws/federal/2010/10Addcomment.PDF;* Letter dated March 28, 2011, to Robert E. Feldman, Executive Secretary, FDIC from Mutual Insurance Holding Company Coalition, *http://www.fdic.gov/regulations/laws/federal/2011/11c04Orderly.PDF.*

History of Mutual Insurance Holding Company

The mutual insurance industry traces its roots back to England, where, in 1696, the first mutual fire insurer was established. The first American mutual insurance company, the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, was founded in 1752.[6]

Mutual insurance companies are owned by their policyholders, not by stockholders. Policyholders are entitled to vote for members of the company's board of directors and may receive special dividends in the form of capital distributions or reductions of policy premiums.

The mutual insurance holding company structure was first created in Iowa in 1995.[7] A mutual insurance holding company is created through the restructuring of a mutual insurance company into two entities, a mutual insurance holding company and a stock insurance company that is converted from the original mutual insurance company.

In a variation of this restructuring, a third entity may be formed, an intermediate insurance stock holding company. In this three-entity structure, initially the mutual insurance holding company owns 100% of the intermediate insurance stock holding company, and the intermediate insurance stock holding company owns 100% of the stock of the converted mutual insurance company. The purpose of the restructuring is to preserve the benefits of a mutual form of organization while allowing the converted mutual insurance company access to capital markets either through sale of its stock or, in a three-entity structure, the sale of the stock of the intermediate insurance stock holding company.

A mutual insurance holding company is owned by the policyholders of the converted mutual insurance company who have rights similar to those they had as policyholders of the mutual insurance company before conversion. Policyholders of the converted mutual insurance company are entitled to vote for members of the mutual insurance holding company's board of directors, and may receive special dividends in the form of capital distributions or reductions of policy premiums.

A majority of the states have adopted statutes providing for the formation of mutual insurance holding companies. Those statutes generally (a) Provide for the regulation of a mutual insurance holding company at the holding company level by the insurance commissioner of the domiciliary state; (b) require that the mutual insurance holding company maintain voting control over the converted mutual insurance company; and (c) specifically subject a mutual insurance holding company to liquidation or rehabilitation under the state regime if the converted mutual insurance company is placed in liquidation or rehabilitation. In addition, either by statute, rule or regulation, in the liquidation of a converted mutual insurance company, the assets of the mutual insurance holding company generally are included in the estate of the converted mutual insurance company being liquidated.[8]

[6] The Philadelphia Contributionship, History, *http://www.contributionship.com/history/index.html.*

[7] Iowa Code Ann. (West) § 521A.14.

Treatment of an Insurance Company Under Section 203(e) of the Dodd-Frank Act

In providing for the orderly liquidation of a covered financial company under Title II of the Dodd-Frank Act, Congress recognized that insurance companies historically had been liquidated and rehabilitated pursuant to a state insolvency framework. As a result, Congress provided that ''if an insurance company is a covered financial company or a subsidiary or affiliate of a covered financial company, the liquidation or rehabilitation of such insurance company, and any subsidiary or affiliate of such company that is [an insurance company], shall be conducted as provided under applicable State law.'' [9]

The term ''insurance company'' is defined in Section 201(a)(13) of the Dodd-Frank Act to mean ''any entity that is—(A) Engaged in the business of insurance; (B) subject to regulation by a State insurance regulator; and (C) covered by a State law that is designed to specifically deal with the rehabilitation, liquidation, or insolvency of an insurance company.'' [10] The identical definition is found in Section 380.1 of Title 12 of the Code of Federal Regulations. Concerns have been raised with respect to the application of this definition to mutual insurance holding companies because, under applicable state laws, a mutual insurance holding company generally is prohibited from engaging in the business of insurance, that is, a mutual insurance holding company may not sell policies of

[8] *E.g.,* Iowa Code Ann. (West) 521A.14(4), 215 Ill. Comp. Stat. Ann. (West) 5/59.2(1)(f)(v), and Neb. Rev. Stat. § 44–6125(6)(g).

[9] 12 U.S.C. 5383(e)(1).

[10] 12 U.S.C. 5381(a)(13).

insurance. Thus, a mutual insurance holding company arguably does not fit squarely within a literal reading of the statutory definition of insurance company under the Dodd-Frank Act.

Given the process by which a mutual insurance holding company is formed from a converted mutual insurance company, the continuing interest of the policyholders of the converted mutual insurance company in both the converted mutual insurance company, as its customers, and the mutual insurance holding company, as equity holders, the extensive regulation of the mutual insurance holding company by the insurance commissioner of its domiciliary state, and the inclusion of the mutual insurance holding company and its assets in the liquidation of the converted mutual insurance company, it is consistent with the intent of the Dodd-Frank Act to treat a mutual insurance holding company, under certain circumstances, as an insurance company for the purpose of Section 203(e) of the Dodd-Frank Act.[11]

II. The Proposed Rule

The Proposed Rule would modify part 380 of title 12 of the Code of Federal Regulations, and would provide generally that a mutual insurance holding company that meets the requirements of the Proposed Rule will be treated as an insurance company for the purpose of Section 203(e) of the Dodd-Frank Act.

The Proposed Rule would add three definitions to Section 380.1 of title 12 of the Code of Federal Regulations: intermediate insurance stock holding company; mutual insurance company; and mutual insurance holding company.

The Proposed Rule would add Section 380.11 to provide that a mutual insurance holding company shall be treated as an insurance company for the purpose of Section 203(e) of the Dodd-Frank Act, 12 U.S.C. 5383(e); provided that: (a) It is subject to the insurance laws of the state of its domicile, including specifically and without limitation, a statutory regime for the rehabilitation or liquidation of insurance companies that are in default or in danger of default; (b) it is not subject to bankruptcy proceedings under Title 11 of the United States Code; (c) its largest United States subsidiary (as measured by total assets as of the end of the previous calendar quarter) is an insurance company or an intermediate insurance stock holding company; and (d) its investments are limited to the securities of an intermediate insurance stock holding company, the securities of the converted mutual insurance company and other assets and securities of the type authorized for holding and investment by an insurance company domiciled in its state of incorporation.

The first proviso requires that the mutual insurance holding company be subject to the insurance laws of the state of its domicile, including specifically and without limitation, a statutory regime for the rehabilitation or liquidation of insurance companies that are in default or in danger of default, and is included in the Proposed Rule to be consistent with two of the three prongs of the definition of ''insurance company'' set forth in Section 201(a)(13) of the Dodd-Frank Act. The reference to companies that are ''in default or in danger of default'' ensures that the state resolution process will be applicable in a time and manner comparable to the Title II orderly liquidation process, which applies to financial companies that are in default or in danger of default under Section 203(b)(1) of the Dodd-Frank Act.

The second proviso requires that it is not subject to bankruptcy proceedings under title 11 of the United States Code and is included to emphasize that the mutual insurance holding company must not only be subject to the applicable state insurance law but must also be resolved under the applicable state insurance law. Thus, the Proposed Rule would ensure that there is no ambiguity or conflict with respect to the determination of which insolvency regime is applicable to a mutual insurance holding company.

The third proviso, which requires that the mutual insurance holding company's largest United States subsidiary (as measured by total assets as of the end of the previous calendar quarter) is an insurance company or an intermediate insurance stock holding company, is included to ensure that, if a mutual insurance holding company covered by the Proposed Rule is placed in orderly liquidation under title II of the Dodd-Frank Act, the Director of the Federal Insurance Office would participate in making the recommendation to take such action in accordance with the provisions of Section 203(a)(1)(C) of the Dodd-Frank Act. In addition, this requirement is intended to emphasize that an insurance company subsidiary of the mutual insurance holding company must be its most significant subsidiary by asset size.

The final proviso, which requires the mutual insurance holding company to limit its investments to the securities of the intermediate insurance stock holding company, the securities of the converted mutual insurance company and other assets and securities of the type authorized for holding and investment by an insurance company domiciled in its state of incorporation, is intended to ensure that the mutual insurance holding company is operating as a pure holding company and is not itself actively engaged in operating non-insurance businesses.[12]

III. Request for Comments

The FDIC seeks comments on all aspects of the Proposed Rule. Comments will be considered by the FDIC and appropriate revisions will be made to the Proposed Rule, if necessary, before a final rule is issued. Comments are specifically requested on the following:

1. What terms defined by the Proposed Rule require further clarification and how should they be defined?

2. Are there other terms used in the Proposed Rule that should be defined?

3. Are the conditions placed on a mutual insurance holding company in order to be treated as an insurance company appropriate? Are the conditions consistent with the goal of conforming to state regimes governing the resolution of converted mutual insurance companies and their related mutual insurance holding companies?

4. Are there any situations in which an intermediate insurance stock holding company should be treated as an insurance company under the Proposed Rule?

5. Are there other provisions of the Dodd-Frank Act and the existing regulations other than Section 203(e) of the Dodd-Frank Act in which the definition of insurance company should expressly include mutual insurance holding companies?

6. Is the approach taken in the Proposed Rule too broad, i.e., does it affect covered financial companies that would not appropriately be treated as insurance companies consistent with the intent of the Dodd-Frank Act?

7. In addition to total assets, should the rule define the largest United States subsidiary as measured by total exposures to gross or net loss? Should there be any other measures?

8. Should the treatment of a mutual insurance holding company as an insurance company for the purpose of Section 203(e) of the Dodd-Frank Act be limited to companies that are materially, substantially or predominantly engaged in the business of

[11] There is support in the legislative history of the Dodd-Frank Act for interpreting the term ''insurance company'' under Section 201(a)(13) to include a mutual insurance holding company. *See* statement of Rep. Barney Frank, 111 Cong. Rec. H5216 (daily ed. June 30, 2010) and statement of Sen. Christopher Dodd, 111 Cong. Rec. S5903 (daily ed. July 15, 2010).

[12] The investments of the intermediate insurance stock holding company, however, are not restricted in this manner because, under the Proposed Rule, the intermediate insurance stock holding company is not treated as an insurance company for the purpose of Section 203(e) of the Dodd-Frank Act.

insurance? If so, on what basis should that determination be made: an asset test, an income or revenue test, a test relating to risk exposures, or some other measure?

IV. Regulatory Analysis and Procedure

A. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) (''PRA''), the FDIC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The Proposed Rule would not involve any new collections of information pursuant to the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). Consequently, no information will be submitted to the Office of Management and Budget for review.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act 5 U.S.C. 601 *et seq.* (RFA) requires each federal agency to prepare a final regulatory flexibility analysis in connection with the promulgation of a final rule, or certify that the final rule will not have a significant economic impact on a substantial number of small entities.[13] Pursuant to Section 605(b) of the Regulatory Flexibility Act, the FDIC certifies that the Proposed Rule will not have a significant economic impact on a substantial number of small entities.

Under regulations issued by the Small Business Administration (''SBA''), a ''small entity'' includes those firms within the ''Finance and Insurance'' sector with asset sizes that vary from $7 million or less in assets to $175 million or less in assets.[14]

The Proposed Rule will clarify rules and procedures for the liquidation of a nonviable systemically important financial company, which will provide internal guidance to FDIC personnel performing the liquidation of such a company and will address any uncertainty in the financial system as to how the orderly liquidation of such a company would operate. As such, the Proposed Rule will not have a significant economic impact on small entities.

C. The Treasury and General Government Appropriations Act, 1999—Assessment of Federal Regulations and Policies on Families

The FDIC has determined that the Proposed Rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, enacted as part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (Pub. L. 105–277, 112 Stat. 2681).

D. Plain Language

Section 722 of the Gramm-Leach-Bliley Act (Pub. L. 106–102, 113 Stat. 1338, 1471), requires the Federal banking agencies to use plain language in all proposed and final rules published after January 1, 2000. The FDIC has sought to present the Proposed Rule in a simple and straightforward manner.

List of Subjects in 12 CFR Part 380

Holding companies, Insurance companies, Mutual insurance holding companies.

For the reasons stated above, the Board of Directors of the Federal Deposit Insurance Corporation proposes to amend part 380 of title 12 of the Code of Federal Regulations as follows:

PART 380—ORDERLY LIQUIDATION AUTHORITY

1. The authority citation for part 380 is revised to read as follows:

Authority: 12 U.S.C. 5383(e); 12 U.S.C. 5389; 12 U.S.C. 5390(s)(3); 12 U.S.C. 5390(b)(1)(C); 12 U.S.C. 5390(a)(7)(D).

2. The heading for subpart A is revised to read as follows:

Subpart A—General and Miscellaneous Provisions

Sec.

3. Revise § 380.1 to read as follows:

§ 380.1 Definitions.

For purposes of this part, the following terms are defined as follows:

* * * * *

Insurance Company. * * *

Intermediate insurance stock holding company. For purposes of this subpart, the term ''intermediate insurance stock holding company'' means a corporation that (1) Is a subsidiary of a mutual insurance holding company, (2) holds all of the issued and outstanding voting stock of the converted mutual insurance company created at the time of formation of the mutual insurance holding company, and (3) holds, as its largest United States subsidiary (as measured by total assets as of the end of the previous calendar quarter), an insurance company.

Mutual insurance company. The term ''mutual insurance company'' means a domestic insurance company organized under the laws of a State that provides for the formation of such an entity as a non-stock mutual association in which equity and voting rights are vested in the policyholders.

Mutual insurance holding company. The term ''mutual insurance holding company'' means a corporation that (1) Is lawfully organized under state law authorizing its formation in connection with the reorganization of a mutual insurance company that converts the mutual insurance company to a stock insurance company, and (2) holds either (i) At least 51% of the issued and outstanding voting stock of the intermediate insurance stock holding company, if any, or (ii) if there is no intermediate insurance stock holding company, at least 51% of the issued and outstanding voting stock of the converted mutual insurance company.

* * * * *

4. Revise § 380.11 to read as follows:

§ 380.11 Treatment of Mutual Insurance Holding Companies.

A mutual insurance holding company shall be treated as an insurance company for the purpose of section 203(e) of the Dodd-Frank Act, 12 U.S.C. 5383(e); provided that—

(a) The company is subject to the insurance laws of the state of its domicile, including, specifically and without limitation, a statutory regime for the rehabilitation or liquidation of insurance companies that are in default or in danger of default;

(b) the company is not subject to bankruptcy proceedings under Title 11 of the United States Code;

(c) the largest United States subsidiary of the company (as measured by total assets as of the end of the previous calendar quarter) is an insurance company or an intermediate insurance stock holding company; and

(d) the assets and investments of the company are limited to the securities of an intermediate insurance stock holding company, the securities of the converted mutual insurance company and other

[13] See 5 U.S.C. 603, 604 and 605.

[14] 13 CFR 121.201.

assets and securities of the type authorized for holding and investment by an insurance company domiciled in its state of incorporation.

Dated at Washington, DC, this 7th day of December, 2011.

By order of the Board of Directors.
Federal Deposit Insurance Corporation.

Robert E. Feldman,

Executive Secretary.

[FR Doc. 2011–31885 Filed 12–12–11; 8:45 am]

BILLING CODE P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2009–0330; Directorate Identifier 2008–NE–43–AD]

RIN 2120–AA64

Airworthiness Directives; Turbomeca S.A. Turboshaft Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to supersede an existing airworthiness directive (AD) that applies to Turbomeca S.A. Arrius 2F turboshaft engines with P3 air pipe (first section) part number (P/N) 0 319 71 918 0, installed. The existing AD currently requires inspections of the P3 air pipe (first section) and right-hand (RH) rear half-wall for proper clearance, and readjustment of the pipe if necessary. Since we issued that AD, Turbomeca S.A. has redesigned the RH rear half-wall to ensure sufficient clearance between the P3 air pipe (first section) and RH rear half-wall. This proposed AD would require the same inspections for installed engines, eliminate readjusting of the P3 air pipe (first section), require replacement of the RH rear half-wall under certain conditions, and adding an optional terminating action. We are proposing this AD to prevent an uncommanded power loss to flight idle, which could result in an emergency autorotation landing or accident.

DATES: We must receive comments on this proposed AD by February 13, 2012.

ADDRESSES: You may send comments 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 AD, contact Turbomeca, 40220 Tarnos, France; phone: 33 (0)5 59 74 40 00; telex 570 042; fax 33 (0)5 59 74 45 15. You may review copies of the referenced service information at the FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA. For information on the availability of this material at the FAA, call (781) 238–7125.

Examining the AD Docket

You may examine the AD docket on the Internet at *http://www.regulations.gov;* 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: Mark Riley, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803; phone: (781) 238–7758; fax: (781) 238–7199; email: *mark.riley@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include ''Docket No. FAA–2009–0330; Directorate Identifier 2008–NE–43–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

On June 30, 2009, we issued AD 2009–14–11, Amendment 39–15961 (74 FR 34221, July 15, 2009), for Turbomeca S.A. Arrius 2F turboshaft engines with P3 air pipe (first section), P/N 0 319 71 918 0, installed. That AD requires inspections of the P3 air pipe (first section) and RH rear half-wall for sufficient clearance. That AD resulted from Turbomeca S.A. concluding that the tolerance of assembly established during the system design, could result in some rubbing between parts. Rubs between the pipe and the RH rear half-wall may lead to premature wearing and finally rupture of the P3 air pipe (first section). The loss of P3 air pressure would then force the fuel control system to idle, which could have a detrimental effect in critical phases of flight. We issued that AD to prevent an uncommanded power loss, which could result in an emergency autorotation landing or accident.

Actions Since Existing AD Was Issued

Since we issued AD 2009–14–11 (74 FR 34221, July 15, 2009), Turbomeca determined that the clearance between the P3 air pipe (first section) and the RH rear half-wall might change during installation of the engine on the helicopter. Also since we issued that AD, Turbomeca introduced a new redesigned RH rear half-wall that ensures clearance with the P3 air pipe (first section). Also since we issued that AD, the European Aviation Safety Agency (EASA) superseded AD 2008–0134R1, dated February 17, 2009, EASA's new AD, AD 2011–0182, dated September 22, 2011, required the same corrective actions as this proposed AD.

Relevant Service Information

We reviewed Turbomeca S.A. Mandatory Service Bulletin (MSB) No. 319 75 4810, Version B, dated January 25, 2011. The MSB describes procedures for inspecting the clearance between the P3 air pipe (first section) and the RH rear half-wall. The MSB also requires replacing the RH rear half-wall with a redesigned RH rear half-wall, P/N 0319 99 008 0 for engines with no clearance between the P3 air pipe (first section) and the RH rear half-wall. Also, installation of the redesigned RH rear half-wall on any engine is terminating action to the inspections. EASA classified the MSB as mandatory and issued AD 2011–0182, dated September 22, 2011.

FAA's Determination

We are proposing this AD supersedure, because we evaluated all the relevant information and