

(b) This AD revises the Limitations section of the maintenance manual by reducing the life limit of the drive shaft, P/N 600N5510-1, to 14,000 hours TIS.

(c) 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, Los Angeles Aircraft Certification Office (LAACO), FAA. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, LAACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the LAACO.

(d) Special flight permits may be issued in accordance with 14 CFR 21.197 and 21.199 to operate the helicopter to a location where the requirements of this AD can be accomplished.

(e) This amendment becomes effective on September 30, 2003.

Issued in Fort Worth, Texas, on August 5, 2003.

David A. Downey,

Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 03-21521 Filed 8-25-03; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2003-NE-10-AD; Amendment 39-13286; AD 2003-17-11]

RIN 2120-AA64

Airworthiness Directives; Rolls-Royce Deutschland Ltd & Co KG Dart 528, 529, 529D, 531, 532, 535, 542, and 552 Series Turboprop Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for Rolls-Royce Deutschland Ltd & Co KG (RRD) (formerly Rolls-Royce plc) Dart 528-7E, 529-7H, -7E, -8E, -8H, -8X, -8Y, -8Z, 529D-7E, -7H, -8E, -8H, -8X, -8Y, -8Z, 531, 532-2L, -7, -7N, -7P, -7L, -7R, 535-2, -7R, 542-4, -4K, -10, -10J, -10K, 552-2, 552-7, and -7R turboprop engines. This AD requires removal of any Sermetel coating (Omat 7/46) from certain high pressure (HP) turbine discs and intermediate pressure (IP) turbine discs, and inspection of discs after coating removal. This AD is prompted by reports of Sermetel coating (Omat 7/46) applied to certain turbine discs which, if allowed to remain on the discs

would react adversely with the disc dry film lubricant, and could result in uncontained HP or IP turbine disc failure, resulting in possible damage to the airplane. We are issuing this AD to prevent uncontained HP or IP turbine disc failure, which could result in damage to the airplane.

DATES: This AD becomes effective September 30, 2003.

ADDRESSES: You may get the service information identified in this AD from Rolls-Royce Deutschland Ltd & Co KG, Eschenweg 11, D-15827 Dahlewitz, Germany; Tel: 49-33-7086-1768; Fax: 49-33-7086-3356.

You may examine the AD docket at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

FOR FURTHER INFORMATION CONTACT:

James Lawrence, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7176; fax (781) 238-7199.

SUPPLEMENTARY INFORMATION: The FAA proposed to amend 14 CFR Part 39 with a proposed AD. The proposed AD applies to RRD (formerly Rolls-Royce plc) Dart 528-7E, 529-7H, -7E, -8E, -8H, -8X, -8Y, -8Z, 529D-7E, -7H, -8E, -8H, -8X, -8Y, -8Z, 531, 532-2L, -7, -7N, -7P, -7L, -7R, 535-2, -7R, 542-4, -4K, -10, -10J, -10K, 552-2, 552-7, and -7R turboprop engines. We published the proposed AD in the *Federal Register* on May 5, 2003 (68 FR 23620). That action proposed to require removal of any Sermetel coating (Omat 7/46) from certain HP turbine discs and IP turbine discs, and inspection of discs after coating removal.

Comments

We provided the public the opportunity to participate in the development of this AD. We received no comments on the proposal or on the determination of the cost to the public.

Conclusion

We have carefully reviewed the available data and determined that air safety and the public interest require adopting the AD as proposed.

Changes to 14 CFR Part 39—Effect on the AD

On July 10, 2002, the FAA published a new version of 14 CFR part 39 (67 FR 47997, July 22, 2002), which governs the FAA's AD system. That regulation now includes material that relates to altered products, special flight permits, and alternative methods of compliance. The material previously was included in

each individual AD. Since the material is included in 14 CFR part 39, we will not include it in future AD actions.

Regulatory Findings

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

For the reasons discussed above, I certify that this AD:

- (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.

We prepared a summary of the costs to comply with this AD and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under **ADDRESSES**. Include "AD Docket No. 2003-NE-10-AD" in your request.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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):

2003-17-11 Rolls-Royce Deutschland Ltd & Co KG: Amendment 39-13286. Docket No. 2003-NE-10-AD.

Effective Date

(a) This AD becomes effective September 30, 2003.

Affected ADs

(b) None.

Applicability

(c) This AD applies to Rolls-Royce Deutschland Ltd & Co KG (RRD) (formerly Rolls-Royce plc) Dart 528-7E, 529-7H, -7E,

–8E, –8H, –8X, –8Y, –8Z, 529D–7E, –7H, –8E, –8H, –8X, –8Y, –8Z, 531, 532–2L, –7, –7N, –7P, –7L, –7R, 535–2, –7R, 542–4, –4K, –10, –10J, –10K, 552–2, 552–7, and –7R turboprop engines with a high pressure (HP) turbine disc or intermediate pressure (IP) turbine disc that has a serial number (SN) listed in

Table 1 of this AD installed. These engines are installed on, but not limited to, BAE Systems (Operations) Limited, Model HS 748 Series 2A and 2B airplanes, Fokker Aircraft B.V., F.27 Friendship Mark 200, 400, 500, and 600 airplanes, Gulfstream Aerospace Corporation Model G–159 “Gulfstream I”

airplanes, Maryland Air Industries, Inc. F–7F, F–27A, F–27G, F–27J, F–27M, FH–227B, FH–227C, FH–227D, and FH–227E airplanes, and Mitsubishi Heavy Industries, Ltd Model YS–11, YS–11A–200, YS–11A–300, YS–11A–500, and YS–11A–600 airplanes. Table 1 follows:

TABLE 1.—AFFECTED TURBINE DISCS

Turbine disc serial number	Turbine disc stage	Date when coating was applied	Turbine disc cycles-since-new when coating was applied
DETN128	HP	31. Mar 01	4356
DETN155	HP	22. Jun 99	0
DETN3541	HP	17. Apr 01	2850
DETN3542	HP	16. Jan 01	6053
LA759	HP	27. Oct 00	5858
LP219	HP	23. Nov 99	6688
LW376	HP	21. Jul 99	3302
LX484	HP	22. Feb 00	4632
LZ299	HP	23. Dec 99	5839
LZ404	HP	13. Jul 01	630
LZ555	HP	30. Aug 00	2158
LZ564	HP	15. Mar 01	4204
SG612	HP	20. Apr 00	5735
SH195	HP	16. Dec 99	5349
DETN25	IP	30. Aug 00	2158
DETN238	IP	31. Mar 01	4356
DETN240	IP	18. Apr 01	0
DETN944	IP	04. Mar 00	2200
DETN2666	IP	17. Apr 01	2850
DETN5538	IP	16. Jul 01	630
DETN6400	IP	14. Apr 99	0
LA407	IP	22. Jun 00	5736
LA858	IP	27. Oct 00	5858
LB99	IP	13. Aug 99	9093
LE284	IP	24. Dec 99	5679
LN87	IP	10. May 99	5829
LP519	IP	23. Nov 99	6688
LW517	IP	22. Dec 99	5865
LX214	IP	09. Dec 00	6498
LX379	IP	22. Feb 00	4632
LZ248	IP	23. Dec 99	5839
LZ385	IP	17. Oct 01	9072
LZ603	IP	22. Jun 99	0
SG554	IP	20. Apr 00	5735
SH863	IP	16. Dec 99	5349

Unsafe Condition

(d) This AD is prompted by reports of Sermetel coating (Omat 7/46) applied to certain turbine discs which, if allowed to remain on the discs would react adversely with the disc dry film lubricant, causing uncontained HP or IP turbine disc failure, which could result in damage to the airplane. We are issuing this AD to prevent HP or IP turbine disc failure, which could result in 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.

Determining if Action Is Required

(f) Within 60 days after the effective date of this AD, determine the SN of the HP turbine disc and the IP turbine disc. If none

of the HP and IP turbine discs with SNs listed in Table 1 are installed in the engine, no further action is required.

(g) If one or more of the discs with SNs listed in Table 1 of this AD are installed in the engine, do the following:

(1) If the engine has had a full overhaul of the turbine after the shop visit at which the Sermetel coating (Omat 7/46) was applied, no further action is required.

(2) If only the HP turbine disc is listed in Table 1, and the engine has RRD Service Bulletin No. Da72–533, Revision 3, dated October 2001, incorporated, no further action is required.

Removal of Sermetel Coating and Disc Inspection

(3) Before accumulating 10,000 flight cycles since the coating was applied, completely remove Sermetel coating (Omat 7/46) from HP turbine discs and LP turbine discs. Information on coating removal can be

found in RRD Overhaul Processes Manual, Overhaul Process 114.

(4) Visually inspect HP turbine discs and LP turbine discs, and return to service discs that pass inspection. Information on disc pass or fail inspection criteria can be found in the RRD Engine Overhaul Manual, Chapter 72–6–1.

Alternative Methods of Compliance

(h) Alternative methods of compliance must be requested in accordance with 14 CFR part 39.19, and must be approved by the Manager, Engine Certification Office, FAA.

Material Incorporated by Reference

(i) None.

Related Information

(j) The subject of this AD is addressed in LBA airworthiness directive LTA 2003–015, dated February 6, 2003.

Issued in Burlington, Massachusetts, on August 19, 2003.

Francis A. Favara,

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

[FR Doc. 03-21741 Filed 8-25-03; 8:45 am]

BILLING CODE 4910-13-P

RAILROAD RETIREMENT BOARD

20 CFR Part 206

RIN: 3220-AB56

Account Benefits Ratio

AGENCY: Railroad Retirement Board.

ACTION: Final rule.

SUMMARY: The Railroad Retirement Board (Board) amends its regulations to add a new part to explain how it will compute the account benefits ratio. The Railroad Retirement and Survivors' Improvement Act of 2001 amended the Railroad Retirement Act to require that on an annual basis the Board compute an account benefits ratio for the most recent 10 preceding fiscal years and a projection of the account benefits ratio for the next 5 succeeding fiscal years. In determining the account benefits ratio, the Board has interpreted several terms utilized in that computation. Since the account benefits ratio will be used to determine the tier II tax rate for calendar years after 2003, the Board is issuing this regulation to clarify how we will compute the account benefits ratio.

DATES: This final rule is effective August 26, 2003.

FOR FURTHER INFORMATION CONTACT:

Marguerite P. Dadabo, Assistant General Counsel, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092, (312) 751-4945, TDD (312) 751-4701.

SUPPLEMENTARY INFORMATION: Effective for calendar years after 2003, the tier II tax rate will be determined in accord with a formula that relies on the average account benefits ratio. See section 3241 of the Internal Revenue Code as amended by section 204 of Public Law 107-90. The Board has decided to set forth how it will compute the account benefits ratio so that all parties, rail labor, rail management and the public, will be aware of how we intend to compute the account benefits ratio. Part 206 of the Board's regulations deals with the manner by which the account benefits ratio will be computed. Section 206.1 contains definitions of the terms that are used to compute the account benefits ratio. In making these calculations, the Board based its definitions on the language of the

statute and the purpose of computing the account benefits ratio.

The term "total benefits and administrative expenses paid" is computed on a cash basis, since the use of the word "paid" demonstrates that the computation should be made on a cash basis. In addition, "total benefits paid" is computed on the basis of net benefits paid, *i.e.*, the gross benefits paid in a particular fiscal year minus any benefit overpayments actually recovered in that fiscal year. The purpose of computing the account benefits ratio is to ensure that there are adequate funds to pay benefits due under the Railroad Retirement Act. Using net benefits paid more accurately reflects the amount of benefits paid in a given year.

The term "assets" is defined in the regulation as the total of the market value of all cash and investments held in the Railroad Retirement Account and the National Railroad Retirement Investment Trust (and for years before 2002, the Social Security Equivalent Benefit Account). Excluded from "assets" is the amount of accounts receivable. While a receivable may be viewed as an asset under certain circumstances, the language of the Railroad Retirement and Survivors' Improvement Act of 2001 leads the Board to conclude that Congress did not contemplate inclusion of accounts receivable in the computation of the account benefits ratio. By providing that the computation is to be made based on the fair market value of the assets in the Investment Trust and the accounts, Congress signaled that the computation should be made based on the amount of cash and the value of investments in the Investment Trust and the accounts. Moreover, disregarding accounts receivable in computing the account benefits ratio is consistent with the cash basis being used to determine total benefits and administrative expenses paid in a given fiscal year.

The term "administrative expenses paid" is also defined in the regulation. All Railroad Retirement Board administrative expenses are currently paid from a single administrative account. The only amounts recorded in the Railroad Retirement Account are "cash transfers" to that administrative account. The amount used for calculating the administrative expenses paid will be the amount of those cash transfers from the Railroad Retirement Account in each fiscal year. Also included in total administrative expenses will be those amounts transferred from the Railroad Retirement Account to the Limitation on the Office of Inspector General. The expenses of the Inspector General are appropriate

railroad retirement program expenses that must be considered in determining total administrative expenses. Finally, the administrative expenses of the National Railroad Retirement Investment Trust will also be included in this term.

Collection of Information Requirements

This rule does not impose additional information collection and record keeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995.

Regulatory Impact Statement

Prior to publication of the proposed rule, the Board submitted this rule to the Office of Management and Budget (OMB) for review pursuant to Executive Order 12866. Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for rules that constitute significant regulatory action, including rules that have an economic effect of \$100 million or more annually. The proposed rule was not a major rule in terms of the aggregate costs involved. The costs associated with the addition of a new part to the Board's regulations are administrative in nature, and include the costs associated with drafting and publishing the regulation as a proposed and then a final rule. We have determined that this final rule is not a major rule with economically significant effects because it would not result in increases in total expenditures of \$100 million or more per year.

OBM determined that the final rule did not need to be reviewed again under Executive Order 12866. Part 206 explains how the Railroad Retirement Board will compute the account benefits ratio in accordance with sections 108 and 204 of the Railroad Retirement and Survivors' Improvement Act of 2001. The purpose of the regulation is to provide a written explanation so that all parties, rail labor, rail management, and the public, will be aware of how the Board intends to compute the account benefits ratio. Thus, the final rule will benefit the agency's constituents, who will be aware of how the account benefits ratio is computed.

Both the Regulatory Flexibility Act and the Unfunded Mandates Act of 1995 define "agency" by referencing the