

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2019-0260; Product Identifier 2017-NE-13-AD]

RIN 2120-AA64

#### Airworthiness Directives; Ipeco Pilot and Co-Pilot Seats

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The FAA proposes to supersede airworthiness directive (AD) 2017-22-02, which applies to certain Ipeco Holdings Limited (Ipeco) pilot and co-pilot seats. AD 2017-22-02 requires modification and re-identification of the affected seats. Since the FAA issued AD 2017-22-02, Ipeco has received reports that the tracklock spring modification required by AD 2017-22-02 does not adequately address the issue of unexpected seat movement during takeoff and landing and the FAA also determined the need to add additional seat part numbers (P/Ns) to the applicability. This proposed AD would continue to require modification and re-identification of the affected seats. This proposed AD would also require initial and repetitive inspections of the affected tracklock springs and, depending on the findings, replacement of the tracklock springs with a part eligible for installation. The FAA is proposing this AD to address the unsafe condition on these products.

**DATES:** The FAA must receive comments on this proposed AD by September 3, 2019.

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

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

- *Fax:* 202-493-2251.

- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this NPRM, contact Ipeco Holdings Limited, Aviation Way, Southend-on-Sea, SS2 6UN, United Kingdom; phone: 44 1702 549371; fax: 44 1702 540782; email: [sales@Ipeco.com](mailto:sales@Ipeco.com). You may view this service information at the FAA, Engine & Propeller Standards Branch, 1200 District Avenue, Burlington, MA 01803. For information on the availability of this material at the FAA, call 781-238-7759.

#### Examining the AD Docket

You may examine the AD docket on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2019-0260; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information, the regulatory evaluation, any comments received, and other information. The street address for Docket Operations is listed above. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Neil Doh, Aerospace Engineer, Boston ACO Branch, FAA, 1200 District Avenue, Burlington, MA 01803; phone: 781-238-7757; fax: 781-238-7199; email: [neil.doh@faa.gov](mailto:neil.doh@faa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

The FAA invites 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-2019-0260; Product Identifier 2017-NE-13-AD" at the beginning of your comments. The FAA specifically invites comments on the overall regulatory, economic, environmental, and energy aspects of this NPRM. The FAA will consider all comments received by the closing date

and may amend this NPRM because of those comments.

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

#### Discussion

The FAA issued AD 2017-22-02, Amendment 39-19082 (82 FR 51552, November 7, 2017), ("AD 2017-22-02"), for Ipeco pilot and co-pilot seats. AD 2017-22-02 requires modification and re-identification of the affected seats. AD 2017-22-02 resulted from reports of unexpected movement of pilot and co-pilot seats during takeoff and landing. The FAA issued AD 2017-22-02 to prevent unexpected movement of pilot and co-pilot seats during takeoff and landing.

#### Actions Since AD 2017-22-02 Was Issued

Since the FAA issued AD 2017-22-02, Ipeco has received reports that the tracklock spring modification required by AD 2017-22-02 does not adequately address the issue of unexpected seat movement during takeoff and landing. As a result, Ipeco published Ipeco Service Bulletin (SB) 063-25-14, Revision 00, dated August 14, 2018, providing instructions to inspect and replace, if necessary, affected tracklock springs. Also, since the FAA issued AD 2017-22-02, the European Union Aviation Safety Agency (EASA) has issued AD 2018-0262, dated December 6, 2018, which retains the requirements of EASA AD 2016-0256, dated December 16, 2016, and also requires repetitive inspection of seats and, depending on findings, replacement of affected tracklock springs. Based on discussions with Ipeco and EASA, the FAA also determined the need to add additional seat part numbers (P/Ns) to the applicability. These seat P/Ns are included in the applicability of EASA AD 2018-0262.

#### Related Service Information Under 14 CFR Part 51

The FAA reviewed Ipeco Service Bulletin (SB) Number 063-25-08, Revision 00; SB Number 063-25-09, Revision 00; and SB Number 063-25-10, Revision 00; all dated May 31, 2016.

The SBs provide instructions, differentiated by the part numbers of the affected pilot and co-pilot seats, for the modification and re-identification of these seats. The FAA also reviewed Ipeco SB Number 063–25–14, Revision 00, dated August 14, 2018. This SB provides instructions for inspection and replacement, if necessary, of affected tracklock springs. This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

**FAA’s Determination**

The FAA is proposing this AD because it evaluated all the relevant information and determined the unsafe condition described previously is likely

to exist or develop in other products of the same type design.

**Proposed AD Requirements**

This proposed AD would retain all of the requirements of AD 2017–22–02. This proposed AD would add additional seat P/Ns to the applicability. This proposed AD would also require initial and repetitive inspections of the affected tracklock springs and, depending on the findings, replacement of the tracklock springs with a part eligible for installation.

**Differences Between the Proposed AD and MCAI or Service Information**

This proposed AD and EASA AD 2018–0262, dated December 6, 2018, include pilot seat P/N 3A063–0099–01–1 and co-pilot seat P/N 3A063–0100–

01–1 in their respective applicability sections, while Ipeco SB Number 063–25–14, Revision 00, dated August 14, 2018, does not.

**Costs of Compliance**

The FAA estimates that this proposed AD affects 110 pilot and co-pilot seats installed on, but not limited to, ATR–GIE Avions de Transport Regional (ATR) 42 and ATR 72 airplanes of U.S. registry. The FAA estimates that seats installed on 34 ATR 42 airplanes and seats installed on 21 ATR 72 airplanes will require modification and inspection. The FAA is revising the estimated number of affected seats in this cost estimate to include two affected seats per airplane.

The FAA estimates the following costs to comply with this proposed AD:

**ESTIMATED COSTS**

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspect ATR 42 flight crew seats .....	0.1 work-hours × \$85 per hour = \$8.50 .....	\$0	\$8.50	\$289
Modify ATR 42 flight crew seats .....	2 work-hours × \$85 per hour = \$170 .....	56	226	7,684
Report results of ATR 42 inspection .....	1.0 work-hours × 85 per hour = \$85 .....	1	86	2,924
Inspect ATR 72 flight crew seats .....	0.1 work-hours × 85 per hour = \$8.50 .....	0	8.50	179
Modify ATR 72 flight crew seats .....	2 work-hours × 85 per hour = \$170 .....	56	226	4,746
Report results of ATR 72 inspection .....	1.0 work-hours × 85 per hour = \$85 .....	1	86	1,806

The FAA estimates the following costs to do any necessary replacements that would be required based on the

results of the proposed inspection. The FAA has no way of determining the

number of aircraft that might need these replacements:

**ON-CONDITION COSTS**

Action	Labor cost	Parts cost	Cost per product
Remove seat and replace ATR 42 tracklock spring ....	1.4 work-hours × \$85 per hour = \$119 .....	\$28	\$147
Remove seat and replace ATR 72 tracklock spring ....	1.4 work-hours × \$85 per hour = \$119 .....	28	147

According to the manufacturer, some of the costs of this proposed AD may be covered under warranty, thereby reducing the cost impact on affected individuals. The FAA does not control warranty coverage for affected individuals. As a result, the FAA has included all costs in our cost estimate.

**Paperwork Reduction Act**

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 2120–0056. Public reporting for this collection of

information is estimated to be approximately 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177–1524.

**Authority for This Rulemaking**

Title 49 of the United States Code specifies the FAA’s authority to issue rules on aviation safety. Subtitle I,

Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency’s authority.

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, “General requirements.” Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

This AD is issued in accordance with authority delegated by the Executive

Director, Aircraft Certification Service, as authorized by FAA Order 8000.51C. In accordance with that order, issuance of ADs is normally a function of the Compliance and Airworthiness Division, but during this transition period, the Executive Director has delegated the authority to issue ADs applicable to engines, propellers, and associated appliances to the Manager, Engine and Propeller Standards Branch, Policy and Innovation Division.

### Regulatory Findings

The FAA has 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) Will not affect intrastate aviation in Alaska, 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.

### List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

### The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

### PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701.

#### § 39.13 [Amended]

■ 2. The FAA amends § 39.13 by removing airworthiness directive (AD) 2017–22–02, Amendment 39–19082 (82 FR 51552, November 7, 2017), and adding the following new AD:

**Ipeco Holdings Limited:** Docket No. FAA–2019–0260; Product Identifier 2017–NE–13–AD.

#### (a) Comments Due Date

The FAA must receive comments on this AD action by September 3, 2019.

#### (b) Affected ADs

This AD replaces AD 2017–22–02, Amendment 39–19082 (82 FR 51552, November 7, 2017).

#### (c) Applicability

(1) This AD applies to:

(i) Ipeco Holdings Limited (Ipeco) pilot and co-pilot seats with a part number (P/N) listed in Paragraph 1.A., Planning Information, Tables 1 and 2, of Ipeco Service Bulletin (SB) Number 063–25–14, Revision 00, dated August 14, 2018, and

(ii) Ipeco pilot seat P/N 3A063–0099–01–1 and Ipeco co-pilot seat P/N 3A063–0100–01–1.

(2) These seats are installed on, but not limited to, ATR–GIE Avions de Transport Regional ATR 42 and ATR 72 airplanes.

#### (d) Subject

Joint Aircraft System Component (JASC) Code 2510, Flight Compartment Equipment.

#### (e) Unsafe Condition

This AD was prompted by reports of tracklock spring failures occurring on affected seats, including those seats already modified by AD 2017–22–02. The FAA is issuing this AD to prevent unexpected movement of pilot and co-pilot seats on takeoff and landing. The unsafe condition, if not addressed, could result in reduced control of the airplane.

#### (f) Compliance

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

#### (g) Required Action

(1) For seats that have not installed the tracklock spring modification kit, within two years after December 12, 2017 (the effective date of AD 2017–22–02), modify and re-identify each affected pilot and co-pilot seat. Use the Accomplishment Instructions of Ipeco SB Number 063–25–08, Revision 00; Ipeco SB Number 063–25–09, Revision 00; or Ipeco SB Number 063–25–10, Revision 00; all dated May 31, 2016, as appropriate, to do the modification and re-identification.

(2) For all affected seats, within 750 flight hours (FHs) after the effective date of this AD, and, thereafter at intervals not to exceed 750 FHs, inspect the tracklock spring of each seat in accordance with the Accomplishment Instructions, paragraph 3.2, of the Ipeco SB Number 063–25–14, Revision 00, dated August 14, 2018.

(i) If, during any inspection as required by paragraph (g)(2) of this AD, any damage on, or incorrect installation of, any tracklock spring is found on the pilot or co-pilot seat, before further flight, replace both tracklock springs of the affected seat with a part eligible for installation using the Accomplishment Instructions, paragraphs 3.3.3.1 or 3.3.3.2, as applicable, of the Ipeco SB Number 063–25–14, Revision 00, dated August 14, 2018.

(ii) [Reserved]

(3) Within 30 days after the initial and repetitive inspections, and thereafter for two years after the effective date of this AD, send the inspection results, including no findings, to Ipeco at [technicalsupport@ipeco.com](mailto:technicalsupport@ipeco.com).

#### (h) Installation Prohibition

After the effective date of this AD, do not install any pilot or co-pilot seat identified in paragraph (c)(1)(i) of this AD unless the seat is modified and re-identified as specified in paragraph (g)(1) of this AD.

#### (i) Definition

(1) For the purpose of this AD, “damage” can include cracks, breaks, corrosion, or deformation of the tracklock spring.

(2) For the purpose of this AD, “incorrect installation” is installing the tracklock spring at an angle or position at odds with Figures 6 and 7 of Ipeco SB Number 063–25–14, Revision 00, dated August 14, 2018.

(3) For the purpose of this AD, a “part eligible for installation” is:

(i) A modified seat provided, before installation, it has passed an inspection (no damage or defect found).

(ii) a tracklock spring provided that it passed an inspection (no damage or defect found).

#### (j) Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 2120–0056. Public reporting for this collection of information is estimated to be approximately 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177–1524.

#### (k) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Boston ACO Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the certification office, send it to the attention of the person identified in paragraph (l)(1) of this AD.

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

#### (l) Related Information

(1) For more information about this AD, contact Neil Doh, Aerospace Engineer, Boston ACO Branch, FAA, 1200 District

Avenue, Burlington, MA 01803; phone: 781-238-7757; fax: 781-238-7199; email: [neil.doh@faa.gov](mailto:neil.doh@faa.gov).

(2) Refer to European Union Aviation Safety Agency AD 2018-0262, dated December 6, 2018, for more information. You may examine the EASA AD in the AD docket on the internet at <http://www.regulations.gov> by searching for and locating it in Docket No. FAA-2019-0260.

(3) For service information identified in this AD, contact Ipeco Holdings Limited, Aviation Way, Southend-on-Sea, SS2 6UN, United Kingdom; phone: 44 1702 549371; fax: 44 1702 540782; email: [sales@ipeco.com](mailto:sales@ipeco.com). You may view this referenced service information at the FAA, Engine & Propeller Standards Branch, 1200 District Avenue, Burlington, MA 01803. For information on the availability of this material at the FAA, call 781-238-7759.

Issued in Burlington, Massachusetts, on July 12, 2019.

**Robert J. Ganley,**

Manager, Engine & Propeller Standards Branch, Aircraft Certification Service.

[FR Doc. 2019-15413 Filed 7-18-19; 8:45 am]

BILLING CODE 4910-13-P

## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Parts 39 and 140

RIN 3038-AE87

### Registration With Alternative Compliance for Non-U.S. Derivatives Clearing Organizations

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Commodity Futures Trading Commission (Commission) is proposing amendments to its regulations that would permit derivatives clearing organizations (DCOs) organized outside of the United States (hereinafter referred to as “non-U.S. clearing organizations”) that do not pose substantial risk to the U.S. financial system to register with the Commission yet comply with the core principles applicable to DCOs set forth in the Commodity Exchange Act (CEA) through compliance with their home country regulatory regime, subject to certain conditions and limitations. The Commission is also proposing certain related amendments to the delegation provisions in its regulations.

**DATES:** Comments must be received on or before September 17, 2019.

**ADDRESSES:** You may submit comments, identified by “Registration with Alternative Compliance for Non-U.S. Derivatives Clearing Organizations” and RIN 3038-AE87, by any of the following methods:

- **CFTC Comments Portal:** <https://comments.cftc.gov>. Select the “Submit Comments” link for this rulemaking and follow the instructions on the Public Comment Form.

- **Mail:** Send to Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

- **Hand Delivery/Courier:** Follow the same instructions as for Mail, above.

Please submit your comments using only one of these methods. To avoid possible delays with mail or in-person deliveries, submissions through the CFTC Comments Portal are encouraged.

All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <https://comments.cftc.gov>. You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act (FOIA), a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission’s regulations.<sup>1</sup>

The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from <https://comments.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the rulemaking will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the FOIA.

**FOR FURTHER INFORMATION CONTACT:**

Eileen A. Donovan, Deputy Director, 202-418-5096, [edonovan@cftc.gov](mailto:edonovan@cftc.gov); Parisa Abadi, Associate Director, 202-418-6620, [pabadi@cftc.gov](mailto:pabadi@cftc.gov); Eileen R. Chotiner, Senior Compliance Analyst, 202-418-5467, [echotiner@cftc.gov](mailto:echotiner@cftc.gov); Brian Baum, Special Counsel, 202-418-5654, [bbaum@cftc.gov](mailto:bbaum@cftc.gov); August A. Imholtz III, Special Counsel, 202-418-5140, [aimholtz@cftc.gov](mailto:aimholtz@cftc.gov); Abigail S. Knauff, Special Counsel, 202-418-5123, [aknauff@cftc.gov](mailto:aknauff@cftc.gov); Division of Clearing and Risk, Commodity Futures Trading Commission, Three Lafayette Centre,

<sup>1</sup> 17 CFR 145.9. Commission regulations referred to in this release are found at 17 CFR chapter I (2018), and are accessible on the Commission’s website at <https://www.cftc.gov/LawRegulation/CommodityExchangeAct/index.htm>.

1155 21st Street NW, Washington, DC 20581.

**SUPPLEMENTARY INFORMATION:**

**Table of Contents**

- I. Background
  - A. DCO Registration Framework
  - B. Overview of Proposed Requirements
- II. Proposed Amendments to Part 39
  - A. Regulation 39.2—Definitions
  - B. Regulation 39.3(a)—Application Procedures
  - C. Regulation 39.4—Procedures for Implementing DCO Rules and Clearing New Products
  - D. Regulation 39.9—Scope
  - E. Subpart D—Provisions Applicable to DCOs Subject to Alternative Compliance
- III. Proposed Amendments to Part 140—Organization, Functions, and Procedures of the Commission
- IV. Request for Comments
- V. Related Matters
  - A. Regulatory Flexibility Act
  - B. Paperwork Reduction Act
  - C. Cost-Benefit Considerations
  - D. Antitrust Considerations

**I. Background**

*A. DCO Registration Framework*

Section 5b(a) of the CEA provides that a clearing organization may not “perform the functions of a [DCO]”<sup>2</sup> with respect to futures or swaps unless the clearing organization is registered with the Commission.<sup>3</sup> With respect to futures, section 4(a) of the CEA restricts the execution of a futures contract to a designated contract market (DCM), and § 38.601 of the Commission’s regulations requires any transaction executed on or through a DCM to be

<sup>2</sup> The term “derivatives clearing organization” is statutorily defined to mean a clearing organization in general. However, for purposes of the discussion in this release, the term “DCO” refers to a Commission-registered DCO, the term “exempt DCO” refers to a derivatives clearing organization that is exempt from registration, and the term “clearing organization” refers to a clearing organization that: (a) is neither registered nor exempt from registration with the Commission as a DCO; and (b) falls within the definition of “derivatives clearing organization” under section 1a(15) of the CEA, 7 U.S.C. 1a(15), and “clearing organization or derivatives clearing organization” under § 1.3, 17 CFR 1.3.

<sup>3</sup> 7 U.S.C. 7a-1(a). Under section 2(i) of the CEA, 7 U.S.C. 2(i), activities outside of the United States are not subject to the swap provisions of the CEA, including any rules prescribed or regulations promulgated thereunder, unless those activities either “have a direct and significant connection with activities in, or effect on, commerce of the United States,” or contravene any rule or regulation established to prevent evasion of a CEA provision enacted under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 (Dodd-Frank Act). Therefore, pursuant to section 2(i), the DCO registration requirement extends to any clearing organization whose clearing activities outside of the United States have a “direct and significant connection with activities in, or effect on, commerce of the United States.”