

Issued in Kansas City, Missouri, on October 7, 2016.

Pat Mullen,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2015-7526; Directorate Identifier 2014-NM-217-AD]

RIN 2120-AA64

Airworthiness Directives; Airbus Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Supplemental notice of proposed rulemaking (SNPRM); reopening of comment period.

SUMMARY: We are revising an earlier proposed airworthiness directive (AD) for all Airbus Model A318, A319, A320, and A321 series airplanes. This action revises the notice of proposed rulemaking (NPRM) by requiring an additional action for sealant application on some nuts and bolts on the National Advisory Committee for Aeronautics (NACA) duct assembly and adding a grace period to the compliance time. We are proposing this SNPRM to detect and correct corroded circlips. Such corrosion could lead to failure of the circlips and consequent movement of the FVP and result in a reduction of the flame protector capability of the FVP cartridge. Such a condition could result in damage to the airplane in case of lightning impact or fire on the ground. Since the additional actions impose an additional burden over those proposed in the NPRM, we are reopening the comment period to allow the public the chance to comment on these proposed changes.

DATES: The comment period for the NPRM published in the **Federal Register** on December 23, 2015 (80 FR 79742), is reopened.

We must receive comments on this SNPRM by December 5, 2016.

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:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this SNPRM, contact Airbus, Airworthiness Office—EIAS, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France; telephone +33 5 61 93 36 96; fax +33 5 61 93 44 51; email account.airworth-eas@airbus.com; Internet <http://www.airbus.com>. You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

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-2015-7526; 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 (telephone: 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT:

Sanjay Ralhan, Aerospace Engineer, International Branch, ANM-116, Transport Airplane Directorate, FAA, 1601 Lind Avenue SW., Renton, WA 98057-3356; telephone 425-227-1405; fax 425-227-1149.

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-2015-7526; Directorate Identifier 2014-NM-217-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 based on those comments.

We will post all comments we receive, without change, to [http://](http://www.regulations.gov)

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

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to all Airbus Model A318, A319, A320, and A321 series airplanes. The NPRM published in the **Federal Register** on December 23, 2015 (80 FR 79742) (“the NPRM”). The NPRM was prompted by the discovery of corroded circlips in FVPs having a certain part number. The NPRM proposed to require an inspection to determine the part number and serial number of the FVP, and replacement if necessary.

Actions Since the NPRM Was Issued

Since we issued the NPRM, Airbus has issued revised service information to include an additional action to apply sealant on nuts and bolts of the NACA duct assembly. Airplanes on which the installation in the original service information was done would be required to do this additional action. In addition, we determined that a grace period is needed so operators have sufficient time to comply with the requirements in this proposed AD.

In addition, the European Aviation Safety Agency (EASA) superseded EASA Airworthiness Directive 2014-0234R1, dated December 11, 2014 (which was referred to in the NPRM), and issued EASA Airworthiness Directive 2016-0114, dated June 15, 2016; corrected June 23, 2016; which retains the requirements of EASA AD 2014-0234R1 and includes an additional action.

The EASA, which is the Technical Agent for the Member States of the European Union, has issued Airworthiness Directive 2016-0114, dated June 15, 2016; corrected June 23, 2016 (referred to after this as the Mandatory Continuing Airworthiness Information, or “the MCAI”), to correct an unsafe condition for all Airbus Model A318, A319, A320, and A321 series airplanes. The MCAI states:

On each aeroplane wing, a NACA duct assembly is installed, including a Fuel Vent Protector (FVP) which is used as flame arrestor. This FVP is maintained in its NACA duct assembly by a circlip (also known as C-clip). Following a wing water pressure test, the FVP is removed and dried with heat. During an inspection after this test, several circlips were reported to be discoloured. Investigation revealed that a batch of circlips fitted on some FVP Part Number (P/N) 786073-1-0 have an increased risk of

corrosion due to a manufacturing quality issue.

This condition, if not detected and corrected, could lead to circlip failure and consequent FVP movement, reducing the flame protector capability of the FVP cartridge, possibly resulting in damage to the aeroplane in case of lightning impact or fire on ground.

Airbus issued Service Bulletin (SB) A320–28–1221, providing instructions for identification by serial number (s/n) and removal from service of the affected FVP P/N 786073–1–0, and EASA issued AD 2014–0234, later revised, to require those actions and to implement installation requirements for the FVP.

After that [EASA] AD was issued, one step in the FVP re-installation instructions was identified as missing. Consequently, Airbus revised SB A320–28–1221 to provide instructions for sealant installation on some nuts and bolts on the NACA duct assembly.

For the reasons described above, this [EASA] AD retains the requirements of EASA AD 2014–0234R1, which is superseded, and requires additional work for aeroplanes already modified in accordance with Airbus SB A320–28–1221 original issue or Revision 01.

You may examine the MCAI in the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA–2015–7526.

Related Service Information Under 1 CFR Part 51

Airbus has issued Service Bulletin A320–28–1221, Revision 02, dated January 11, 2016. The service information describes procedures for inspecting the FVP to determine the part number and serial number, replacing any affected FVP, and applying sealant to the nuts and bolts of the FVP. 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.

Comments

We gave the public the opportunity to participate in developing this proposed AD. We considered the comments received.

Request To Refer to Revised Service Information

Airbus requested that the service information referred to in the NPRM be revised. Since the NPRM was published, Airbus issued Service Bulletin A320–28–1221, Revision 02, dated January 11, 2016, which includes an additional action (*i.e.*, the application of sealant to the nuts and bolts of a FVP after installation). The additional action was not included in the Accomplishment Instructions of Airbus Service Bulletin A320–28–1221, Revision 01, dated June

23, 2015, which was referred to as the appropriate source of service information for accomplishing the required actions proposed in the NPRM.

We agree with the commenter's request to refer to the revised service information in this SNPRM. We have revised paragraphs (g) and (i) of this proposed AD to refer to the revised service information, Airbus Service Bulletin A320–28–1221, Revision 02, dated January 11, 2016.

Request To Extend the Compliance Time

American Airlines (AAL) requested that the compliance time in paragraph (h) of the proposed AD be changed from “at the earliest of the times” or be simplified to “within 6 months after the effective date.” AAL stated that its 4 affected airplanes would be out of compliance when the NPRM became a final rule because the airplanes have already accumulated approximately 9,000 flight hours and 4,000 flight cycles, and have been in service for 34 months.

We partially agree with the commenter's request. We revised paragraph (h) of this proposed AD to include a grace period of 30 days from the effective date of the AD to accomplish the required actions. In regard to the compliance times in paragraphs (h)(1), (h)(2), and (h)(3) of this AD, we do not agree to change “at the earliest of the times” to “at the latest of the times,” or to simplify the compliance time to “within 6 months after the effective date of this AD.” In developing an appropriate compliance time, we considered the safety implications and the time necessary to do the inspection to determine the part number and serial number of the FVP, and any necessary replacements. In light of these items, we have determined that the compliance times specified in paragraphs (h)(1), (h)(2), and (h)(3) of this proposed AD are appropriate. However, under the provisions of paragraph (k)(1) of this proposed AD, we will consider requests for approval of an extension of the compliance time if sufficient data are submitted to substantiate that the extension would provide an acceptable level of safety. We have not changed this AD regarding this issue.

Request To Revise Costs of Compliance

AAL requested that the “Costs of Compliance” section of the NPRM be revised to increase the number of work-hours from 5 to 12. AAL stated that there are multiple positions on each airplane that need to be inspected and may need corrective actions.

We agree with the commenter's request. Based on the reason provided by the commenter, and the new additional action included in this SNPRM, we have revised the “Costs of Compliance” section to increase the work-hours from 5 to 19.

FAA's Determination and Requirements of This SNPRM

This product has been approved by the aviation authority of another country, and is approved for operation in the United States. Pursuant to our bilateral agreement with the State of Design Authority, we have been notified of the unsafe condition described in the MCAI and service information referenced above. We are proposing this AD because we evaluated all pertinent information and determined an unsafe condition exists and is likely to exist or develop on other products of these same type designs.

Certain changes described above expand the scope of the NPRM. As a result, we have determined that it is necessary to reopen the comment period to provide additional opportunity for the public to comment on this SNPRM.

Costs of Compliance

We estimate that this SNPRM affects 7 airplanes of U.S. registry.

We also estimate that it would take about 19 work-hours per product to comply with the new basic requirements of this SNPRM. The average labor rate is \$85 per work-hour. Required parts would cost about \$25,640 per product. Based on these figures, we estimate the cost of this SNPRM on U.S. operators to be \$190,785, or \$27,255 per product.

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.

We are 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.

Regulatory Findings

We 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 this proposed regulation:

1. Is not a “significant regulatory action” under Executive Order 12866;
2. Is not a “significant rule” under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979);
3. Will not affect intrastate aviation in Alaska; and
4. 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 adding the following new airworthiness directive (AD):

Airbus: Docket No. FAA–2015–7526; Directorate Identifier 2014–NM–217–AD.

(a) Comments Due Date

We must receive comments by December 5, 2016.

(b) Affected ADs

None.

(c) Applicability

This AD applies to the airplanes specified in paragraphs (c)(1), (c)(2), (c)(3), and (c)(4) of this AD, certificated in any category, all manufacturer serial numbers.

- (1) Airbus Model A318–111, –112, –121, and –122 airplanes.
- (2) Airbus Model A319–111, –112, –113, –114, –115, –131, –132, and –133 airplanes.
- (3) Airbus Model A320–211, –212, –214, –231, –232, and –233 airplanes.
- (4) Airbus Model A321–111, –112, –131, –211, –212, –213, –231, and –232 airplanes.

(d) Subject

Air Transport Association (ATA) of America Code 28, Fuel.

(e) Reason

This AD was prompted by the discovery of corroded circlips in fuel vent protectors (FVP) having a certain part number. We are issuing this AD to detect and correct corroded circlips. Such corrosion could lead to failure of the circlips and consequent movement of the FVP and result in a reduction of the flame protector capability of the FVP cartridge, which could result in damage to the airplane in case of lightning impact or fire on the ground.

(f) Compliance

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

(g) Inspection of FVP and Corrective Action

For airplanes having a manufacturer serial number specified in figure 1 to paragraphs (g) and (i) of this AD: At the time specified in paragraph (h) of this AD, do an inspection to determine the part number and serial number of the FVP. If the FVP has part number (P/

N) 786073–1–0 with a serial number that is specified in figure 2 to paragraphs (g) and (i) of this AD, and the FVP is not marked “Amdt B,” replace the FVP with a serviceable part, at the time specified in paragraph (h) of this AD, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320–28–1221, Revision 02, dated January 11, 2016. A review of airplane maintenance records is acceptable in lieu of this inspection if the part number and serial number of the FVP can be conclusively determined from that review.

FIGURE 1 TO PARAGRAPHS (g) AND (i) OF THIS AD—AFFECTED AIRPLANE MANUFACTURER SERIAL NUMBERS

5438
5441
5444
5445
5447
5457
5459
5460
5461
5463
5464
5469
5473 through 5478 inclusive
5481
5482
5483
5485 through 5488 inclusive
5490 through 5493 inclusive
5495 through 5505 inclusive
5507 through 5515 inclusive
5517
5518
5520 through 5527 inclusive
5530
5536
5539
5541
5544
5547
5551
5553
5556

FIGURE 2 TO PARAGRAPHS (g) AND (i) OF THIS AD—AFFECTED SERIAL NUMBERS FOR PART NUMBER 786073–1–0 (Manufactured during August 2012)

Serial number 786073IN0xxxx (xxxx indicates the last four digits)					
3752	3821	3868	3911	3966	4010
3753	3826	3871	3914	3967	4011
3754	3827	3874	3922	3969	4013
3755	3829	3877	3925	3971	4017
3756	3830	3878	3927	3972	4019
3757	3833	3882	3930	3977	4023
3758	3834	3893	3937	3978	4024
3759	3836	3897	3938	3980	4025
3760	3839	3898	3940	3981	4026
3761	3840	3899	3945	3982	4039
3787	3848	3900	3946	3983	4048
3788	3849	3901	3947	3984	4065
3810	3850	3904	3948	3985	4066
3812	3851	3905	3951	3986	4068
3814	3853	3906	3961	3987	4070
3817	3859	3907	3962	3996	4184
3819	3860	3908	3964	3997	4187
3820	3867	3910	3965	4009	None

(h) Compliance Times for the Requirements of Paragraph (g) of This AD

Do the actions required by paragraph (g) of this AD at the earliest of the times specified in paragraphs (h)(1), (h)(2), and (h)(3) of this AD, or within 30 days after the effective date of this AD, whichever occurs later.

(1) Before the accumulation of 5,000 total flight hours after the date of manufacture of the airplane.

(2) Before the accumulation of 7,500 total flight hours after the date of manufacture of the airplane.

(3) Within 30 months after the date of manufacture of the airplane.

(i) Exclusion From Actions Required by Paragraph (g) of This AD

An airplane that does not have a manufacturer serial number specified in figure 1 to paragraphs (g) and (i) of this AD is excluded from the requirements of paragraph (g) of this AD, provided that, a FVP having P/N 786073-1-0 with a serial number specified in figure 2 to paragraphs (g) and (i) of this AD has not been installed on that airplane after July 2012. If a FVP having P/N 786073-1-0 with a serial number specified in figure 2 to paragraphs (g) and (i) of this AD is installed, or the serial number cannot be identified: Within 12 months after the effective date of this AD, replace the FVP with a serviceable part, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A320-28-1221, Revision 02, dated January 11, 2016. A review of airplane maintenance records is acceptable if it can be conclusively determined from that review that a FVP having a serial number specified in figure 2 to paragraphs (g) and (i) of this AD has not been installed on that airplane after July 2012.

(j) Parts Installation Limitation

As of the effective date of this AD, a FVP having P/N 786073-1-0 and a serial number listed in figure 2 to paragraphs (g) and (i) of this AD may be installed on any airplane, provided the FVP is marked with "Amdt B."

(k) Other FAA AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs)*: The Manager, International Branch, ANM-116, Transport Airplane Directorate, 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 International Branch, send it to ATTN: Sanjay Ralhan, Aerospace Engineer, International Branch, ANM-116, Transport Airplane Directorate, FAA, 1601 Lind Avenue SW., Renton, WA 98057-3356; telephone 425-227-1405; fax 425-227-1149. Information may be emailed to: 9-ANM-116-AMOC-REQUESTS@faa.gov. 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.

(2) *Contacting the Manufacturer*: For any requirement in this AD to obtain corrective actions from a manufacturer, the action must be accomplished using a method approved by the Manager, International Branch, ANM-116, Transport Airplane Directorate, FAA; or the European Aviation Safety Agency (EASA); or Airbus's EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(3) *Required for Compliance (RC)*: If any service information contains procedures or tests that are identified as RC, those procedures and tests must be done to comply with this AD; any procedures or tests that are not identified as RC are recommended. Those procedures and tests that are not identified as RC may be deviated from using accepted methods in accordance with the operator's maintenance or inspection program without obtaining approval of an AMOC, provided the procedures and tests identified as RC can be done and the airplane can be put back in an airworthy condition. Any substitutions or changes to procedures or tests identified as RC require approval of an AMOC.

(l) Related Information

(1) Refer to Mandatory Continuing Airworthiness Information (MCAI) EASA Airworthiness Directive 2016-0114, dated June 15, 2016; corrected June 23, 2016; for related information. This MCAI may be found in the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2015-7526.

(2) For service information identified in this AD, contact Airbus, Airworthiness Office—EIAS, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France; telephone +33 5 61 93 36 96; fax +33 5 61 93 44 51; email account.airworth-eas@airbus.com; Internet <http://www.airbus.com>. You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, WA. For information on the availability of this material at the FAA, call 425-227-1221.

Issued in Renton, Washington, on September 26, 2016.

Dionne Palermo,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2016-23787 Filed 10-20-16; 8:45 am]

BILLING CODE 4910-13-P

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulation.

SUMMARY: The Department of the Treasury (Treasury Department) and the IRS are issuing temporary regulations that affect corporations and partnerships that issue purported indebtedness to related corporations or partnerships in the Rules and Regulations section of this issue of the **Federal Register**. The temporary regulations provide rules addressing the treatment of instruments issued by partnerships, consolidated groups, and certain transactions involving qualified cash-management arrangements. The text of the temporary regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments and requests for a public hearing must be received by January 19, 2017.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-130314-16), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20224. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-130314-16), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-130314-16).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Austin M. Diamond-Jones, (202) 317-5363, or Joshua G. Rabon, (202) 317-6937; concerning submissions of comments or requests for a public hearing, Regina Johnson, (202) 317-5177 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:**Background**

The temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** contain rules under sections 385 and 752 of the Internal Revenue Code (Code) that establish requirements that ordinarily must be satisfied in order for certain related-party interests in a corporation to be treated as indebtedness for federal tax purposes. The text of the temporary regulations also serves as the text of the proposed regulations herein. The preamble to the temporary regulations explains the temporary regulations and the corresponding proposed regulations.

DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG-130314-16]

RIN 1545-BN68

Treatment of Certain Interests in Corporations as Stock or Indebtedness

AGENCY: Internal Revenue Service (IRS), Treasury.