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## FEDERAL HOUSING FINANCE AGENCY

### 12 CFR Part 1238

[No. 2017–N–04]

#### Orders: Reporting by Regulated Entities of Stress Testing Results as of December 31, 2016; Summary Instructions and Guidance

**AGENCY:** Federal Housing Finance Agency.

**ACTION:** Orders.

**SUMMARY:** In this document, the Federal Housing Finance Agency (FHFA) provides notice that it issued Orders, dated March 3, 2017, with respect to stress test reporting as of December 31, 2016, under section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Summary Instructions and Guidance accompanied the Orders to provide testing scenarios.

**DATES:** Effective April 14, 2017. Each Order is applicable March 3, 2017.

**FOR FURTHER INFORMATION CONTACT:** Naa Awa Tagoe, Senior Associate Director, Division of Housing Mission & Goals, (202) 649–3140, [NaaAwa.Tagoe@fhfa.gov](mailto:NaaAwa.Tagoe@fhfa.gov); Stefan Szilagyi, Examination Manager, FHLBank Modeling, FHLBank Office of Risk Modeling (202) 649–3515, [Stefan.Szilagyi@fhfa.gov](mailto:Stefan.Szilagyi@fhfa.gov); Karen Heidel, Assistant General Counsel, Office of General Counsel, (202) 649–3073, [Karen.Heidel@fhfa.gov](mailto:Karen.Heidel@fhfa.gov); or Mark D. Laponsky, Deputy General Counsel, Office of General Counsel, (202) 649–3054, [Mark.Laponsky@fhfa.gov](mailto:Mark.Laponsky@fhfa.gov). The telephone number for the Telecommunications Device for the Hearing Impaired is (800) 877–8339.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

FHFA is responsible for ensuring that the regulated entities operate in a safe and sound manner, including the maintenance of adequate capital and

internal controls, that their operations and activities foster liquid, efficient, competitive, and resilient national housing finance markets, and that they carry out their public policy missions through authorized activities. See 12 U.S.C. 4513. These Orders are being issued under 12 U.S.C. 4516(a), which authorizes the Director of FHFA to require by Order that the regulated entities submit regular or special reports to FHFA and establishes remedies and procedures for failing to make reports required by Order. The Orders, through the accompanying Summary Instructions and Guidance, prescribe for the regulated entities the scenarios to be used for stress testing. The Summary Instructions and Guidance also provides to the regulated entities advice concerning the content and format of reports required by the Orders and the rule.

##### II. Orders, Summary Instructions and Guidance

For the convenience of the affected parties and the public, the text of the Orders follows below in its entirety. The Orders and Summary Instructions and Guidance are also available for public inspection and copying at the Federal Housing Finance Agency's Freedom of Information Act (FOIA) Reading Room at <https://www.fhfa.gov/AboutUs/FOIAPrivacy/Pages/Reading-Room.aspx> by clicking on "Click here to view Orders" under the Final Opinions and Orders heading. You may also access these documents at <http://www.fhfa.gov/SupervisionRegulation/DoddFrankActStressTests>.

The text of the Orders is as follows:

##### Federal Housing Finance Agency

*Order Nos. 2017–OR–B–01, 2017–OR–FNMA–01, and 2017–OR–FHLMC–01*

Reporting by Regulated Entities of Stress Testing Results as of December 31, 2016

*Whereas*, section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") requires certain financial companies with total consolidated assets of more than \$10 billion, and which are regulated by a primary Federal financial regulatory agency, to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of adverse economic conditions;

*Whereas*, FHFA's rule implementing section 165(i)(2) of the Dodd-Frank Act is codified as 12 CFR 1238 and requires that "[e]ach regulated entity must file a report in the manner and form established by FHFA." 12 CFR 1238.5(b);

*Whereas*, The Board of Governors of the Federal Reserve System issued stress testing scenarios on February 3, 2017; and

*Whereas*, section 1314 of the Safety and Soundness Act, 12 U.S.C. 4514(a) authorizes the Director of FHFA to require regulated entities, by general or specific order, to submit such reports on their management, activities, and operation as the Director considers appropriate.

*Now therefore*, it is hereby Ordered as follows:

Each regulated entity shall report to FHFA and to the Board of Governors of the Federal Reserve System the results of the stress testing as required by 12 CFR 1238, in the form and with the content described therein and in the Summary Instructions and Guidance, with Appendices 1 through 12 thereto, accompanying this Order and dated March 3, 2017.

*It is so ordered*, this the 3rd day of March, 2017.

This Order is effective immediately.

Signed at Washington, DC, this 3rd day of March, 2017.

**Melvin L. Watt,**

*Director, Federal Housing Finance Agency.*

Dated: April 6, 2017.

**Melvin L. Watt,**

*Director, Federal Housing Finance Agency.*

[FR Doc. 2017–07519 Filed 4–13–17; 8:45 am]

**BILLING CODE 8070–01–P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA–2015–7491; Directorate Identifier 2015–NE–39–AD; Amendment 39–18854; AD 2017–08–05]

RIN 2120–AA64

#### Airworthiness Directives; General Electric Company Turbofan Engines

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

**ACTION:** Final rule.

**SUMMARY:** We are superseding Airworthiness Directive (AD) 2016–13–05 for all General Electric Company (GE) GE90–76B, GE90–77B, GE90–85B, GE90–90B, and GE90–94B turbofan engines. AD 2016–13–05 required eddy current inspection (ECI) of the high-pressure compressor (HPC) stage 8–10 spool at each shop visit for all affected engines and ECI or ultrasonic inspection (USI) for certain affected engines. This new AD requires initial and repetitive on-wing USIs of the HPC stage 8–10 spool for certain engines prior to shop visit and ECI of all affected engines at each shop visit. This AD was prompted by analysis that the risk of the failure of an HPC stage 8–10 spool was excessive without repetitive USI prior to shop visit. We are issuing this AD to correct the unsafe condition on these products.

**DATES:** This AD is effective May 19, 2017.

**ADDRESSES:** For service information identified in this final rule, contact General Electric Company, GE-Aviation, Room 285, 1 Neumann Way, Cincinnati, OH 45215, phone: 513–552–3272; fax: 513–552–3329; email: [gae.aoc@ge.com](mailto:gae.aoc@ge.com). You may view this service information at the FAA, Engine & Propeller Directorate, 1200 District Avenue, 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> by searching for and locating Docket No. FAA–2015–7491; 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 AD, the regulatory evaluation, any comments received, and other information. The address for the Docket Office (phone: 800–647–5527) is Document Management Facility, U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE., Washington, DC 20590.

**FOR FURTHER INFORMATION CONTACT:** John Frost, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 1200 District Avenue, Burlington, MA 01803; phone: 781–238–7756; fax: 781–238–7199; email: [john.frost@faa.gov](mailto:john.frost@faa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to supersede AD 2016–13–05,

Amendment 39–18569 (81 FR 41208, June 24, 2016; corrected 81 FR 42475, June 30, 2016), (“AD 2016–13–05”). AD 2016–13–05 applied to all GE GE90–76B, GE90–77B, GE90–85B, GE90–90B, and GE90–94B turbofan engines. The NPRM published in the **Federal Register** on December 19, 2016 (81 FR 91880). The NPRM was prompted by an uncontained failure of the HPC stage 8–10 spool, leading to an airplane fire. The NPRM proposed to require an ECI or USI of the HPC stage 8–10 spool and removing from service those parts that fail inspection. We are issuing this AD to prevent failure of the HPC stage 8–10 spool, uncontained rotor release, damage to the engine, and damage to the airplane.

#### Comments

We gave the public the opportunity to participate in developing this AD. The following presents the comments received on the NPRM and the FAA’s response to each comment.

#### Request To Revise Compliance

The Boeing Company (Boeing) and GE requested paragraph (f)(1)(i) be changed to apply to ECIs performed between January 2016 and July 29, 2016. Boeing and GE stated that operators who performed an ECI between January 2016 and July 29, 2016 are in accordance with GE GE90 Service Bulletin (SB) 72–1151, Initial issue or Revision 1.

We agree. Credit should be given for ECIs performed in accordance with GE GE90 SB 72–1151, Initial issue or Revision 1. We added paragraph (f)(2)(iii) to the Compliance section.

#### Request To Revise Compliance Time

Boeing and GE requested paragraph (f)(1)(ii) be changed to state that if it has been more than 400 cycles since the qualified initial USI inspection, then, inspect within 100 cycles from the effective date of this AD. Boeing and GE stated that this provides the operators with a reasonable amount of time to perform the USI.

We disagree. The date for the initial inspection was based on the effective date of AD 2016–13–05. The USI requirement is unchanged, so the 500 cycle allowance mandated in AD 2016–13–05 is also mandated by this AD. We did not change this AD.

#### Request To Revise Service Information

Boeing, GE, and Japan Air Lines (JAL) requested updating the Related Information section to reflect the latest version of the GE SB. GE SB 72–1151 was revised to Revision 01 on September 13, 2016 and includes the

most recent details and aligns with this AD.

We agree. GE GE90 SB 72–1151, Revision 01, dated September 13, 2016, includes the most recent details, aligns with this AD, and also meets the risk analysis performed. We added GE GE90 SB 72–1151, Revision 01, dated September 13, 2016 and GE GE90 SB 72–1151, Revision 0, dated June 10, 2016 to paragraph (i)(2) of this AD.

#### Request To Revise Service Information

JAL requested updating paragraph (i)(2) Related Information, to perform an ECI in accordance with future revisions of the service information. JAL also requested updating paragraph (i)(2) Related Information, to add “and later” to the revision number relating to Chapter 72–31–08; Special Procedure 003 and 72–00–31 Special Procedure 006 in GE GE90 Engine Manual, GEK100700, Revision 68, dated September 1, 2016.

We disagree. We are only authorized to mandate use of service information that we have reviewed and which are published. Since future revisions of service information are not yet published, we are not authorized to mandate their use. We did not change this AD.

#### Conclusion

We reviewed the relevant data, considered the comments received, and determined that air safety and the public interest require adopting this AD with the changes described previously. We have determined that these minor changes:

- Are consistent with the intent that was proposed in the NPRM, for correcting the unsafe condition; and
- Do not add any additional burden upon the public than was already proposed in the NPRM.

We also determined that these changes will not increase the economic burden on any operator or increase the scope of this AD.

#### Related Service Information

We reviewed GE GE90 SB 72–1151, Revision 01, dated September 13, 2016. The SB describes procedures for an on-wing USI of the stage 8 web of the stage 8–10 spool. 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.

We also reviewed Chapter 72–31–08, Special Procedures 003; and Chapter 72–00–31, Special Procedures 006, in the GE GE90 Engine Manual, GEK100700, Revision 68, dated

September 1, 2016. These procedures describe how to perform ECI of the stage 8 aft web of the stage 8–10 spool.

**Interim Action**

We consider this AD interim action. GE is determining the root cause for the unsafe condition identified in this AD. Once a root cause is determined, we will consider additional rulemaking.

**Costs of Compliance**

We estimate that this AD affects 54 engines installed on airplanes of U.S. registry. We estimate the following costs to comply with this AD:

**ESTIMATED COSTS**

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspection .....	7 work-hours × \$85 per hour = \$595 per inspection cycle.	\$0	\$595 per inspection cycle	\$32,130 per inspection cycle.

We estimate the following costs to do any necessary replacements that would

be required based on the results of the inspection. We have no way of

determining the number of engines that might need this replacement:

**ON-CONDITION COSTS**

Action	Labor cost	Parts cost	Cost per product
Replacement of spool .....	0 work-hours × \$85 per hour = \$0 .....	\$780,000	\$780,000

**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 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),

(3) Will not affect intrastate aviation in Alaska to the extent that it justifies making a regulatory distinction, 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.

**Adoption of the Amendment**

Accordingly, under the authority delegated to me by the Administrator, the FAA 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 removing Airworthiness Directive (AD) 2016–13–05, Amendment 39–18569 (81 FR 41208, June 24, 2016; corrected 81 FR 42475, June 30, 2016), and adding the following new AD:

**2017–08–05 General Electric Company:**  
Amendment 39–18854; Docket No. FAA–2015–7491; Directorate Identifier 2015–NE–39–AD

**(a) Effective Date**

This AD is effective May 19, 2017.

**(b) Affected ADs**

This AD replaces AD 2016–13–05, Amendment 39–18569 (81 FR 41208, June 24, 2016; corrected June 30, 2016, 81 FR 42475).

**(c) Applicability**

This AD applies to General Electric Company (GE) GE90–76B, GE90–77B, GE90–85B, GE90–90B, and GE90–94B turbofan engines with a high-pressure compressor (HPC) stage 8–10 spool, part numbers (P/Ns) 1694M80G04, 1844M90G01, or 1844M90G02, installed.

**(d) Subject**

Joint Aircraft System Component (JASC) Code 7230, Engine Compressor Section.

**(e) Unsafe Condition**

This AD was prompted by an uncontained failure of the HPC stage 8–10 spool. We are issuing this AD to prevent failure of the HPC stage 8–10 spool, uncontained rotor release, damage to the engine, and damage to the airplane.

**(f) Compliance**

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

(1) For HPC stage 8–10 spool, P/N 1694M80G04, all serial numbers (S/Ns), or HPC stage 8–10 spool, P/N 1844M90G01 or 1844M90G02, with a S/N listed in Figure 1 to paragraph (f) of this AD; perform an on-wing ultrasonic inspection (USI) of the stage 8 aft web upper face as follows:

- (i) Perform an initial USI after reaching 8,000 cycles since new (CSN), but, before exceeding 9,000 CSN, or within 500 cycles in service after July 29, 2016, whichever occurs later.
- (ii) Thereafter, perform a USI of the stage 8 aft web upper face every 500 cycles since last inspection.

(iii) Compliance with paragraph (f)(2)(i) or (f)(2)(iii) of this AD is terminating action for the initial and repetitive USIs specified by paragraphs (f)(1)(i) and (ii) of this AD.

FIGURE 1 TO PARAGRAPH (f)—HPC STAGE 8–10 SPOOL S/NS

Part Nos.	Serial Nos.					
1844M90G01 .....	GWN005MF	GWNBK753	GWNBS077	GWNBS497	GWNBS724	
	GWN005MG	GWNBK754	GWNBS078	GWNBS499	GWNBS794	
	GWN0087M	GWNBK841	GWNBS079	GWNBS500	GWNBS810	
	GWN0087N	GWNBK842	GWNBS080	GWNBS501	GWNBS811	
	GWN00DGK	GWNBK843	GWNBS081	GWNBS502	GWNBS812	
	GWN00DGL	GWNBK844	GWNBS157	GWNBS609	GWNBS813	
	GWNBK992	GWNBK952	GWNBS158	GWNBS610	GWNBS814	
	GWNBK667	GWNBK953	GWNBS159	GWNBS611	GWNBS910	
	GWNBK674	GWNBK954	GWNBS160	GWNBS612	GWNBS911	
	GWNBK675	GWNBK955	GWNBS266	GWNBS613	GWNBS912	
	GWNBK743	GWNBK956	GWNBS267	GWNBS614	GWNBS914	
	GWNBK744	GWNBK957	GWNBS268	GWNBS721	GWNBS915	
	GWNBK751	GWNBK958	GWNBS269	GWNBS722	GWNBS982	
	GWNBK752	GWNBK959	GWNBS270	GWNBS723	GWNBS983	
	1844M90G02 .....	GWN00C2T	GWN01C5N	GWN02N8D	GWN03R7M	GWN04E21
		GWN00C2V	GWN01GE2	GWN02T3R	GWN03R7P	GWN04GHT
		GWN00G2N	GWN01GE3	GWN02WGM	GWN040RL	GWN04GHW
		GWN00G2P	GWN01GE4	GWN0311K	GWN040RM	GWN04GJ0
		GWN00PFP	GWN01GE6	GWN035PP	GWN040RN	GWN04JW6
		GWN00PFR	GWN01WH1	GWN038TD	GWN040RP	GWN04JW7
GWN00T2N		GWN02688	GWN039TG	GWN04202	GWN04JW8	
GWN00YHV		GWN02689	GWN03G2R	GWN0435W	GWN04L7K	
GWN0125G		GWN0268A	GWN03G2W	GWN04360	GWN04L7L	
GWN0125H		GWN02DP2	GWN03G30	GWN04361	GWN04MT7	
GWN0166K		GWN02DP3	GWN03JPC	GWN04362	GWN04MT8	
GWN01C5K		GWN02F9F	GWN03JPD	GWN04ATG	GWNBS984	
GWN01C5L		GWN02F9G	GWN03N8P	GWN04ATH		
GWN01C5M		GWN02L9T	GWN03N8R	GWN04E20		

(2) For all HPC stage 8–10 spools, P/N 1694M80G04, 1844M90G01, or 1844M90G02, perform an eddy current inspection (ECI) of the stage 8 aft upper face as follows:

(i) Perform an initial ECI of the stage 8 aft web upper face at the next shop visit after the effective date of this AD.

(ii) Thereafter, perform an ECI of the stage 8 aft web upper face at each subsequent shop visit.

(iii) If you performed an ECI of the stage 8 aft web upper surface before the effective date of the AD, you met the requirements of paragraph (f)(2)(i) of this AD.

(3) Remove from service any HPC stage 8–10 spool that fails the inspection required by paragraphs (f)(1) or (2) of this AD, and replace with a spool eligible for installation.

**(g) Definition**

For the purpose of this AD, an engine shop visit is the induction of an engine into the shop for maintenance during which the compressor discharge pressure seal face is exposed.

**(h) Alternative Methods of Compliance (AMOCs)**

The Manager, Engine Certification Office, FAA, may approve AMOCs for this AD. Use the procedures found in 14 CFR 39.19 to make your request. You may email your request to: *ANE-AD-AMOC@faa.gov*.

**(i) Related Information**

(1) For more information about this AD, contact John Frost, Aerospace Engineer, Engine Certification Office, FAA, 1200 District Avenue, Burlington, MA 01803;

phone: 781–238–7756; fax: 781–238–7199; email: *john.frost@faa.gov*.

(2) GE GE90 Service Bulletin (SB) 72–1151, Revision 01, dated September 13, 2016; GE GE90 SB 72–1151, Revision 0, dated June 10, 2016; Chapter 72–31–08, Special Procedures 003; and Chapter 72–00–31, Special Procedures 006, in GE GE90 Engine Manual, GEK100700, Revision 68, dated September 1, 2016, can be obtained from GE using the contact information in paragraph (i)(3) of this AD. These SBs describe procedures for an on-wing USI of the stage 8 web of the stage 8–10 spool. These engine manual procedures describe how to perform ECI of the stage 8 aft web of the stage 8–10 spool.

(3) For service information identified in this AD, contact General Electric Company, GE-Aviation, Room 285, 1 Neumann Way, Cincinnati, OH 45215, phone: 513–552–3272; fax: 513–552–3329; email: *geae.aoc@ge.com*.

(4) You may view this service information at the FAA, Engine & Propeller Directorate, 1200 District Avenue, Burlington, MA. For information on the availability of this material at the FAA, call 781–238–7125.

**(j) Material Incorporated by Reference**

None.

Issued in Burlington, Massachusetts, on April 5, 2017.

**Carlos A. Pestana,**

*Acting Manager, Engine & Propeller Directorate, Aircraft Certification Service.*

[FR Doc. 2017–07476 Filed 4–13–17; 8:45 am]

**BILLING CODE 4910–13–P**

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 73**

[Docket No. FAA–2015–2193; Airspace Docket No. 15–AWP–8]

**Establishment of Restricted Area R–2507W; Chocolate Mountains, CA**

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

**ACTION:** Final rule.

**SUMMARY:** This action establishes restricted area R–2507W, Chocolate Mountains, CA, to support training activities that involve the use of advanced weapons systems. This action ensures realistic United States Marine Corps (USMC) training on live fire and non-live fire aviation activities such as Basic Ordinance Delivery, Close Air Support, Air-to-Air Gunnery, Laser Ranging and Designating, and Air Strikes. Restricted area R–2507W will allow the USMC to enhance training and safety requirements in order to maintain, train, and equip combat-ready military forces.

**DATES:** Effective date 0901 UTC, June 22, 2017.