

§ 363.5 Audit committees.

(a) *Composition and duties.* Each insured depository institution shall establish an audit committee of its board of directors, the composition of which complies with paragraphs (a)(1), (2), and (3) of this section, and the duties of which shall include reviewing with management and the independent public accountant the basis for the reports issued under this part.

(1) Each insured depository institution with total assets of \$1 billion or more as of the beginning of its fiscal year shall establish an independent audit committee of its board of directors, the members of which shall be outside directors who are independent of management of the institution.

(2) Each insured depository institution with total assets of \$500 million or more but less than \$1 billion as of the beginning of its fiscal year shall establish an audit committee of its board of directors, the members of which shall be outside directors.

(3) An outside director is a director who is not, and within the preceding fiscal year has not been, an officer or employee of the institution or any affiliate of the institution.

* * * * *

6. Appendix A to Part 363 is amended as follows:

a. Footnote 2 Guideline 10 is amended by adding "and Consumer Protection Risk Management" after "FDIC's Division of Supervision";

b. Guideline 16 is amended by removing "Registration and Disclosure Section" and adding in its place "Accounting and Securities Disclosure Section";

c. Guideline 22 is amended by revising the first sentence of paragraph (a) to read as set forth below:

d. Guideline 27 is amended by revising the second sentence to read as set forth below;

e. Guideline 28 is amended by revising paragraph (a) to read as set forth below;

f. Guideline 29 is revised to read as set forth below; and

g. The first sentence of Guideline 36 is revised to read as set forth below.

The revisions read as follows:

Appendix A to Part 363—Guidelines and Interpretations

* * * * *

Filing and Notice Requirements (§ 363.4)

22. * * *

(a) FDIC: Appropriate FDIC Regional or Area Office (Supervision and Consumer Protection), i.e., the FDIC regional or area office in the FDIC region or area that is responsible for monitoring the institution or, in the case of a subsidiary institution of a

holding company, the consolidated company.

* * *

Audit Committees (§ 363.5)

27. * * * At least annually at an institution with \$1 billion or more in total assets at the beginning of its fiscal year, the board should determine whether all existing and potential audit committee members are "independent of management of the institution." * * *

28. * * *

(a) Has previously been an officer of the institution or any affiliate of the institution;

29. *Lack of Independence.* An outside director should not be considered independent of management if such director owns or controls, or has owned or controlled within the preceding fiscal year, assets representing 10 percent or more of any outstanding class of voting securities of the institution.

* * * * *

Other

36. * * * The FDIC Board of Directors has delegated to the Director of the FDIC's Division of Supervision and Consumer Protection (DSC) authority to make and publish in the **Federal Register** minor technical amendments to the Guidelines in this appendix in consultation with the other appropriate Federal banking agencies, to reflect the practical experience gained from implementation of this part. * * *

* * * * *

By order of the Board of Directors.

Federal Deposit Insurance Corporation.

Dated at Washington, DC, this 19th day of July, 2005.

Robert E. Feldman,

Executive Secretary.

[FR Doc. 05-15109 Filed 8-1-05; 8:45 am]

BILLING CODE 6714-01-P

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 39**

[Docket No. FAA-2005-21835; Directorate Identifier 2005-CE-35-AD]

RIN 2120-AA64

Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-12 and PC-12/45 Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain Pilatus Aircraft Ltd. (Pilatus) Models PC-12 and PC-12/45 airplanes. This proposed AD would require you to inspect the left and right main landing

gear (MLG) assemblies for any part number (P/N) 532.10.12.077 bolts that do not have white primed and painted heads; and replace any bolt found with new P/N 532.10.12.077F bolts in all MLG assemblies. This proposed AD results from mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Switzerland. We are issuing this proposed AD to detect and correct any P/N 532.10.12.077 bolts that do not have white primed and painted heads, which could result in corrosion of the bolt and consequent failure of the bolt. This failure could lead to MLG collapse during airplane landing and take-off operations with consequent loss of airplane control.

DATES: We must receive any comments on this proposed AD by August 31, 2005.

ADDRESSES: Use one of the following to submit comments on this proposed AD:

- *DOT Docket Web site:* Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.

- *Government-wide rulemaking Web site:* Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

- *Mail:* Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-001.

- *Fax:* 1-202-493-2251.

- *Hand Delivery:* Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

To get the service information identified in this proposed AD, contact Pilatus Aircraft Ltd., Customer Liaison Manager, CH-6371 Stans, Switzerland; telephone: +41 41 619 6208; facsimile: +41 41 619 7311; e-mail:

SupportPC12@pilatus-aircraft.com or from Pilatus Business Aircraft Ltd., Product Support Department, 11755 Airport Way, Broomfield, Colorado 80021; telephone: (303) 465-9099; facsimile: (303) 465-6040.

To view the comments to this proposed AD, go to <http://dms.dot.gov>. This is docket number FAA-2005-21835; Directorate Identifier 2005-CE-35-AD.

FOR FURTHER INFORMATION CONTACT:

Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; facsimile: (816) 329-4090.

SUPPLEMENTARY INFORMATION:

Comments Invited

How do I comment on this proposed AD? We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include the docket number, "FAA-2005-21835; Directorate Identifier 2005-CE-35-AD" at the beginning of your comments. We will post all comments we receive, without change, to <http://dms.dot.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed rulemaking. Using the search function of our docket Web site, anyone can find and read the comments received into any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). This is docket number FAA-2005-21835; Directorate Identifier 2005-CE-35-AD. You may review the DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78) or you may visit <http://dms.dot.gov>.

Are there any specific portions of this proposed AD I should pay attention to? We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. If you contact us through a nonwritten communication and that contact relates to a substantive part of this proposed AD, we will summarize the contact and place the summary in the docket. We will consider all comments received by the closing date and may amend this proposed AD in light of those comments and contacts.

Docket Information

Where can I go to view the docket information? You may view the AD docket that contains the proposal, any comments received, and any final disposition in person at the DMS Docket Offices between 9 a.m. and 5 p.m. (eastern time), Monday through Friday, except Federal holidays. The Docket Office (telephone 1-800-647-5227) is located on the plaza level of the Department of Transportation NASSIF Building at the street address stated in **ADDRESSES**. You may also view the AD docket on the Internet at <http://dms.dot.gov>. The comments will be

available in the AD docket shortly after the DMS receives them.

Discussion

What events have caused this proposed AD? The Federal Office for Civil Aviation (FOCA), which is the airworthiness authority for Switzerland, recently notified FAA that an unsafe condition may exist on certain Pilatus Models PC-12 and PC-12/45 airplanes. The FOCA reports part number (P/N) 532.10.12.077 bolts that do not have white primed and painted heads are subject to corrosion. These bolts attach the hydraulic actuators to the left and right main landing gear (MLG) assemblies. The FOCA further reports the separation of a bolt head in an MLG assembly has occurred due to corrosion. The corrosion occurred because the bolt head was not primed and painted.

Pilatus has designed and produced a new bolt (P/N 532.10.077F) as part of Modification Kit No. 500.50.12.299 to replace the subject bolt. Pilatus recommends the replacement of bolts in pairs.

What is the potential impact if FAA took no action? Corrosion of the bolt could lead to MLG collapse during airplane landing and take-off operations with consequent loss of airplane control.

Is there service information that applies to this subject? Pilatus has issued Pilatus PC12 Service Bulletin No. 32-018, dated May 2, 2005.

What are the provisions of this service information? The service bulletin includes procedures for:

- Inspecting the MLG assemblies to find P/N 532.10.12.077 bolts that do not have white primed and painted heads; and
- Replacing any P/N 532.10.12.077 bolts that do not have primed and painted heads with new P/N 532.10.077F bolts in all MLG assemblies.

What action did the FOCA take? The FOCA classified this service bulletin as mandatory and issued Swiss AD Number HB-2005-288, dated June 29, 2005, to ensure the continued airworthiness of these airplanes in Switzerland.

Did the FOCA inform the United States under the bilateral airworthiness agreement? These Pilatus Models PC-12 and PC-12/45 airplanes are manufactured in Switzerland and are type-certificated for operation in the

United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement.

Under this bilateral airworthiness agreement, the FOCA has kept us informed of the situation described above.

FAA's Determination and Requirements of This Proposed AD

What has FAA decided? We have examined the FOCA's findings, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Since the unsafe condition described previously is likely to exist or develop on other Pilatus Models PC-12 and PC-12/45 airplanes of the same type design that are registered in the United States, we are proposing AD action to detect and correct any P/N 532.10.12.077 bolts that do not have white primed and painted heads, which could result in corrosion of the bolt and consequent failure of the bolt. This failure could lead to MLG collapse during airplane landing and take-off operations with consequent loss of airplane control.

What would this proposed AD require? This proposed AD would require you to incorporate the actions in the previously-referenced service bulletin.

How does the revision to 14 CFR part 39 affect this proposed AD? On July 10, 2002, we published a new version of 14 CFR part 39 (67 FR 47997, July 22, 2002), which governs FAA's AD system. This regulation now includes material that relates to altered products, special flight permits, and alternative methods of compliance. This material previously was included in each individual AD. Since this material is included in 14 CFR part 39, we will not include it in future AD actions.

Costs of Compliance

How many airplanes would this proposed AD impact? We estimate that this proposed AD affects 350 airplanes in the U.S. registry.

What would be the cost impact of this proposed AD on owners/operators of the affected airplanes? We estimate the following costs to do this proposed inspection:

Labor cost	Parts cost	Total cost per airplane	Total cost on U.S. operators
1 work hour × \$65 per hour = \$65	Not applicable	\$65	\$22,750

We estimate the following costs to do any necessary single bolt replacement (using Modification Kit No.

500.50.12.299) that would be required based on the results of this proposed inspection. We have no way of

determining the number of airplanes that may need this bolt replacement:

Labor cost	Parts cost	Total cost per airplane
3 work hours × \$65 per hour = \$195	\$1,000 estimate for each Modification Kit No. 500.50.12.299	\$1,195

Pilatus will provide warranty credit for inspecting and replacing the specified bolts to the extent stated in the service information.

Authority for This Rulemaking

What authority does FAA have for issuing this rulemaking action? 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 AD.

Regulatory Findings

Would this proposed AD impact various entities? We have 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.

Would this proposed AD involve a significant rule or regulatory action? For the reasons discussed above, I certify that this proposed AD:

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); 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 proposed AD (and other information as included in the Regulatory Evaluation) 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 FAA–2005–21835; Directorate Identifier 2005–CE–35–AD” in your request.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

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

Pilatus Aircraft Ltd.: Docket No. FAA–2005–21835; Directorate Identifier 2005–CE–35–AD.

When Is the Last Date I Can Submit Comments on This Proposed AD?

(a) We must receive comments on this proposed airworthiness directive (AD) by August 31, 2005.

What Other ADs Are Affected by This Action?

(b) None.

What Airplanes Are Affected by This AD?

(c) This AD affects Models PC–12 and PC–12/45 airplanes, Manufacturers Serial Numbers (MSN) 101 through 620, that are certificated in any category.

What Is the Unsafe Condition Presented in This AD?

(d) This AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Switzerland. The actions specified in this AD are intended to detect and correct any part number (P/N) 532.10.12.077 bolts that do not have white primed and painted heads, which could result in corrosion of the bolt and consequent failure of the bolt. This failure of the bolt could lead to main landing gear (MLG) collapse during airplane landing and take-off operations with consequent loss of airplane control.

What Must I Do To Address This Problem?

(e) To address this problem, you must do the following:

Actions	Compliance	Procedures
(1) Inspect the main landing gear (MLG) assemblies, part number (P/N) 532.10.12.049 and P/N 532.10.12.050, for any P/N 532.10.12.077 bolts that do not have white primed and painted heads.	Within the next 100 hours time-in-service (TIS) or 90 days after the effective date of this AD, whichever occurs first, unless already done.	Follow Pilatus PC12 Service Bulletin No. 32–018, dated May 2, 2005.
(2) Replace any P/N 532.10.12.077 bolts that do not have white primed and painted heads found as a result of the inspection required by paragraph (e)(1) of this AD. Replace with new bolts (new P/N 532.10.077F or FAA-approved equivalent part number) in both MLG assemblies.	Before further flight after the inspection required by paragraph (e)(1) of this AD.	Follow Pilatus PC12 Service Bulletin No. 32–018, dated May 2, 2005.

Actions	Compliance	Procedures
(3) Do not install: (i) Any P/N 532.10.12.077 bolt that does not have a white primed and painted head in any MLG assembly (P/N 532.10.12.049 or P/N 532.10.12.050); and (ii) Any MLG assembly (P/N 532.10.12.049 or P/N 532.10.12.050) that does not have P/N 532.10.12.077 bolts with white primed and painted heads.	As of the effective date of this AD	Not Applicable.

Note: The FAA recommends that you return any removed bolts to Pilatus.

May I Request an Alternative Method of Compliance?

(f) You may request a different method of compliance or a different compliance time for this AD by following the procedures in 14 CFR 39.19. Unless FAA authorizes otherwise, send your request to your principal inspector. The principal inspector may add comments and will send your request to the Manager, Standards Office, Small Airplane Directorate, FAA. For information on any already approved alternative methods of compliance, contact Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; facsimile: (816) 329-4090.

Is There Other Information That Relates to This Subject?

(g) Swiss AD Number HB-2005-288, dated June 29, 2005, also addresses the subject of this AD.

May I Get Copies of the Documents Referenced in This AD?

(h) To get copies of the documents referenced in this AD, contact Pilatus Aircraft Ltd., Customer Liaison Manager, CH-6371 Stans, Switzerland; telephone: +41 41 619 6208; facsimile: +41 41 619 7311; e-mail: SupportPC12@pilatus-aircraft.com or from Pilatus Business Aircraft Ltd., Product Support Department, 11755 Airport Way, Broomfield, Colorado 80021; telephone: (303) 465-9099; facsimile: (303) 465-6040. To view the AD docket, go to the Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC, or on the Internet at <http://dms.dot.gov>. This is docket number FAA-2005-21835; Directorate Identifier 2005-CE-35-AD.

Issued in Kansas City, Missouri, on July 25, 2005.

James E. Jackson,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 05-15181 Filed 8-1-05; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA 2005-21523; Airspace Docket No. 05-AWP-7]

Proposed Establishment of Class E3 Airspace; Riverside March Field, CA

AGENCY: Federal Aviation Administration (FAA), DOT.
ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to establish Class E3 airspace at Riverside March Field, CA. Class E3 airspace is necessary to contain and protect circling maneuvers for Category E aircraft executing these maneuvers in conjunction with Standard Instrument Approach Procedures (SIAPs) at the airport. This action would establish Class E3 airspace extending upward from the surface to, but not including, the base of the overlying Class C airspace area.

DATES: Comments must be received on or before September 1, 2005.

ADDRESSES: Send comments on this proposal to the Docket Management System, U.S. Department of Transportation, Room Plaza 401, 400 Seventh Street, SW., Washington, DC 20590-0001. You must identify the docket number FAA-2005-21523/ Airspace Docket No. 05-AWP-7, at the beginning of your comments. You may also submit comments on the Internet at <http://dms.dot.gov>. You may review the public docket containing the proposal, any comments received, and any final disposition in person in the Dockets Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket office (telephone 1-800-647-5527) is on the plaza level of the Department of Transportation NASSIF Building at the above address.

An informal docket may also be examined during normal business hours at the office of the Area Director, Terminal Operations, Western Service Area, Federal Aviation Administration,

Room 2010, 15000 Aviation Boulevard, Lawndale, California, 90261.

FOR FURTHER INFORMATION CONTACT: Debra Trindle, Airspace Specialist, Western Terminal Service Area, Federal Aviation Administration, 15000 Aviation Boulevard, Lawndale, California; telephone (310) 725-6613.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. Communications should identify both docket numbers and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. FAA-2005-21523/Airspace Docket No. 05-AWP-7." The postcard will be date/time stamped and returned to the commenter. All communications received before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of the comments received. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRMs

An electronic copy of this document may be downloaded through the Internet at <http://dms.dot.gov>. Recently published rulemaking documents can also be accessed through the FAA's Web page at <http://www.faa.gov> or the