

# 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 Parts 1, 21, 43, and 45

[Docket No. FAA-2006-25877; Notice No. 07-02]

#### Production and Airworthiness Approvals, Parts Marking, and Miscellaneous Proposals

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

**ACTION:** Notice of availability and request for comments.

**SUMMARY:** This notice announces the availability of and requests comments on the Initial Regulatory Flexibility Analysis (IRFA) associated with the notice of proposed rulemaking entitled, Production and Airworthiness Approvals, Parts Marking, and Miscellaneous Proposals.

**DATES:** Send your comments to reach us on or before April 2, 2007.

**ADDRESSES:** You may send comments identified by Docket Number FAA-2007—using any of the following methods:

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

- *Governmentwide 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 20590-0001.

- *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.

For more information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

*Privacy:* We will post all comments we receive, without change, to <http://dms.dot.gov>, including any personal information you provide. For more information, see the Privacy Act discussion in the **SUPPLEMENTARY INFORMATION** section of this document.

*Docket:* To read background documents or comments received, go to <http://dms.dot.gov> at any time or to 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.

#### FOR FURTHER INFORMATION CONTACT:

Barbara Capron, Production Certification Branch, AIR-220, Federal Aviation Administration, 800 Independence Ave., SW., Washington, DC 20591; *telephone number:* (202) 267-3343.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

The FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. The most helpful comments reference a specific portion of the IRFA, explain the reason for any recommended change, and include supporting data. We ask that you send us two copies of written comments.

We will file in the docket all comments we receive, as well as a report summarizing each substantive public contact with FAA personnel concerning this IRFA. The docket is available for public inspection before and after the comment closing date. If you wish to review the docket in person, go to the address in the **ADDRESSES** section of this preamble between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also review the docket using the Internet at the Web address in the **ADDRESSES** section.

*Privacy Act:* 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 sending the comment (or signing the comment on behalf of an association, business, labor union, etc.). You may review 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>.

The purpose behind an IRFA is to notify small businesses of a rulemaking activity that, if finalized, may adversely affect a substantial number of small businesses. If a rulemaking is likely to have such an impact, we are required to identify alternatives that may reduce this impact. To adequately explore these alternatives, we need the input of those small businesses. Accordingly, we will consider all comments we receive on or before the closing date for comments. However, your comments should be limited to the IRFA since the comment period on the NPRM has closed. We will consider comments filed late if it is possible to do so without incurring expense or delay. We may change our proposal in light of the comments we receive.

If you want the FAA to acknowledge receipt of your comments, include with your comments a pre-addressed, stamped postcard on which the docket number appears. We will stamp the date on the postcard and mail it to you.

#### Proprietary or Confidential Business Information

Do not file in the docket information that you consider to be proprietary or confidential business information. Send or deliver this information directly to the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this document. You must mark the information that you consider proprietary or confidential. If you send the information on a disk or CD-ROM, mark the outside of the disk or CD-ROM and also identify electronically within the disk or CD-ROM the specific information that is proprietary or confidential.

Under 14 CFR 11.35(b), when we are aware of proprietary information filed with a comment, we do not place it in the docket. We hold it in a separate file to which the public does not have access, and place a note in the docket that we have received it. If we receive a request to examine or copy this information, we treat it as any other request under the Freedom of Information Act (5 U.S.C. 552). We process such a request under the DOT procedures found in 49 CFR part 7.

#### Availability of Rulemaking Documents

You can get an electronic copy using the Internet by:

(1) Searching the Department of Transportation's electronic Docket

Management System (DMS) Web page (<http://dms.dot.gov/search>);

(2) Visiting the FAA's Regulations and Policies Web page at [http://www.faa.gov/regulations\\_policies/](http://www.faa.gov/regulations_policies/); or

(3) Accessing the Government Printing Office's Web page at <http://www.gpoaccess.gov/fr/index.html>.

You can also get a copy by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM-1, 800 Independence Avenue SW., Washington, DC 20591, or by calling (202) 267-9680. Make sure to identify the docket number, notice number, or amendment number of this rulemaking.

### Discussion

On October 5, 2006, the Federal Aviation Administration (FAA) issued a notice of proposed rulemaking (NPRM) entitled, Production and Airworthiness Approvals, Parts Marking, and Miscellaneous Proposals (71 FR 58915). The extended comment period for this NPRM closed on February 5, 2007.

The Small Business Administration's Office of Advocacy has asked us, on behalf of small businesses that may be adversely affected by the proposed rulemaking, to allow additional time for small businesses to comment on the Initial Regulatory Flexibility Analysis associated with the NPRM.<sup>1</sup> The analysis examines whether the proposed rulemaking would have a significant economic impact on a substantial number of small entities. We have determined that the additional comment period is consistent with the public interest and that good cause exists for taking this action. Accordingly, we are establishing an additional 45-day comment period on the Initial Regulatory Flexibility Analysis.

### Initial Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980 (RFA) establishes "as a principle of regulatory issuance that agencies shall endeavor, consistent with the objective of the rule and of applicable statutes, to fit regulatory and informational requirements to the scale of the business, organizations, and governmental jurisdictions subject to regulation." To achieve that principle, the Act requires agencies to solicit and consider flexible regulatory proposals and to explain the rationale for their actions. The Act covers a wide range of small entities, including small businesses, not-for-profit organizations and small governmental jurisdictions.

Agencies must perform a review to determine whether a proposed or final rule would have a significant economic impact on a substantial number of small entities. If the determination is that it would, the agency must prepare a regulatory flexibility analysis as described in the Act.

However, if an agency determines that a proposed or final rule is not expected to have a significant economic impact on a substantial number of small entities, section 605(b) of the RFA provides that the head of the agency may so certify and a regulatory flexibility analysis is not required. The certification must include a statement providing the factual basis for this determination, and the reasoning should be clear.

The FAA used the Small Business Administration (SBA) guideline of 1,500 employees or less per firm as the criterion for the determination of a small business in aircraft manufacturing. The FAA also used the SBA guideline of 1,000 employees or less per firm as the criterion for the determination of a small business in aircraft engine and engine parts manufacturing, and/or other aircraft part and auxiliary equipment manufacturing.<sup>2</sup>

In order to determine if the proposed rule will have a significant economic impact on a substantial number of small entities, lists of all U.S. aircraft, aircraft engine, and other aircraft part and auxiliary equipment manufacturers was generated by the FAA Aircraft Certification Directorate Offices. Because the list was organized by the type of production approval, a firm could be listed more than once (e.g., a firm could hold a TSO authorization as well as a PMA). There are close to 2,000 records on this list.

From the lists of manufacturers supplied by the Rotorcraft Directorate (ASW) and the Small Airplane Directorate (ACE), the FAA took a 10% sample of firms that had already been identified as small entities by the Directorates (or 78 firms). From the lists of manufacturers supplied by the Transport Airplane Directorate (ANM) and the Engine and Propeller Directorate (ANE), the FAA took a 10% sample of all firms (or 109 firms) because those two Directorates had not identified the firms that were small entities. Hence, the FAA used a sample of 187 firms (or approximately 10%) for the analysis.

Using information provided by the ReferenceUSA Business Database, company annual reports, and SEC filings, all businesses with more than 1,500 employees for aircraft manufacturer and 1,000 employees for other manufacturers, and subsidiaries of larger businesses, were excluded from the list of small businesses. An example of a subsidiary business is Bell Helicopter, which is a subsidiary of Textron, Inc. For the remaining businesses, the FAA obtained company revenue information from these three sources, when the revenue was made public.

By applying this methodology to the 10% sample, the FAA verified that 109 firms are small entities, 32 firms are large businesses or subsidiaries of large businesses or consortiums, and 46 firms could not be found in the database and/or had no revenue information available. Among the 109 verified small entities, 5 are small PCs, 19 are small TSO authorization holders, and 85 are small PMAs.

The FAA estimates that the average discounted compliance cost for a small PC is approximately \$582,000, for a small TSO authorization holder is approximately \$52,000, and for a small PMA is approximately \$15,000. (Refer to Appendix E.) The annualized cost for a small PC is estimated at \$82,881 ( $\$582,120 \times 0.142378 = \$82,881$ ), for a small TSO authorization holder is estimated at \$7,342 ( $\$51,566 \times 0.142378 = \$7,342$ ), and for a small PMA is estimated at \$2,153 ( $\$15,125 \times 0.142378 = \$2,153$ ).

The degree to which small manufacturers can "afford" the cost of compliance is determined by the availability of financial resources. The initial implementation costs of the proposed rule may be financed, paid for using existing company assets, or borrowed. As a proxy for the firm's ability to afford the cost of compliance, the FAA calculated the ratio of the total annualized cost of the proposed rule as a percentage of annual revenue. This ratio is a conservative measure as the annualized value of the 10-year total compliance cost is divided by one year of annual revenue. Appendix F shows that one of the small businesses sampled would incur costs greater than 1 percent of their annual revenue. Since this is based on a 10% sample, approximately 10 small businesses would incur costs greater than 1 percent of their annual revenue.

Thus, the FAA believes that approximately 10 small entities would incur a substantial economic impact in the form of higher annual costs as a result of this proposed rule. Therefore,

<sup>1</sup> This analysis can also be found in the FAA's Initial Regulatory Evaluation, docket # FAA-2006-25877-19.

<sup>2</sup> 13 CFR 121.201, Size Standards Used to Define Small Business Concerns, Sectors 31-33 Manufacturing, Subsector 336 Transportation Equipment Manufacturing.

the FAA thinks that the rule may have a significant economic impact on a substantial number of small entities. However, the FAA does not think that the implementation of this proposed regulation would cause any of these companies to become bankrupt.

*Questions to be addressed in an Initial Regulatory Flexibility Analysis (IRFA):*

1. Which small entities will be impacted most? PC holders and TSO authorization holders. Should the definition of "small entity" be redefined for purposes of the Regulatory Flexibility Act of 1980 (RFA)? No.

2. Are all the required elements of an IRFA present, particularly a description of all compliance requirements, and a clear explanation of the need for and objectives of the rule? Yes. This Federal Aviation Administration (FAA) proposed rule would make various changes in design, production, and identification regulations for products and parts. These proposed changes include establishing a single set of quality system requirements applicable to all production approval holders as well as requiring an airworthiness approval document to be issued with all products and parts shipments from a production approval holder. The proposed rule would also revise aircraft parts marking requirements. For additional information, refer to the Regulatory Evaluation for a description of all compliance requirements and further explanations of the need for and objectives of the rule.

3. Have all major cost factors been developed and analyzed? Yes. Refer to Appendix E for the cost factors for a small entity by type of production approval.

4. What alternatives will allow the agency to accomplish its regulatory objectives while minimizing the impact on small entities?

*Alternative 1: No Action.*

This alternative would have no impact on small entities. The FAA decided to discard this alternative because it would not enhance safety. Among other things, the FAA proposes to enhance safety by (1) establishing a single set of quality system requirements applicable to all production approval holders, (2) requiring an airworthiness approval document to be issued with all products and parts shipments from a production approval holder, and (3) revising aircraft parts marking requirements.

*Alternative 2: Partial Proposed Rule.*

The partial proposed rule would be the complete proposed rule with the exception of the requirement for airworthiness approval tags (Form 8130-3) with all part or product sales/shipments. This requirement is the most costly proposal for the manufacturers. If this were not included in the proposed rule, then there would not be a significant economic impact on a substantial number of small entities.

*Alternative 3: Complete Proposed Rule.*

The complete proposed rule is more costly for small entities, but the FAA recommends proceeding with the complete proposed rule instead of Alternative 2 for several reasons.

- The Form 8130-3 is the recognized industry standard document that provides legal proof that the part was produced by an FAA-approved source and is airworthy. Use of the Form in this way parallels what is done in Europe with the EASA Form One.

- A common, easily recognizable Form is needed with all new parts

shipments so that the receiver can easily verify the airworthiness of the part and authority of the producer.

- Most non-US aviation agencies demand a completed Form 8130-3 for parts imported into their country. The FAA recommends it for domestic use also because it makes sense to use a common form for all shipments, rather than different forms for domestic versus export shipments.

- Legal enforcement for misuse—since the 8130-3 is a Federal form, misuse of the Form is a Federal offense.

*5. Competitiveness Analysis:*

This rule is a comprehensive rule that impacts all production approval holders including PC holders, TSO authorization holders, and PMA holders. This covers a wide variety of businesses (e.g., balloons, gliders, helicopters, small airplanes, large transport category airplanes, engine manufacturers, propeller manufacturers, seat belt manufacturers, seat manufacturers, and so forth). Market share within the industry probably would not change due to this proposed regulation, and the industry itself would not lose market share to other products or services.

*6. Business closure analysis:*

The FAA thinks that there would not be any small businesses that close due to the proposed regulation because there were only about 10 companies that would have costs that exceed one percent of revenues, more specifically, their costs would be approximately 1.1% of revenues. The FAA estimates that these costs are not high enough to force companies into bankruptcy.

*7. Disproportionality Analysis:*

The table below shows the differences in the impacts on small businesses as compared to large ones.

| Small entity       | Total costs | Discounted total costs | Large entity       | Total costs | Discounted total costs |
|--------------------|-------------|------------------------|--------------------|-------------|------------------------|
| Small PCs:         |             |                        | Large PCs:         |             |                        |
| 21.9(a)(4) .....   | \$1,600     | \$917                  | 21.9(a)(4) .....   | \$128,000   | \$73,387               |
| 21.123(e) .....    | 10,000      | 5,733                  | 21.123(e) .....    | 0           | 0                      |
| 21.137(h) .....    | 2,000       | 1,526                  | 21.137(h) .....    | 0           | 0                      |
| 21.137(m) .....    | 300         | 229                    | 21.137(m) .....    | 0           | 0                      |
| 21.137(n) .....    | 500         | 381                    | 21.137(n) .....    | 0           | 0                      |
| 21.146(d) .....    | 1,000,000   | 573,333                | 21.146(d) .....    | 706,667     | 405,156                |
| Subtotal .....     | 1,014,400   | 582,120                | Subtotal .....     | 834,667     | 478,542                |
| Small TSOAs:       |             |                        | Large TSOAs:       |             |                        |
| 21.9(a)(4) .....   | 375         | 215                    | 21.9(a)(4) .....   | 0           | 0                      |
| 21.605 .....       | 50          | 38                     | 21.605 .....       | 0           | 0                      |
| 21.616(d) .....    | 4,500       | 2,580                  | 21.616(d) .....    | 3,668,750   | 2,103,417              |
| 45.15(b) .....     | 85,000      | 48,733                 | 45.15(b) .....     | 572,000     | 327,947                |
| Subtotal .....     | 89,925      | 51,566                 | Subtotal .....     | 4,240,750   | 2,431,364              |
| Small PMAs:        |             |                        | Large PMAs:        |             |                        |
| 21.9(a)(4) .....   | 1,250       | 717                    | 21.9(a)(4) .....   | 0           | 0                      |
| 21.303(a)(5) ..... | 50          | 38                     | 21.303(a)(5) ..... | 50          | 38                     |

| Small entity    | Total costs | Discounted total costs | Large entity    | Total costs | Discounted total costs |
|-----------------|-------------|------------------------|-----------------|-------------|------------------------|
| 21.307 .....    | 400         | 305                    | 21.307 .....    | 80          | 61                     |
| 21.308 .....    | 400         | 305                    | 21.308 .....    | 200         | 153                    |
| 21.316(d) ..... | 24,000      | 13,760                 | 21.316(d) ..... | 825,000     | 473,000                |
| Subtotal .....  | 26,100      | 15,125                 | Subtotal .....  | 825,330     | 473,252                |

Large PCs appear to have lower costs on these requirements because the requirements are already current practice. Large TSOAs and large PMAs have higher costs on these requirements compared to their respective smaller entities. The FAA estimates that there would be no significant change in market share due to this proposed regulation.

#### APPENDIX E.—COSTS FOR SMALL BUSINESSES [per firm]

|                     | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | Total Costs | Discounted total costs |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|------------------------|
| <b>Small PCs:</b>   |         |         |         |         |         |         |         |         |         |         |             |                        |
| 21.9(a)(4) .....    | \$160   | \$160   | \$160   | \$160   | \$160   | \$160   | \$160   | \$160   | \$160   | \$160   | \$1,600     | \$917                  |
| 21.123(e) .....     | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 10,000      | 5,733                  |
| 21.137(h) .....     | 2,000   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 2,000       | 1,526                  |
| 21.137(m) .....     | 300     | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 300         | 229                    |
| 21.137(n) .....     | 500     | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 500         | 381                    |
| 21.146(d) .....     | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 1,000,000   | 573,333                |
| Subtotal .....      | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 1,014,400   | 582,120                |
| <b>Small TSOAs:</b> |         |         |         |         |         |         |         |         |         |         |             |                        |
| 21.9(a)(4) .....    | 38      | 38      | 38      | 38      | 38      | 38      | 38      | 38      | 38      | 38      | 375         | 215                    |
| 21.605 .....        | 50      | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 50          | 38                     |
| 21.616(d) .....     | 450     | 450     | 450     | 450     | 450     | 450     | 450     | 450     | 450     | 450     | 4,500       | 2,580                  |
| 45.15(b) .....      | 8,500   | 8,500   | 8,500   | 8,500   | 8,500   | 8,500   | 8,500   | 8,500   | 8,500   | 8,500   | 85,000      | 48,733                 |
| Subtotal .....      | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 89,925      | 51,566                 |
| <b>Small PMAs:</b>  |         |         |         |         |         |         |         |         |         |         |             |                        |
| 21.9(a)(4) .....    | 125     | 125     | 125     | 125     | 125     | 125     | 125     | 125     | 125     | 125     | 1,250       | 717                    |
| 21.303(a)(5) .....  | 50      | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 50          | 38                     |
| 21.307 .....        | 400     | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 400         | 305                    |
| 21.308 .....        | 400     | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 400         | 305                    |
| 21.316(d) .....     | 2,400   | 2,400   | 2,400   | 2,400   | 2,400   | 2,400   | 2,400   | 2,400   | 2,400   | 2,400   | 24,000      | 13,760                 |
| Subtotal .....      | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | .....   | 26,100      | 15,125                 |

#### APPENDIX F.—ECONOMIC IMPACT ON A REPRESENTATIVE SAMPLE OF SMALL BUSINESSES

| Production basis | Manufacturer                               | State  | Revenues (avg est.) | Annualized cost of rule | Percent |
|------------------|--------------------------------------------|--------|---------------------|-------------------------|---------|
| PC .....         | AEROSTAR AIRCRAFT CORP .....               | ID ... | \$15,000,000        | \$82,881                | 0.55    |
| PC .....         | AIR TRACTOR, INC. ....                     | TX ... | 75,000,000          | 82,881                  | 0.11    |
| PC .....         | AMERICAN CHAMPION AIRCRAFT CORP .....      | WI ... | 35,000,000          | 82,881                  | 0.24    |
| PC .....         | UNIVAIR AIRCRAFT CORP .....                | CO ..  | 7,500,000           | 82,881                  | 1.11    |
| PC .....         | WILLIAMS INTERNATIONAL .....               | MI ... | 75,000,000          | 82,881                  | 0.11    |
| PMA .....        | A&C PRODUCTS, INC .....                    | TX ... | 1,750,000           | 2,153                   | 0.12    |
| PMA .....        | ABLE AIR .....                             | CA ... | 750,000             | 2,153                   | 0.29    |
| PMA .....        | ACCURATE BUSHING COMPANY INC .....         | NJ ... | 3,750,000           | 2,153                   | 0.06    |
| PMA .....        | ACR ELECTRONICS INC .....                  | FL ... | 75,000,000          | 2,153                   | 0.00    |
| PMA .....        | ADVANCED HYPERFINE PRODUCTS .....          | CA ... | 250,000             | 2,153                   | 0.86    |
| PMA .....        | AERO DECALS .....                          | FL ... | 750,000             | 2,153                   | 0.29    |
| PMA .....        | AERO SEATS AND SYSTEMS, INC .....          | TX ... | 1,750,000           | 2,153                   | 0.12    |
| PMA .....        | AERO TECHNICAL ALLIANCE INC .....          | FL ... | 1,750,000           | 2,153                   | 0.12    |
| PMA .....        | AERODYNE ENGINEERING .....                 | CA ... | 250,000             | 2,153                   | 0.86    |
| PMA .....        | AERONCA INC .....                          | OH ... | 75,000,000          | 2,153                   | 0.00    |
| PMA .....        | AEROSPACE SYSTEMS. & COMPONENTS, INC ..... | KS ... | 3,750,000           | 2,153                   | 0.06    |
| PMA .....        | AIRBORNE TECHNOLOGIES, INC .....           | CA ... | 7,500,000           | 2,153                   | 0.03    |
| PMA .....        | AIRCRAFT INSTRUMENTS .....                 | PA ... | 1,750,000           | 2,153                   | 0.12    |
| PMA .....        | AIRCRAFT SPECIALTIES SERVICES, INC .....   | OK ... | 3,750,000           | 2,153                   | 0.06    |
| PMA .....        | AIRWELD, INC .....                         | CA ... | 1,750,000           | 2,153                   | 0.12    |
| PMA .....        | AIRWOLF FILTER CORP .....                  | OH ... | 1,750,000           | 2,153                   | 0.12    |
| PMA .....        | AMERICAN POLARIZERS, INC .....             | PA ... | 3,750,000           | 2,153                   | 0.06    |
| PMA .....        | AMGLO KEMLITE LABORATORIES, INC .....      | IL ... | 15,000,000          | 2,153                   | 0.01    |
| PMA .....        | APACHE ENTERPRISES .....                   | TX ... | 7,500,000           | 2,153                   | 0.03    |
| PMA .....        | AVIATION DEVELOPMENT CORP .....            | WA ... | 750,000             | 2,153                   | 0.29    |

## APPENDIX F.—ECONOMIC IMPACT ON A REPRESENTATIVE SAMPLE OF SMALL BUSINESSES—Continued

| Production basis | Manufacturer                     | State | Revenues<br>(avg est.) | Annualized<br>cost of rule | Percent |
|------------------|----------------------------------|-------|------------------------|----------------------------|---------|
| PMA              | AVION RESEARCH                   | CA    | 750,000                | 2,153                      | 0.29    |
| PMA              | BIZJET INTERNATIONAL SALES       | OK    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | BRAUER AEROSPACE PRODUCTS, INC   | AL    | 3,750,000              | 2,153                      | 0.06    |
| PMA              | BREEZE-EASTERN CORP              | NJ    | 72,300,000             | 2,153                      | 0.00    |
| PMA              | BRUCE INDUSTRIES, INC            | NV    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | CAMARILLO AIRCRAFT SERVICE       | CA    | 250,000                | 2,153                      | 0.86    |
| PMA              | CANARD AEROSPACE CORPORATION     | MN    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | CEE BAILEY'S AIRCRAFT PLASTICS   | CA    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | COLLINS AIRCRAFT DYNAMICS, INC   | TX    | 750,000                | 2,153                      | 0.29    |
| PMA              | COMANT INDUSTRIES, INC           | CA    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | CONAX FLORIDA CORPORATION        | FL    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | DAVTRON                          | CA    | 3,750,000              | 2,153                      | 0.06    |
| PMA              | DER ASSOCIATES INC               | KS    | 250,000                | 2,153                      | 0.86    |
| PMA              | DEUTSCH RELAYS, INC              | NY    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | DOW-ELCO INC                     | CA    | 3,750,000              | 2,153                      | 0.06    |
| PMA              | DUSTERS AND SPRAYERS, INC        | OK    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | DYNAMIC AIR ENGINEERING          | CA    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | E.J. MLYNARCZYK & CO., INC       | FL    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | ELECTRONIC CABLE SPECIALISTS     | WI    | 300,000,000            | 2,153                      | 0.00    |
| PMA              | ESSEX INDUSTRIES INC             | MO    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | FLEXFAB DIVISION                 | MI    | 300,000,000            | 2,153                      | 0.00    |
| PMA              | FLIGHT DYNAMICS                  | OR    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | FRANKLIN AIRCRAFT ENGINES, INC   | CO    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | HELI-TECH                        | OR    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | HYDRAFLOW                        | CA    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | INTERNATIONAL AERO INC           | WA    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | JAY-DEE AIRCRAFT SUPPLY CO., INC | CA    | 3,750,000              | 2,153                      | 0.06    |
| PMA              | JORMAC, INC.                     | FL    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | KEITH PRODUCTS, L.P              | TX    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | KING AIRE, INC                   | KS    | 250,000                | 2,153                      | 0.86    |
| PMA              | LTA AVIATION, INC                | NY    | 250,000                | 2,153                      | 0.86    |
| PMA              | MAGNETIC SEAL CORP               | RI    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | MED-FLITE OF MIDAMERICA, INC     | KS    | 250,000                | 2,153                      | 0.86    |
| PMA              | MILLENNIUM CONCEPTS, INC         | KS    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | MILMAN ENGINEERING INC           | WA    | 250,000                | 2,153                      | 0.86    |
| PMA              | NASERA CORPORATION               | NC    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | NORDAM TEXAS                     | TX    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | NORTHEAST AERO COMPRESSOR CORP   | NY    | 3,750,000              | 2,153                      | 0.06    |
| PMA              | OTTO ENGINEERING INC             | IL    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | PACIFIC PRECISION PRODUCTS       | CA    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | PARAVION TECHNOLOGY INC          | CO    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | PETERSON'S PERFORMANCE PLUS      | KS    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | PLASTIC MOLDED PRODUCTS          | WA    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | PRECISION PATTERN INC            | KS    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | QED, INC                         | CA    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | RALMARK COMPANY                  | PA    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | RAY'S AIRCRAFT SERVICE           | CA    | 750,000                | 2,153                      | 0.29    |
| PMA              | ROTOR DYNAMICS AMERICAS, INC     | TX    | 250,000                | 2,153                      | 0.86    |
| PMA              | SAINT GOBAIN PERFORMANCE PLASTIC | WA    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | SEAL DYNAMICS, INC               | NY    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | SENSOR SYSTEMS L.L.C             | FL    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | SKYBOLT AEROMOTIVE CORP          | FL    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | SKYLIGHT AVIONICS CO             | CA    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | SPECTRUM AEROMED, INC            | MN    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | STEIN SEAL                       | PA    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | STERLING AVIATION TECHNOLOGIES   | WA    | 1,750,000              | 2,153                      | 0.12    |
| PMA              | TANIS AIRCRAFT SERVICES, INC     | MN    | 750,000                | 2,153                      | 0.29    |
| PMA              | TEXAS AIR STAR, INC.             | TX    | 750,000                | 2,153                      | 0.29    |
| PMA              | THORNTON TECHNOLOGY CORP         | CA    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | UMPCO, INC                       | CA    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | VALCOR ENGINEERING               | NJ    | 35,000,000             | 2,153                      | 0.01    |
| PMA              | VARGA ENTERPRISES, INC           | AZ    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | WECO AEROSPACE SYSTEMS, INC      | CA    | 15,000,000             | 2,153                      | 0.01    |
| PMA              | WENDON COMPANY, INC              | CT    | 7,500,000              | 2,153                      | 0.03    |
| PMA              | WINDSOR AIRMOTIVE                | CT    | 15,000,000             | 2,153                      | 0.01    |
| TSOA             | AERO TWIN, INCORPORATED          | AK    | 3,750,000              | 7,342                      | 0.20    |
| TSOA             | AIRCRAFT BELTS INC               | TX    | 35,000,000             | 7,342                      | 0.02    |
| TSOA             | AIRPATH INSTR. CO                | MO    | 3,750,000              | 7,342                      | 0.20    |
| TSOA             | AVIONICS INNOVATIONS             | CA    | 750,000                | 7,342                      | 0.98    |
| TSOA             | BURL'S AIRCRAFT REBUILD          | AK    | 1,750,000              | 7,342                      | 0.42    |
| TSOA             | CASTLE INDUSTRIES, INC           | CA    | 75,000,000             | 7,342                      | 0.01    |

## APPENDIX F.—ECONOMIC IMPACT ON A REPRESENTATIVE SAMPLE OF SMALL BUSINESSES—Continued

| Production basis | Manufacturer                                                    | State   | Revenues (avg est.) | Annualized cost of rule | Percent |
|------------------|-----------------------------------------------------------------|---------|---------------------|-------------------------|---------|
| TSOA .....       | DIAMOND J , INC .....                                           | KS ...  | 3,750,000           | 7,342                   | 0.20    |
| TSOA .....       | ESSEX INDUSTRIES INC .....                                      | MO ..   | 7,500,000           | 7,342                   | 0.10    |
| TSOA .....       | GLOBE MOTORS INTERNATIONAL LOGISTICS SUPPORT CORP. (ILSC) ..... | AL ...  | 75,000,000          | 7,342                   | 0.01    |
| TSOA .....       | .....                                                           | AZ ...  | 1,750,000           | 7,342                   | 0.42    |
| TSOA .....       | KOLLSMAN INC .....                                              | NH ..   | 750,000             | 7,342                   | 0.98    |
| TSOA .....       | KOSOLA & ASSOCIATES .....                                       | GA ..   | 3,750,000           | 7,342                   | 0.20    |
| TSOA .....       | NORTH AMERICAN AERODYNAMICS .....                               | NC ..   | 15,000,000          | 7,342                   | 0.05    |
| TSOA .....       | PHAOSTRON INSTRUMENTS & ELEC. CO .....                          | CA ...  | 15,000,000          | 7,342                   | 0.05    |
| TSOA .....       | R.A. MILLER INDUSTRIES INC .....                                | MI .... | 15,000,000          | 7,342                   | 0.05    |
| TSOA .....       | SATCO, INC .....                                                | CA ...  | 75,000,000          | 7,342                   | 0.01    |
| TSOA .....       | SIGMA TEK, INC .....                                            | KS ...  | 35,000,000          | 7,342                   | 0.02    |
| TSOA .....       | SOUTHWEST PRODUCTS COMPANY .....                                | CA ...  | 15,000,000          | 7,342                   | 0.05    |
| TSOA .....       | VISION MICROSYSTEMS .....                                       | WA ..   | 1,750,000           | 7,342                   | 0.42    |

Issued in Washington, DC on February 8, 2007.

**Pamela Hamilton-Powell,**

*Director, Office of Rulemaking.*

[FR Doc. E7-2537 Filed 2-13-07; 8:45 am]

BILLING CODE 4910-13-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2007-27152; Directorate Identifier 2006-NM-219-AD]

RIN 2120-AA64

#### Airworthiness Directives; McDonnell Douglas Model 717-200 Airplanes

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

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

**SUMMARY:** The FAA proposes to adopt a new airworthiness directive (AD) for certain McDonnell Douglas Model 717-200 airplanes. This proposed AD would require installing a certain junction(s) and changing the wiring of the first officer's pitot static heater system. This proposed AD results from a report of temporary loss of the auto-flight function with displays of suspect or erratic airspeed indications. We are proposing this AD to prevent display of suspect or erratic airspeed indications during heavy rain conditions, which could reduce the ability of the flightcrew to maintain the safe flight and landing of the airplane.

**DATES:** We must receive comments on this proposed AD by April 2, 2007.

**ADDRESSES:** Use one of the following addresses 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.

• *Fax:* (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.

Contact Boeing Commercial Airplanes, Long Beach Division, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Data and Service Management, Dept. C1-L5A (D800-0024), for the service information identified in this proposed AD.

**FOR FURTHER INFORMATION CONTACT:** Dan Bui, Aerospace Engineer, Systems and Equipment Branch, ANM-130L, FAA, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California 90712-4137; telephone (562) 627-5339; fax (562) 627-5210.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

We invite you to submit any relevant written data, views, or arguments regarding this proposed AD. Send your comments to an address listed in the **ADDRESSES** section. Include the docket number "FAA-2007-27152; Directorate Identifier 2006-NM-219-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments received by the closing date

and may amend the proposed AD in light of those 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 AD. Using the search function of that Web site, anyone can find and read the comments in 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.). You may review 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>.

#### Examining the Docket

You may examine the AD docket on the Internet at <http://dms.dot.gov>, or in person at the Docket Management Facility office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Management Facility office (telephone (800) 647-5227) is located on the plaza level of the Nassif Building at the DOT street address stated in the **ADDRESSES** section. Comments will be available in the AD docket shortly after the Docket Management System receives them.

#### Discussion

We have received a report of temporary loss of the auto-flight function with displays of suspect or erratic airspeed indications on a McDonnell Douglas Model 717-200 airplane during climb-out in very heavy rain. The suspect or erratic indications were consistent with loss of air data sensor heating caused by ice build-up on unheated captain's, first officer's, and auxiliary's pitot sensors. In