

processes that use a credit score for mortgage purchases.

(3) *Impact on Enterprise operations and risk management, and impact on industry.* The Enterprise Business Assessment must evaluate the impact using the credit score model would have on Enterprise operations (including any impact on purchase eligibility criteria and loan pricing) and risk management (including counterparty risk management) in accordance with standards and requirements related to prudential management and operations and governance set forth at parts 1236 and 1239 of this chapter. This evaluation must consider whether the benefits of using credit scores produced by that model can reasonably be expected to exceed the adoption and ongoing costs of using such credit scores, considering projected benefits and costs to the Enterprises. The Enterprise Business Assessment must evaluate the impact of using the credit score model on industry operations and mortgage market liquidity, including costs associated with implementation of a newly approved credit score. This evaluation must consider whether the benefits of using credit scores produced by that model can reasonably be expected to exceed the adoption and ongoing costs of using such credit scores, considering projected benefits and costs to the Enterprises and borrowers, including market liquidity and cost and availability of credit.

(4) *Competitive effects.* The Enterprise Business Assessment must evaluate whether using the credit score model could have an impact on competition in the industry. This evaluation must consider whether use of a credit score model could have an impact on competition due to any ownership or other business relationship between the credit score model developer and any other institution.

(5) *Third-Party Vendor Review.* The Enterprise Business Assessment must evaluate the credit score model developer under the Enterprise standards for approval of third-party service providers.

(6) *Other requirements.* An Enterprise may establish requirements for the Enterprise Business Assessment in addition to the criteria established by FHFA.

(c) *Timing of Enterprise Business Assessment.* The Enterprise Business Assessment must be completed within 240 days.

(d) *Enterprise Business Assessment Determination.* If an Enterprise approves an application for a credit score model, the Enterprise must implement the credit score model in its mortgage

purchase systems that use a credit score for mortgage purchases.

§ 1254.9 Enterprise actions on applications.

(a) *Types of actions.* An Enterprise must approve or disapprove each application.

(b) *Approval of a credit score model.* An Enterprise may approve an application upon completion of the Enterprise Business Assessment. An Enterprise must notify the applicant and the public of the approval of an application.

(c) *Disapproval of a credit score model.* An Enterprise may disapprove an application at any time during the validation and approval process based on any of the criteria identified in the Credit Score Solicitation. If an Enterprise disapproves an application at any time, the Enterprise must provide written notice to the applicant within 30 days of the disapproval determination, and the notice must provide a description of the reasons for disapproval.

(d) *Prior notice to FHFA.* An Enterprise must notify FHFA of any decision to approve or disapprove an application at least 45 days prior to an Enterprise's notification to an applicant or the public of its decision.

§ 1254.10 Withdrawal of application.

At any time during the validation and approval process, an applicant may withdraw its application by notifying an Enterprise. The Enterprise may, in its sole discretion, determine whether to return any portion of the application fee paid by the applicant.

§ 1254.11 Pilots.

(a) *Pilots permitted.* An Enterprise may undertake pilots or testing initiatives for a credit score model. If a pilot or testing initiative involves the use of a credit score model not in current use by the Enterprises, that credit score model is not required to be approved under this part.

(b) *Prior notice to FHFA.* Before commencing a pilot or testing initiative, an Enterprise must submit the pilot or testing initiative to FHFA for review and approval. The Enterprise's submission must include a complete and specific description of the pilot or testing initiative, including its purpose. FHFA may impose such terms, conditions, or limitations on the pilot or testing initiative as FHFA determines to be appropriate.

Dated: December 12, 2018.

Melvin L. Watt,

Director, Federal Housing Finance Agency.

[FR Doc. 2018–27565 Filed 12–20–18; 8:45 am]

BILLING CODE 8070–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2018–1046; Product Identifier 2018–CE–049–AD]

RIN 2120–AA64

Airworthiness Directives; Piper Aircraft, Inc. Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to adopt a new airworthiness directive (AD) for certain Piper Aircraft, Inc. (Piper) Model PA–28–140, PA–28–150, PA–28–151, PA–28–160, PA–28–161, PA–28–180, PA–28–181, PA–28–235, PA–28R–180, PA–28R–200, PA–28R–201, PA–28R–201T, PA–28RT–201, PA–28RT–201T, PA–32–260, and PA–32–300 airplanes. This proposed AD was prompted by a report of a fatigue crack found in a visually inaccessible area of the lower main wing spar cap. This proposed AD would require calculating the factored service hours for each main wing spar to determine when an inspection is required, inspecting the lower main wing spar bolt holes for cracks, and replacing any cracked main wing spar. We are proposing this AD to address the unsafe condition on these products.

DATES: We must receive comments on this proposed AD by February 4, 2019.

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

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

- *Fax:* 202–493–2251.

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

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

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–2018–1046; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the regulatory evaluation, any comments received, and other information. The street address for Docket Operations (phone: 800–647–5527) is listed above. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Dan McCully, Aerospace Engineer, Atlanta ACO Branch, FAA, 1701 Columbia Avenue, College Park, Georgia 30337; phone: (404) 474–5548; fax: (404) 474–5605; email: william.mccully@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under the **ADDRESSES** section. Include “Docket No. FAA–2018–1046; Product Identifier 2018–CE–049–AD” at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this NPRM. We will consider all comments received by the closing date and may amend this NPRM because of those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this NPRM.

Discussion

We received a report of a fatigue crack found in the lower main wing spar cap on a Piper Model PA–28R–201 airplane. An investigation revealed that repeated high-load operating conditions accelerated the fatigue crack growth in the lower main wing spar cap. In addition, because of the structural configuration of the wing assembly, the cracked area was inaccessible for a visual inspection. Model PA–28–140,

PA–28–150, PA–28–151, PA–28–160, PA–28–161, PA–28–180, PA–28–181, PA–28–235, PA–28R–180, PA–28R–200, PA–28R–201T, PA–28RT–201, PA–28RT–201T, PA–32–260, and PA–32–300 airplanes have similar wing spar structures as the Model PA–28R–201.

Airplanes used in training and other high-load environments are typically operated for hire and have inspection programs that require 100-hour inspections. We determined the number of 100-hour inspections an airplane has undergone is the best indicator of the airplane’s usage history. Using the criteria in FAA Advisory Circular AC 23–13A, “Fatigue, Fail-Safe, and Damage Tolerance Evaluation of Metallic Structure for Normal, Utility, Acrobatic, and Commuter Category Airplanes,” which you can find at http://rgl.faa.gov/Regulatory_and_Guidance_Library/rgAdvisoryCircular.nsf/MainFrame?OpenFrameset, we developed a factored service hours formula based on the number of 100-hour inspections completed on the airplane. A review of the airplane maintenance records to determine the airplane’s usage and the application of the factored service hours formula will identify when an airplane meets the criteria for the proposed eddy current inspection of the lower main wing spar bolt holes.

Only an airplane with a main wing spar that has a factored service life of 5,000 hours, has had either main wing spar replaced with a serviceable main wing spar (more than zero hours TIS), or has airplane maintenance records that are missing or incomplete, must have the eddy current inspection.

This condition, if not addressed, could result in the wing separating from the fuselage in flight.

Related Service Information

We reviewed Piper Aircraft Corporation Service Bulletin No. 886, dated June 8, 1988, and The New Piper Aircraft, Inc. Service Bulletin No. 978A, dated August 6, 1999. These service bulletins contain procedures for determining initial and repetitive

inspection times based on the aircraft’s usage and visually inspecting the wing lower spar caps and the upper wing skin adjacent to the fuselage and forward of each main spar for cracks. We also reviewed Piper Aircraft Corporation Service Letter No. 997, dated May 14, 1987. This service letter contains procedures for replacing airplane wings.

FAA’s Determination

We are proposing this AD because we evaluated all the relevant information and determined the unsafe condition described previously is likely to exist or develop in other products of the same type design.

Proposed AD Requirements

This proposed AD would require reviewing the airplane maintenance records to determine the number of 100-hour inspections completed on each installed main wing spar and using the number of 100-hour inspections to calculate the factored service hours for each main wing spar. This proposed AD would also require inspecting the lower main wing spar bolt holes for cracks once a main wing spar exceeds the specified factored service hours and replacing any main wing spar when a crack is indicated. This proposed AD would only apply when an airplane has either accumulated 5,000 or more hours time-in-service (TIS); has had either main wing spar replaced with a serviceable main wing spar (more than zero hours TIS); or has missing and/or incomplete maintenance records.

Interim Action

We consider this proposed AD interim action. The inspection reports will provide us additional data for determining the cause of the cracking. After analyzing the data, we may take further rulemaking action.

Costs of Compliance

We estimate that this proposed AD affects 19,696 airplanes of U.S. registry.

We estimate the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Review airplane maintenance records and calculate factored service hours.	2 work-hours × \$85 per hour = \$170	Not applicable	\$170	\$3,348,320

We estimate the following costs to do the eddy current inspection. Because some airplanes are only used non-

commercially and will not accumulate the specified factored service hours in the life of the airplane, we have no way

of determining the number of airplanes that might need this inspection:

ON-CONDITION COSTS

Action	Labor cost	Parts cost	Cost per product
Inspect the lower main wing spar and replace the attach nuts and bolts.	1.5 work-hours × \$85 per hour = \$127.50 per wing spar.	\$20	\$147.50 per wing spar.
Report inspection results to the FAA	1 work-hour × \$85 = \$85	N/A	\$85.

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

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

determining the number of aircraft that might need this replacement:

ON-CONDITION REPLACEMENT COSTS

Action	Labor cost	Parts cost	Cost per product
Replace main wing spar	32 work-hours × \$85 per hour = \$2,720 per wing spar	\$5,540	\$8,260 per wing spar.

Paperwork Reduction Act

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

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency's authority.

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.

This AD is issued in accordance with authority delegated by the Executive Director, Aircraft Certification Service, as authorized by FAA Order 8000.51C. In accordance with that order, issuance of ADs is normally a function of the Compliance and Airworthiness Division, but during this transition period, the Executive Director has delegated the authority to issue ADs applicable to small airplanes, gliders, balloons, airships, domestic business jet transport airplanes, and associated appliances to the Director of the Policy and Innovation Division.

Regulatory Findings

We determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify this proposed regulation:

- (1) Is not a "significant regulatory action" under Executive Order 12866,
- (2) Is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979),
- (3) Will not affect intrastate aviation in Alaska, and
- (4) Will not have a significant economic impact, positive or negative, on a substantial number of small entities

under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

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

The Proposed Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

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

§ 39.13 [Amended]

- 2. The FAA amends § 39.13 by adding the following new airworthiness directive (AD):

Piper Aircraft, Inc.: Docket No. FAA-2018-1046; Product Identifier 2018-CE-049-AD.

(a) Comments Due Date

We must receive comments by February 4, 2019.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Piper Aircraft, Inc. airplanes, certificated in any category, with a model and serial number shown in Table 1 to paragraph (c) of this AD, and that meet at least one of the criteria in paragraphs (c)(1), (2), or (3) of this AD.

(1) Has accumulated 5,000 or more hours time-in-service (TIS); or

(2) Has had either main wing spar replaced with a serviceable main wing spar (more than zero hours TIS); or

(3) Has missing and/or incomplete maintenance records.

Table 1 to paragraph (c) of this AD

Model	Serial Numbers
PA-28-140	All serial numbers
PA-28-150	All serial numbers
PA-28-151	All serial numbers
PA-28-160	All serial numbers
PA-28-161	All serial numbers
PA-28-180	All serial numbers
PA-28-181	All serial numbers
PA-28-235	All serial numbers
PA-28R-180	All serial numbers
PA-28R-200	All serial numbers
PA-28R-201	All serial numbers except 2844029, 2844030, 2844081, 2844125, 2844135, 2844136, 28R-7737078, 28R-7737142, 28R-7837108, 28R-7837125, and 28R-7837257
PA-28R-201T	All serial numbers
PA-28RT-201	All serial numbers
PA-28RT-201T	All serial numbers
PA-32-260	All serial numbers
PA-32-300	Serial numbers 32-40000 through 32-7840202

BILLING CODE 4910-13-C**(d) Subject**

Joint Aircraft System Component (JASC)/
Air Transport Association (ATA) of America
Code 57, Wings.

(e) Unsafe Condition

This AD was prompted by a report of a fatigue crack found in a visually inaccessible area of the lower main wing spar cap. We are issuing this AD to detect and correct fatigue cracks in the lower main wing spar cap bolt holes. The unsafe condition, if not addressed, could result in the wing separating from the fuselage in flight.

(f) Compliance

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

(g) Review Airplane Maintenance Records and Calculate Factored Service Hours for Each Main Wing Spar

(1) Within 30 days after the effective date of this AD, review the airplane maintenance records and determine the number of 100-hour inspections completed on the airplane since new and any record of wing spar replacement(s).

(i) If a main wing spar has been replaced with a new (zero hour TIS) main wing spar, count the number of 100-hour inspections from the time of installation of the new main wing spar.

(ii) If either main wing spar has been replaced with a serviceable main wing spar (more than zero hours TIS) or the airplane maintenance records are missing or incomplete, the factored service hours cannot be determined. Perform the eddy current inspection as specified in paragraph (h) of this AD.

(2) Before further flight after completing the action in paragraph (g)(1) of this AD, calculate the factored service hours for each main wing spar using the following formula: $(N \times 100) + [T - (N \times 100)] / 17 = \text{Factored Service Hours}$, where N is the number of 100-hour inspections and T is the total hours TIS of the airplane. Thereafter, after each annual inspection and 100-hour TIS inspection, recalculate the factored service hours for each main wing spar until the main wing spar has accumulated 5,000 or more factored service hours.

(3) *An example of determining factored service hours for an airplane with no 100-hour inspections is as follows:* The airplane maintenance records show that the airplane has a total of 12,100 hours TIS, and only annual inspections have been done. Both main wing spars are original factory installed. In this case, N = 0 and T = 12,100. Use those values in the formula as follows:

$(0 \times 100) + [12,100 - (0 \times 100)]/17 = 711$ factored service hours on each main wing spar.

(4) *An example of determining factored service hours for an airplane with both 100-hour and annual inspections is as follows:* The airplane was originally flown for personal use, then for training for a period of time, then returned to personal use. The airplane maintenance records show that the airplane has a total of 5,600 hours TIS, and nineteen 100-hour inspections have been done. Both main wing spars are original factory installed. In this case, $N = 19$ and $T = 5,600$. Use those values in the formula as follows: $(19 \times 100) + [5,600 - (19 \times 100)]/17 = (1,900 + 218) = 2,118$ factored service hours on each main wing spar.

(h) Eddy Current Inspect

Within the compliance time specified in paragraph (h)(1) or (2) of this AD, eddy current inspect the inner surface of each bolt hole on the lower main wing spar cap for cracks by using the procedure in appendix 1 of this AD.

(1) Within 100 hours TIS after complying with paragraph (g) of this AD or within 100 hours TIS after a main wing spar accumulates 5,000 factored service hours, whichever occurs later; or

(2) For airplanes with an unknown number of factored service hours on a main wing spar, within the next 100 hours TIS after the effective date of this AD or within 60 days after the effective date of this AD, whichever occurs later.

(i) Replace the Main Wing Spar

If a crack is found during an inspection required in paragraph (h) of this AD, before

further flight, replace the main wing spar with a new (zero hours TIS) main wing spar or with a main wing spar that has been inspected as specified in appendix 1 of this AD and no cracks were found.

(j) Report Inspection Results

Within 30 days after completing an inspection required in paragraph (h) of this AD, using Appendix 2, "Inspection Results Form," of this AD, report the inspection results to the FAA at the Atlanta ACO Branch. Submit the report to the FAA using the contact information found in appendix 2 of this AD.

(k) Special Flight Permit

A special flight permit may only be issued to operate the airplane to a location where the inspection requirement of paragraph (h) of this AD can be performed. This AD prohibits a special flight permit if the inspection reveals a crack in a main wing spar.

(l) Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 2120-0056. Public reporting for this collection of information is estimated to be approximately 1 hour per response, including the time for reviewing instructions, searching existing data sources,

gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177-1524.

(m) Alternative Methods of Compliance (AMOCs)

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

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

(n) Related Information

For more information about this AD, contact Dan McCully, Aerospace Engineer, Atlanta ACO Branch, FAA, 1701 Columbia Avenue, College Park, Georgia 30337; phone: (404) 474-5548; fax: (404) 474-5605; email: william.mccully@faa.gov.

BILLING CODE 4910-13-C

Appendix 1 to this AD

Eddy Current Inspection Procedure**A. Equipment****1. Equipment Requirements**

- (i) Equipment used must provide impedance plane diagrams.
- (ii) Probes may be either absolute or differential coil configurations.
- (iii) For manual bolt hole probing: use probe collars at an increment of every 1/64 inch to ensure the uniform depth of rotation and to aid in reducing lift-off effects.
- (iv) Automated scanning systems may be used.
- (v) Bolt hole probes must match as closely as possible, but not exceed, the bolt hole diameter. Split core probes may be expanded to a maximum of 0.050 inch beyond the probe's nominal diameter (in accordance with on the probe manufacturer's instructions). The fill factor must be 80 percent minimum.
- (vi) A right angle (90 degree) surface probe may be used for further detail indication, if needed.

2. Equipment Examples

The following optional inspection equipment has been shown to be adequate to conduct this procedure and is provided as examples only. Other equipment meeting the requirements in A.1. may be used.

- (i) Nortec 500D Series Portable Eddy Current Flaw Detector – Olympus
- (ii) Bolt hole probe, 0.375 inch with 0.062 inch shielded coil – Olympus
- (iii) Right angle (90 degree) surface probe with 0.062 inch shielded coil – Olympus
- (iv) Calibration standard (NIST traceable) for bolt holes and surface: Air Force General Purpose Eddy Current Standard
 - (a) Bolt hole: 0.030 x 0.030 inch corner notch, 0.030 inch radial notch
 - (b) Surface: 2024-T3: 0.008, 0.020, and 0.040 inch depth EDM notches
 - (c) Frequency 300 KHz, EDM notch set at five (5) divisions screen height

B. Reference Standard

- (1) Use a reference standard of the same conductivity 2024 T-3 within +/-15% IACs. It must have electrical discharge machining (EDM) notches for simulating defects as calibration references.
- (2) The surface finish must be 63 RHR or better.
- (3) The reference standard must have a corner notch size of 0.030 x 0.030 inch (screen set at minimum of three divisions vertical with a phase signal of between 45 and 120 degrees separation from the horizontal liftoff).
- (4) Use a frequency between 100 and 500 kHz.

(5) The calibration must be checked in the beginning and end and every 30 minutes of inspections.

C. Personnel Qualifications

Personnel doing the eddy current inspection must have NAS 410 Level II or Level III certification.

D. Material Required

NOTE: Hardware part numbers and torque values are contained in the Aircraft Maintenance Manual and Illustrated Parts Catalogue for the specific airplane model.

For each wing inspected:

- (1) Two (2) wing to spar attach bolts
- (2) Two (2) wing to spar attach nuts
- (3) Two (2) wing to spar attach washers
- (4) Cleaning cloth
- (5) Isopropyl alcohol or mineral spirits

E. Conduct Inspection

For each wing to be inspected:

(1) Locate the two (2) lower outboard main spar attach bolts, as shown in Figure 1 of Appendix 1, installed on the lower cap of the main spar, on the forward and aft sides of the spar web.

CAUTION: The interior surface of the bolts holes can be easily damaged during bolt removal and installation. Do not drive out spar to fuselage attach bolts.

(2) Clean the inspection surfaces using a cloth dampened with isopropyl alcohol or mineral spirits.

(3) Use eddy current surface and bolt hole examinations to detect surface and shallow subsurface cracking and discontinuities on the left and right lower outboard spar bolt holes. Use SAE ARP4402, "Eddy Current Inspection of Open Fastener Holes in Aluminum Aircraft Structure," or another FAA-approved eddy current inspection method to do these inspections.

F. Accept/Reject Criteria

A crack or crack-like indication with an amplitude equal to or greater than 50 percent of the reference level signal must be rejected and documented. Such an amplitude reading indicates that the spar does not meet type design.

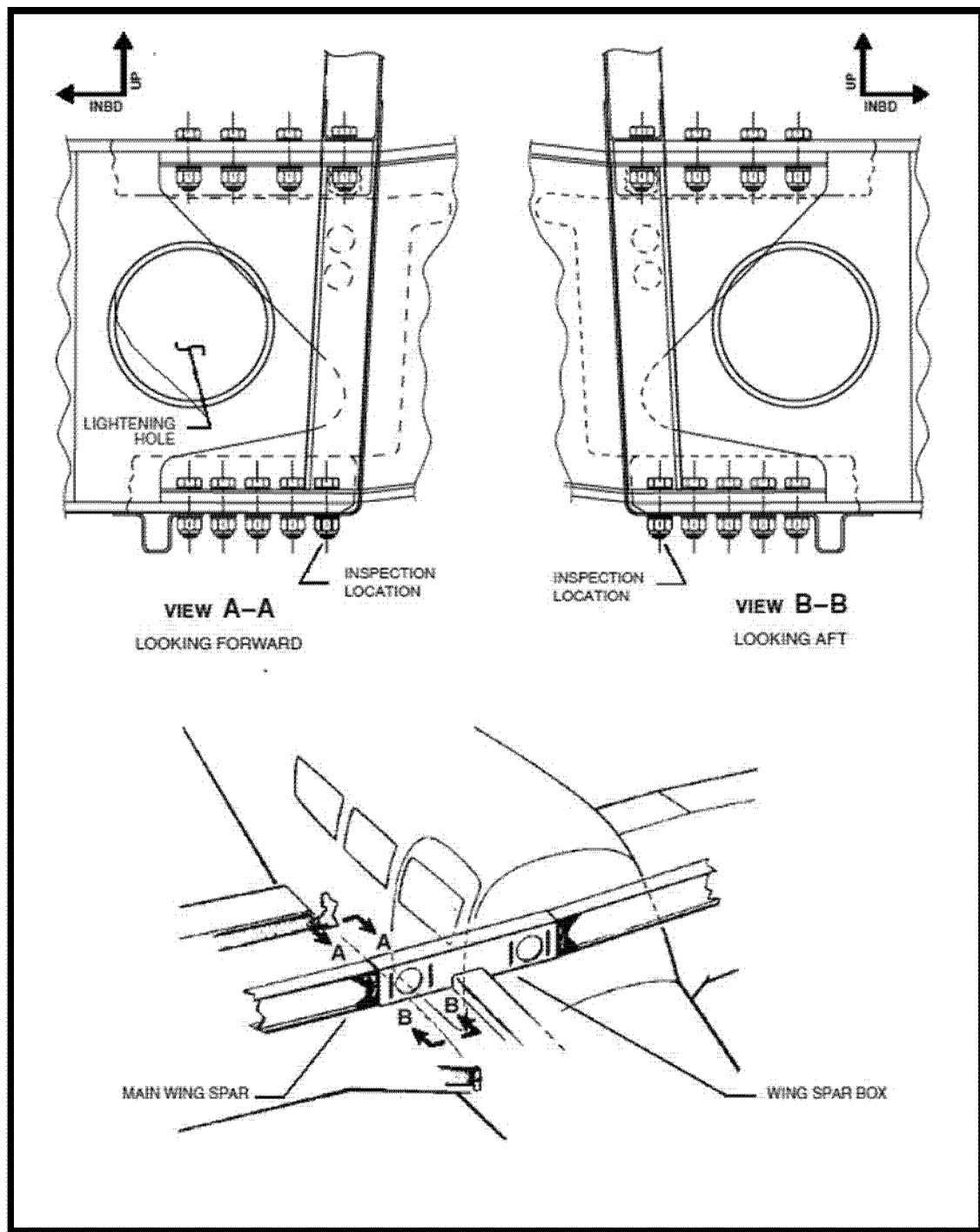


Figure 1. Main Spar Attach Bolt Locations (RH Side Shown)

Appendix 2 to this AD
Inspection Results Form

Email completed form to:
9-ASO-ATLCOS-Reporting@faa.gov
 SUBJECT line : Docket No. FAA-2018-1046

Or mail to: Federal Aviation Administration
 Atlanta ACO Branch, AIR-7A1
 1701 Columbia Avenue
 College Park, GA 30337

Include photos if applicable

Aircraft Model No.: PA-	Serial Number:
Aircraft Total Hours Time-In-Service (TIS):	Registration Number:
Factored Flight Hours Left-Hand (LH) Wing:	Right-Hand (RH) Wing:
(If both wings are factory installed original, these number should be the same)	
Inspection Results	
LH Wing Spar Fwd Accepted ☐ Rejected ☐	RH Wing Spar Fwd Accepted ☐ Rejected ☐
LH Wing Spar Aft Accepted ☐ Rejected ☐	RH Wing Spar Aft Accepted ☐ Rejected ☐
Inspector Comments	

Inspector Information

Name (print): _____ Signature: _____

Certificate No.: _____ Date: _____

BILLING CODE 4910-13-P

Issued in Kansas City, Missouri, on December 7, 2018.

Melvin J. Johnson,

Aircraft Certification Service, Deputy Director, Policy and Innovation Division, AIR-601.

[FR Doc. 2018-27577 Filed 12-20-18; 8:45 am]

BILLING CODE 4910-13-P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 210, 230, 239, 240, 243, and 249

[Release No. 33-10588; 34-84842; File No. S7-26-18]

Request for Comment on Earnings Releases and Quarterly Reports

AGENCY: Securities and Exchange Commission.

ACTION: Request for comment.

SUMMARY: The Commission is requesting public comment on how we can enhance, or at a minimum maintain, the investor protection attributes of periodic disclosures while reducing administrative and other burdens on reporting companies associated with quarterly reporting. We are specifically requesting public comment on the nature and timing of the disclosures that reporting companies are required to provide in their quarterly reports filed on Form 10-Q, including when the disclosure requirements overlap with disclosures these companies voluntarily provide to the public in the form of an earnings release furnished on Form 8-K. We are interested in exploring ways to promote efficiency in periodic reporting by reducing unnecessary duplication in the information that reporting companies disclose and how such changes could affect capital formation, while enhancing, or at a minimum maintaining, appropriate investor protection. We also are requesting public comment on whether our rules should provide reporting companies, or certain classes of reporting companies, with flexibility as to the frequency of their periodic reporting. In addition, we are seeking comment on how the existing periodic reporting system, earnings releases, and earnings guidance, standing alone or in combination with other factors, may affect corporate decision making and strategic thinking—positively or negatively—including whether these factors foster an inefficient outlook among registrants and market participants by focusing on short-term

results, sometimes referred to as “short-termism.”

DATES: Comments should be received by March 21, 2019.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<http://www.sec.gov/rules/other.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number S7-26-18 in the subject line.

Paper Comments

- Send paper comments to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number S7-26-18. This file number should be included in the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s website (<http://www.sec.gov/rules/other.shtml>). Comments also are available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make publicly available.

FOR FURTHER INFORMATION CONTACT:

Courtney L. Lindsay, Attorney-Adviser, or Lilyanna L. Peyser, Special Counsel at (202) 551-3430, Division of Corporation Finance, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Background

Overview of Quarterly Reporting

In addition to annual and current reports, companies subject to the periodic reporting requirements under the Securities Exchange Act of 1934 (“Exchange Act”), other than foreign private issuers, must file quarterly reports¹ on Form 10-Q,² which include interim financial statements³ and other

disclosure items.⁴ Form 10-Q is often forward incorporated by reference into certain registration statements under the Securities Act of 1933 (“Securities Act”), thereby avoiding unnecessary duplication of information about an issuer’s recent financial results and material business developments that was previously filed and remains available electronically on EDGAR.⁵ This forward incorporation helps reduce the time and costs associated with frequent updating of a registration statement to reflect such developments. A company’s Form 10-Q must comply with the requirements of Sections 13(a) or 15(d) of the Exchange Act, as applicable, and is subject to liability under Sections 10(b) and 18 of the Exchange Act and Rule 10b-5 thereunder.⁶ In addition, in certain circumstances, including in the offer and sale of securities, reporting companies, affiliates, and underwriters may be subject to liability for their

⁴ Form 10-Q also requires a management’s discussion and analysis of financial condition and results of operations (“Management’s Discussion and Analysis”), along with disclosures on quantitative and qualitative market risk, company disclosure controls and procedures, legal proceedings, material changes to previously disclosed risk factors, unregistered sales of equity securities and the use of proceeds from such sales, defaults upon senior securities, mine safety disclosures, and any information required to be disclosed in a report on Form 8-K during the period covered by the relevant 10-Q that was not reported.

⁵ See 17 CFR 230.415 (“Rule 415”), Item 12(a) of Part I of Form S-1 [17 CFR 239.11], and Item 12(a) of Part I of Form S-3 [17 CFR 239.13]. All documents, not just a Form 10-Q, subsequently filed pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act may be forward incorporated by reference on Form S-3. Smaller reporting companies may forward incorporate by reference on Form S-1 all documents subsequently filed pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act.

⁶ 15 U.S.C. 78m; 15 U.S.C. 78o; 15 U.S.C. 78r; 15 U.S.C. 78j(b); and 17 CFR 240.10b-5. General Instruction F.1. of Form 10-Q states that pursuant to Rule 13a-13(d) [17 CFR 240.13a-13(d)] and Rule 15d-13(d) [17 CFR 240.15d-13(d)], the information presented to satisfy the requirements of Part I Items 1, 2 and 3 shall not be deemed filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, but shall be subject to other provisions of the Exchange Act. Further, companies must submit their Form 10-Q financial statement disclosures in the eXtensible Business Reporting Language (“XBRL”) format, and these XBRL structured financial statement disclosures are subject to the same disclosure liability. See 17 CFR 229.601(b)(101) (“Item 601(b)(101) of Regulation S-K”). The Commission recently adopted amendments requiring Inline XBRL, a newer XBRL technology, with phased compliance dates depending on filer status: Large accelerated filers and accelerated filers that prepare their financial statements in accordance with U.S. GAAP must comply with the requirements for fiscal periods ending on or after June 15, 2019 and June 15, 2020, respectively; all other filers must comply with the requirements for fiscal periods ending on or after June 15, 2021. See SEC Release No. 33-10514 (Sept. 17, 2018).

¹ See 17 CFR 240.13a-13 and 17 CFR 240.15d-13.

² 17 CFR 249.308a.

³ See 17 CFR 210.8-03 (“Rule 8-03”) and 17 CFR 210.10-01 (“Rule 10-01”).